



EU AND UK DOMESTIC ADVISORY GROUPS TO THE EU-UK TRADE AND COOPERATION AGREEMENT



Joint Statement

Introduction

2024 presents a unique opportunity to reset the EU-UK relationship following elections in the EU and the UK. This impetus should be used to strengthen our trade and investment relationship and wider opportunities for co-operation for the benefit of business, workers and citizens in the EU and the UK.

As major trading partners and like-minded allies, the relationship between the EU and UK is crucial as we face joint challenges posed by increasing geopolitical conflict, climate breakdown, and the need for economic security with the rise in wider tensions threatening the global multilateral trading system. We also recognise the needs of the green and digital transitions for capital investment, skills and securing a just transition while preserving competitiveness.

The EU and UK Domestic Advisory Groups (DAGs) commend the progress that has already been made with achievements such as the Windsor Framework (the legal agreement between UK and EU which significantly changes the operation of the Northern Ireland Protocol in the flow of goods trade to/from Northern Ireland, Great Britain and the EU), the signing of the Memorandum of Understanding on Financial Services and the UK joining the Horizon Europe and Copernicus programmes.

The DAGs encourage the positive engagement between the EU and UK governments on the successful implementation of the Trade and Cooperation Agreement (TCA). As the official civil society body overseeing the TCA, continued engagement of both parties with the EU and UK DAGs is indispensable in this endeavour.

Looking ahead at the upcoming review of the TCA, we would like to highlight the major challenges faced by business, workers and citizens and to urge the EU and UK political and government institutions to focus on the following areas for improvement of the relationship.

1. Improve regulatory co-operation between the EU and UK

As the TCA allows for largely tariff free trade between the EU and UK, enhanced cooperation on non-tariff barriers provides the biggest opportunity to improve bilateral trade relations. While the EU and UK pursue their respective regulatory agendas, divergence can sometimes pose a threat to the free flow of goods and services. As such, regulatory cooperation is essential to avoid any unintended consequences.

In this regard, the DAGs highlight the need to fully operationalise the Technical Barriers to Trade provisions in the TCA and enable market surveillance authorities to jointly protect consumers from unsafe products.

We take note of the UK Government's commitment to enter into negotiations with the EU on a Veterinary and Sanitary and Phytosanitary (Vet/SPS) agreement in order to reduce barriers in agri-food trade. As like-minded partners, the EU and the UK have a unique opportunity to cooperate on animal welfare, plant health and contribute to fighting common challenges such as the rise of antimicrobial resistance, spread of zoonotic diseases and biodiversity loss. We would strongly encourage them to engage in meaningful stakeholder consultation so that any such agreement takes into account the interests of all sectors.

Regulatory cooperation is equally a necessity in other areas such as in the regulation of the digital economy, the safe use of emerging technologies such as artificial intelligence and in the realm of data protection. Cross-border data flows between the EU and UK are vital to trade and economic relations. The DAGs therefore call on both parties to maintain data protection standards under the EU and UK General Data Protection legal frameworks. The DAGs also stress the importance of renewing the EU data adequacy decision with the aim of securing a more long-term arrangement. Moreover, the parties should continue to cooperate on data protection and privacy.

The UK's continued participation in the European standardisation system and the common use and adoption across Europe of over 23,000 voluntary European standards, provides a firm basis to support closer EU-UK regulatory cooperation in areas as diverse as climate change, cyber-security or space policy. European standards are fully aligned with the wider international standards system, which underpin global trade and support the development and commercialisation of new technologies. They also support regulation and public policy measures in jurisdictions across Europe including the EU, its member states and the UK.

Furthermore, the DAGs encourage maintaining regulatory cooperation on chemicals. The DAGs would welcome establishing the disclosure of data between relevant competent authorities in the UK and the EU according to REACH Article 120, in order to assess chemicals from a comparable and consistent data set, while committing to ensuring the highest chemical and protection standards.

2. Address mobility challenges for businesses and citizens

The renewed political impetus following the 2024 elections should allow for bi-lateral engagement on the mutual benefits of enhanced mobility for businesses and citizens. The DAGs call on both sides to consider prioritising an agreement on youth mobility to allow young people greater opportunities to study and work in the EU and UK. Moreover, the DAGs would welcome further discussions on association to Erasmus+ to support mutual learning and experiences for university, college and apprenticeship students as well as civil society organisations. The DAGs would also welcome the UK rejoining Creative Europe to support cultural exchange and the European Solidarity Corps.

The DAGs strongly encourage further agreements to reduce barriers to trade in services by enhancing the mobility of professionals. For example, the current UK visa sponsorship scheme for employers can notably make it more costly for UK based entities to hire EU service suppliers. The DAGs would urge reform of the scheme to allow for greater mobility and fairer competition between EU and UK contract service suppliers. Furthermore, the inability of UK business and leisure travellers to access border e-gates in EU member states (when EU citizens have unfettered access to e-gates upon entering the UK) causes unnecessary friction, particularly for UK service providers operating in the EU.

The list of permitted activities for EU business visitors to the UK and UK business visitors to the EU should be clarified and expanded. The EU and UK specifically committed to reviewing these activities “with a view to agreeing to possible improvements in their mutual interest” under Article 126 of the TCA. Facilitating business travels would provide improved accessibility for professional mobility thereby assisting with wider objectives of boosting growth and trade, and improving future collaborative arrangements between the EU and UK.

Furthermore, the TCA chapter on the Mode 4 category of contractual service suppliers and independent professionals does not cover artists and cultural professionals. There is a need for flexibility for travel arrangements in this group, including artists and associated technical support staff to be able to travel visa-free for more than 90 in 180 days, and an exemption for organisations transporting material carried under an ATA carnet. This includes an exemption from cabotage regulations for the stage, sound, lighting equipment and any physical infrastructure, including instruments required to facilitate a performance.

There should also be an allowance for visas to be renewable subject to ongoing employment. The DAGs support the extension of this to land-based maritime transport workers and shipping executives working in short-sea, high frequency UK-EU maritime routes (e.g. France, Belgium, Netherlands, Denmark, Spain) who need to travel very frequently (often on the ships themselves) to EU-member state seaports for shipping operational reasons. Clarity on the

conditions for a review of the schedule of commitments for services under the TCA would also be welcomed.

3. Uphold level playing field and international commitments

Building on level playing field provisions in the TCA should be a priority for the parties in order to ensure high-level standards for social and labour rights, environmental, climate and animal welfare protection, and a framework for subsidy control, all while preserving fair competition between the EU and UK firms.

The DAGs would welcome clarification and engagement on the status of proposals for employment tribunal fees, changes to collective consultation rights (TUPE), rolled-up holiday pay and recording of working hours, to ensure level playing field obligations in the TCA and International Labour Organisation conventions are upheld. The EU and UK DAG recognise commitments made by both parties in the TCA to respect, promote and effectively implement internationally recognised core labour standards, including freedom of association and the effective recognition of the right to collective bargaining. The effective monitoring and application of these commitments is essential to good industrial relations.

The DAGs stress the unique situation of Northern Ireland and the challenges that consumers, businesses and workers face. In considering policy actions that may have an impact on level playing field commitments, it is important that future policy considerations are consistent with the commitment in the Withdrawal Agreement and Windsor Framework (Article 2(1)) to the non-diminution of rights, safeguards and equality of opportunity in Northern Ireland.

The DAGs are aware of potential implications for Article 2(1) of the ongoing legal proceedings being continued by the UK Government arising from the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023. Both DAGs will continue to carefully monitor these proceedings as they develop and will seek to engage with the UK Government to further understand its intentions.

4. Ensure pragmatic implementation of the UK's Border Target Operating Model (BTOM) and the EU's Entry/Exit Scheme (ESS)

Limiting disruptions to EU-UK trade at the border requires constructive engagement and information sharing between customs authorities around the introduction of new obligations. This includes the development of the UK's BTOM (for the transit of goods) and the EU's EES for non-EU citizens travelling to most EU countries. These require a gradual, flexible and pragmatic approach to ensure that travellers, economic operators and port infrastructure are ready to adapt to the new requirements without causing excessive delays and complications.

The smooth implementation of the UK BTOM from October 2024 (its final stage) is a priority to minimise the effect on trade and supply chains, while at the same time continuing the

operational smoothness required to maintain a high standard of food and human health protection that initial phases of the UK BTOM introduced.

Similarly, both the EU EES and the UK's Electronic Travel Authorisation (ETA) scheme must be implemented in a way that minimises disruption to hauliers and business travellers providing services. Disruptions related to the EES could be reduced by conducting awareness campaigns targeting transport operators, carriers and other logistics and travel infrastructure providers. Transitory measures to be put in place in the first months of operation, and end-to-end testing ahead of the launch date would be key to confirm expected transaction times and make final changes or corrections if necessary. The UK also needs to be involved in testing of the EU EES mobile application which will enable the pre-collection of some passenger registration data to occur away from the border to ensure the least possible disruption to travel (person mobility and goods transit) and to passengers' experience. Timely communication from the EU and the UK Government for businesses on both sides of the Channel about possible delays to the implementation of the EES must be given, with appreciation for the need for traders and their freight forwarders or hauliers and carriers to communicate clearly their obligations at the border.

5. Advance the Mutual Recognition Agenda

As like-minded partners, the EU and the UK have the unique opportunity to advance the mutual recognition agenda in industrial sectors (e.g. pharmaceutical on the batch testing of medicines, conformity assessment of medical devices), on Conformity Assessment and Professional Qualifications.

Mutual recognition agreements (MRAs) are an important tool to achieve the dual objective of regulatory adherence and reducing trading costs. The inclusion of provisions in Free Trade Agreements (FTAs) that incentivise the conclusion of MRAs, for instance on professional qualifications, or their negotiation as stand-alone arrangements, helps overcome known and emerging regulatory aspects impacting trade flows. The DAGs encourage the parties to explore all possibilities to conclude agreements on recognition of professional qualifications.

In the future where the EU and UK look to boost cooperation in sectors of mutual benefit and interest, trade in goods will be an integral part of how that economic cooperation will be achieved. The EU and UK should look at arrangements for an MRA on conformity assessment if appropriate.

6. Foster greater collaboration on the climate and energy agenda

As the world faces the unprecedented challenges posed by the climate crisis, and the EU and the UK pursue the shared goal of transitioning to net zero, cooperation on both environmental policies and meeting energy needs emerges as a major priority. Cooperation in international fora is important to achieve these goals. This is particularly important at this moment given the

pending expiration of some Titles of the TCA in 2026. As foreseen in the TCA, the DAGs urge the parties to seriously consider options for pursuing linkage of the EU and UK Emissions Trading Schemes (ETS). Alongside an open discussion on ETS linkage, both parties should consider the potential options for linkage, alignment and/or mutual recognition of the EU and UK carbon border adjustment mechanisms.

The EU and the UK should cooperate over their respective legislation that has an impact on trade (e.g. deforestation, corporate sustainability due diligence) and more widely on jobs and skills. Both sides should provide clarity to businesses on how to comply. It is particularly important that both sides take into consideration the unique situation of Northern Ireland (for example, the presence of the Single Electricity Market on the island of Ireland) when considering these issues. Cooperation on energy security of supply is vital, including collaboration between the UK and the North Sea Energy Cooperation (NSEC) on offshore wind development and the benefits of green hydrogen energy.

Further work is also required on the design and implementation of alternative electricity trading arrangements. It is vital that both parties agree shared guidance on Cathode Active Material (CAM) for the purpose of electric vehicle and battery rules of origin as a matter of urgency as set out within the TCA. Concerning cooperation on the development of sustainable offshore wind, this should include protecting existing marine industries and ensuring no negative impacts on them.

7. Address challenges of the Windsor Framework

Whilst the DAGs welcomed the Windsor Framework, paving the way for restoration of power-sharing in Northern Ireland, challenges remain in its implementation which has an impact on business, workers and citizens. Businesses are concerned that full awareness of consumers and business, particularly in Great Britain, on the imminent introduction of further trade flow commitments incorporated in the Windsor Framework will be a challenge for the scheduled introduction in the autumn. There is an urgent need to ensure that awareness campaigns and operational contingency plans are in place to protect GB-NI trade flows. This is particularly the case in respect of parcel movements, customs and administrative compliance requirements, including anti-dumping duty and on the impact of the next tranche of “Not for EU” labelling.

In relation to veterinary medicines, the deadline for the grace period protecting these products expires in December 2025. With no indication of an imminent solution, this is putting access to veterinary medicines in Northern Ireland at material risk. An agreement on veterinary medicines, similar to that agreed for human medicines, is especially important to assure the long-term availability of veterinary medicines in Northern Ireland.

The DAGs would also like to ensure cooperation between the EU and the UK, so that the new EU safety and security declarations regime (known as Import Control System ICS2) for GB-NI

trade facilitates smooth and uninterrupted trade for maritime carriers, especially those facilitating road shipments.

8. Improve dialogue between the Specialised Committees and the DAGs

The DAGs welcome the engagement that has been shown by the parties in advance of trade and specialised meetings. We welcome the formation of the Working Groups (including Medicinal Products, Motor Vehicles & Parts, and Organics), and urge both sides to fully use these to promote closer sector and technical regulatory cooperation. The DAGs call for the trade and specialised committees to invite DAG members to the meetings to ensure oversight on the issues raised by civil society and to present issues stakeholders are facing in relation to TCA implementation. Additionally, the EU-UK Parliamentary Partnership Assembly should resume its work as soon as possible with the elections to the European Parliament and the UK Parliament now complete. The parties should maximise opportunities for engagement with the EU and UK DAGs as well as engagement with devolved legislatures.

Conclusion

The TCA's 2026 review provides a key opportunity to focus on the main areas of future improvement in the EU-UK relationship. These areas include the coordination of regulatory approaches, mutual recognition, better mobility arrangements and broadening permitted activities under business mobility, reviewing of the schedule of commitments for services under the TCA, the development of co-ordinated SPS systems, increased data sharing between parties, the linking of the EU and UK emissions trading systems, and maintaining and building on level playing field commitments. Discussion on these issues should also take place outside of the review process.

In anticipation of the outcomes of the 2026 review, we look forward to renewed collaboration between the EU and UK to deepen and modernise our strong trade and investment relationship.

Brussels, 19 September 2024