

# Meeting of the UK TCA Domestic Advisory Group

## 26 April 2024

### List of organisations present:

- ADS Group Ltd
- Agricultural Industries Confederation (AIC)
- Association of the British Pharmaceutical Industry
- Bar Council of England & Wales
- British Beer and Pub Association
- British Chambers of Commerce
- British Ports Association
- British Standards Institution
- Chemical Business Association
- Chemical Industries Association
- Confederation of British Industry (CBI)
- E3G
- Energy UK
- Federation of Small Businesses (FSB)
- Food and Drink Federation (FDF)
- Green Alliance
- Law Society of England and Wales
- LIVE (Live music Industry Venues & Entertainment)
- Logistics UK
- Make UK
- National Council for Voluntary Organisations
- National Farmers' Union
- NHS Confederation
- Northern Ireland Committee - Irish Congress of Trade Unions
- Prospect
- Prosper
- Scotch Whisky Association
- Scottish Council for Voluntary Organisations
- Scottish Fishermen's Federation
- Society of Motor Manufacturers and Traders
- techUK
- The Business Services Association (BSA)
- TheCityUK
- Trades Union Congress (TUC)
- UK Chamber of Shipping
- UK Music
- UKFinance
- Unison

- Unite the Union
- Wales Council for Voluntary Action

### **Agenda:**

1. Introduction from DAG chair and adoption of February minutes
2. Session with guest speaker Nick Thomas-Symonds MP
3. Specialised Committees update and agendas consultation
4. DAG review and DAG work plan

### **Introduction from DAG chair and adoption of February minutes:**

1. The DAG chair Sean McGuire welcomed everyone to the meeting and communicated the agenda to members. He also thanked the Scotch Whisky Association for providing the venue. He welcomed the observers and guests attending and allowed them to introduce themselves. He said that the DAG allows for inviting observers and guests beyond the membership. The DAG chair stated the February minutes were formally adopted, after there were no comments from members.
2. On the publication of the DAG Priorities Report, he praised members, and thanked subgroup convenors for their efforts. He stated that it was good that the report was in a place that all members were comfortable with, and that it had been sent to the Minister for Europe, and shadow minister without portfolio Nick Thomas-Symonds MP. He said that it would be sent to devolved governments, other key stakeholders in government, and the EU. He stated that members should share with their networks and EU counterparts, and that it was important to highlight the report in a year of political uncertainty with a lot of elections.
3. A member asked if the chair expected a full reply from the minister. The DAG chair replied that he had invited the Minister for Europe to address the DAG, but she had been unable to attend, and he would follow up with her so that she could attend a future meeting. He stated that now the report had been published, members had to work out how to promote it. He said it would be key in ongoing engagement with the Parliamentary Partnership Assembly (PPA) and the EU Domestic Advisory Group (EU DAG). He stated after conversations with the EU DAG chair, engagement would be harder as the UK was not as high a priority for the EU, and the report could be a catalyst for making the UK's case. He closed the introduction by stating he was interested in hearing from members what the role of the subgroups would be going forward, and what members saw as the key issues. He highlighted mobility, regulatory cooperation, and level playing field as key ongoing issues.

## **Session with guest speaker Nick Thomas-Symonds MP:**

4. The DAG Chair passed to guest speaker Nick Thomas-Symonds MP, shadow minister without portfolio. He thanked the DAG for the invitation and stated that he looked forward to reading the DAG report in detail. He laid out opportunities to maximise the implementation of the TCA and further areas for cooperation with the EU. He then invited DAG members to raise points and answered questions.

### **5. Points raised:**

- Members raised the EU draft proposal on Youth Mobility and noted Erasmus Plus being a demand of young people.
- Members highlighted that mobility was not the same as immigration and asked for his views on short-term business visitors. One member highlighted the self-employed Bar's request to reduce the TCA Independent Professional post-qualification requirement to 3 years which would assist junior members of the profession in pursuing fee-earning work.
- Members raised concern over the implementation of the Border Target Operating Model (BTOM) and commented on its potential to distort the markets and breach trade arrangements. A member also raised concern on the upcoming implementation of Entry Exit System (EES). Another member reiterated the urgency of a veterinary agreement.
- A member welcomed the commencement of the working group on Medicinal Products and pointed to this as a mechanism for the government to explore bilateral agreements that reduce duplicative requirements.
- A member raised the issue Mutual Recognition of Professional Qualifications (MRPQ), and maximising other parts of the TCA such as harnessing green technology.
- Members asked how the most could be made of UK association to Horizon Europe.
- Members raised Level Playing Field commitments, and the importance of keeping up with the EU's standards on workers' rights. Another member raised Windsor Framework commitments on the non-diminution of rights in Northern Ireland and the need to 'keep pace' with developments in EU law in certain areas and asked how the implementation of these commitments would be supported.
- A member stated that linkage to EU Emissions Trading System (ETS) would be beneficial, and asked how early a priority an arrangement on ETS and CBAM would be.
- Members raised the importance of the services sector and said that a new relationship with the EU had to build upon the TCA. They noted the MoU on Financial Services (FS) which led to the establishment of the Joint EU-UK Financial Regulatory Forum had been a positive step. However, they

stated that this took place within the context of the EU's Open Strategic Autonomy agenda in financial services.

6. The DAG chair thanked Nick Thomas-Symonds MP and closed the session for a short break.

### **Specialised Committees update and agendas consultation:**

7. The DAG chair Sean McGuire welcomed everyone back and stated that the conversation with Nick Thomas-Symonds MP highlighted the variety of issues and opportunities going forward. The chair then handed over Danny Langley of the Foreign, Commonwealth, and Development Office (FCDO) to give an update on the progress of the Specialised Committees (SCs).
8. Danny Langley introduced himself as the Deputy Head of the Economic and Trade Partnership Department, EU Directorate, FCDO, and introduced his colleague Bea Williams, Team Leader, TCA Governance, EU Directorate, FCDO. He stated that it was useful to get feedback from DAG members on TCA structures, and that the DAG report was great timing ahead of the SC season. He then passed over to Bea Williams who stated that she oversaw governance of the TCA including the Partnership Council (PC), chaired by the Foreign Secretary. She said that the government wanted to maximise the TCA committees, collaborate with the EU, and after three seasons of SCs they were used to the structures. She stated that last year there had been more strategic discussions on issues such as supply chains, as well as concrete progress on implementation issues such as TBT working groups. She indicated that the PC would likely be in May. Likely PC agenda topics would include energy (specifically, security of supply, trade of electricity interconnectors, removing barriers to renewables in the North Sea), as well as live trade issues such as seed potatoes and cloud services. She then passed back over to Danny Langley who stated that conversations outside SCs were as important as the SCs themselves, and that they should be used to their full potential. He noted further areas of potential interest for discussion, including how the UK and EU were responding to common challenges such as economic security and the green economy. He said that the government would study the DAG report very closely and was interested to see what issues members would want raised at the SCs. He closed by confirming that his team would work with the DAG secretariat to report back on SC progress later in the year.
9. **Points raised:**
  - **PC Timing:** Members stated that UK/EU relations were important, and political diaries should not delay the PC from happening. It was added that the DAG needed to elevate pressure on the UK Government to achieve

this (though FCDO provided further assurances that the PC would be meeting in near future).

- **SC Engagement:** A member said that UK official engagement on the SCs had been exemplary, but asked what the UK's awareness of EU priorities was, and how the agenda would be agreed. Another member said that the SCs needed to be more regular and should have involved civil society more.
- **Elections:** A member raised the EU Elections and asked how this may impact the agenda and priorities of the SCs.
- **Divergence:** A member asked how the new single market rules in the Letta report would affect the TCA and how divergence was being monitored.
- **Financial Services:** A member said that a key focus of the EU-UK Financial Regulatory Forum was the sharing of information between the UK and EU financial services authorities. A member stated that there was a lot of interest within the EU about the UK's regulatory reform agenda in financial services, and they raised the possibility of future, ad-hoc groups under the Forum once the new European Commission had been established. Another member then stated that industry had continued to call for authorities beyond those currently represented on the Forum (HM Treasury and DG FISMA) to be able to participate in it in the future.
- **Legal Services:** A member said that it would be good if the practicing of legal services in Greece was raised, and that progress on certain TCA provisions was slow. They stated that non-compliant member states needed to be held to account.
- **Fisheries:** A member noted the UK Fisheries Act, and its application across devolved jurisdictions, and explained its similarities to the Common Fisheries Policy regarding sustainability and environmental protection. They stated the way in which these aims were approached was different to the CFP, and that this was not landing well with the EU, and asked how the UK Government would approach this.
- **Data Protection Bill:** A member asked how the UK was to get an effective dialogue with the EU on the bill. Another member stated that the EU delegation had raised concerns on the ability of the Secretary of State to issue directions that the information director would have to follow, and divergence from the EU GDPR system. They stated that the UK needed to reassure the EU that the bill won't compromise the UK's data adequacy agreement with the EU.
- **Level Playing Field:** A member asked how the UK and EU could have a Level Playing Field in environmental protections without the Common Agricultural Policy, due to the different levels of funding for farmers. They also mentioned the divergence of environmental policy.
- **Energy:** Members welcomed the focus on energy in the PC. One asked how progress could be made in the area, as key priorities for business included ETS and CBAM. Another member asked about considerations to more efficient interconnectors and raised concern about the 2026 deadline

for the energy title. A member also asked if Norway was part of dialogue on energy.

- **Deforestation:** A member commented on UK and EU deforestation policy and asked how Northern Ireland would be affected by the different approaches.

#### 10. The UK Government responded:

- There was to be a PC in the near future. Both sides were prioritising an in-person meeting, rather than virtual which makes securing a date harder, but the government assured more information would be provided shortly. The PC and SCs were an important platform but were only one part of the conversation. Dialogue outside meetings was as important. Prior to the Windsor Framework this had been more difficult, but now progress had been made. PC and SC agendas were agreed mutually by the UK and EU. The government confirmed that the DAG report was useful and would be looked at closely and taken into consideration. Most of the SCs were to take place in October, so the European Elections would have concluded. Both sides were focussed on full implementation of the TCA, and looking for better opportunities for regulatory cooperation, so elections would have little impact.
- On the UK approach to chemicals and fisheries, as well as divergence generally, the government noted that it did not agree with the underlying suggestion from the EU at times when raising these issues that the UK should not do anything differently. On Level Playing Field, this was a very complicated topic, but it was important to keep in mind that in the TCA context the Level Playing Field was more about labour, environmental standards etc rather than wider issues such as the relative cost of inputs.
- On energy, the government confirmed that it remained open to discussions on ETS linkage, but there had not yet been any decisions on the UK's preferred international linking partners. The government was of course aware of the 2026 deadline on the energy title, and the government noted the mutual benefit in energy cooperation, and desire to maximise the title. This included the setting up of a security of supply working group.
- On working groups, the government noted that the TBT working group on medicinal products had now met but stated that the groups would not solve issues immediately and would be a foundation to build on.
- On GDPR, the government noted that even accounting for proposed changes no third country would have laws in place as similar to the EU GDPR as the UK.
- The government confirmed there were various conversations on energy co-operation, some of which were in fora including Norway (e.g. NSEC). They stated that implementation of the TCA obligations on the provision of legal services in Greece is being frequently raised with the EU including outside of the formal TCA meetings. The government noted the point on deforestation and said it was happy to pick it up outside of the meeting.

## **DAG review and DAG work plan:**

11. The DAG chair stated that there was a lot of content in the DAG priorities report, and a lot of engagement that was to be done in light of the report. He then passed over to Dunstan Hadley, Deputy Director in the EU Directorate, FCDO to update on the DAG membership review.
12. Dunstan Hadley stated that the DAG Executive Council had a fixed term and would be re-elected at the end of that year. A review of the DAG membership was to coincide with that. He said that the principal aim was to get additional expertise around the table, and to ensure that any gaps in geographical or sectoral representation were corrected. He referred to when the first expression of Interest was reopened to get more representation from Northern Ireland. He confirmed that the government did not want current members to have to do a full application to reapply, but they could email to reconfirm. He said that the process would begin the following week and be open for 8 weeks. He then passed back to the DAG chair who opened a discussion on the DAG future work plan.

### **13. Points raised:**

- A member stated that the DAG needed to continue to function independently, the review should not prevent the DAG from operating, and that more seats for regional and sectoral trade union representatives on the DAG would be beneficial.
- Members raised the idea of a joint UK-EU DAG report, as a mechanism to work together on common priorities such as mobility, but acknowledged this would not be completed before the Civil Society Forum.
- A member stated that the DAG should push for a government response to the UK DAG report and should request a political conference with the UK and EU twice a year.
- A member noted that DAG subgroups had played a vital role in facilitation of the DAG report, and that the role of the groups had to be expanded. Another member noted that not all subgroups should necessarily be automatically extended beyond their one-year mandate without debate and highlighted the need for the formation of a Trade in Services subgroup. They stated that there was no natural home for services issues (other than mobility) in the current subgroups.
- Another member expressed disappointment on the UK Government pushing back on the EU Youth Mobility Scheme proposal, conceding that poor timing of the proposal could be a key factor.
- Members stated that the government should provide resourcing for organisations to participate in the DAG going forward. One member stated that without funding, it would be hard for many civil society organisations to engage with the DAG subgroups going forward.

#### 14. The chairs concluded:

- Vice-chair Irene Oldfather praised the DAG report, saying that the members needed to take it forward and campaign on the issues. She stated that despite starting behind the EU DAG, the UK DAG was now ahead.
- Vice-chair Steve Turner thanked everyone for their effort and contribution in putting together the report and said that the DAG needed to build upon it and get solutions to some of issues outlined in it. He stated that additional issues would arise, including issues of convergence or alignment with the EU. He said that the UK DAG structures were working well, but the subgroups would need to be looked at and possibly changed. He added that subgroups were a good way to bring in expertise from non-members, and have their input, as well as being open to all DAG members on a voluntary basis. He acknowledged that the UK DAG had done more work but stated that when the UK DAG and EU DAG speak with one voice it is beneficial to both, and speaking at the CSF as one body was important. He concluded that momentum needed to be created in the UK-EU relationships beyond changes of government, and a joint UK-EU DAG report would be good to look at joint priorities.
- Chair Sean McGuire agreed that the timing of the EU's Youth Mobility Scheme was unfortunate but that the situation could evolve after the elections. He then said that the DAG needed to push to get results from the UK association to Horizon Europe. He said that it had been good to get the report out, explaining that not every issue was a priority for every organisation, and that it was an important base for the future work programme. He stated that all members needed to promote the report. He said that joint UK and EU DAG working was important and highlighted that there would be a virtual meeting for both DAGs in May, and an in-person joint DAG meeting on 4 July, ahead of the CSF. He said that there would be a new Commission, and a UK General Election later in the year, and that he was interested in members' ideas of where the DAG should focus. He said that the subgroups would need to be looked at and agreed with the possibility of a services subgroup and invited the re-submission of the related proposal. He added that mobility and regulatory cooperation were still important themes. He closed by stating that a possibly joint UK/EU DAG report at the end of 2024 would be timely in setting the tone of the discussions ahead of a TCA review. but that both sides needed to realistic and pragmatic. He then closed the meeting.