

EXPLANATORY MEMORANDUM ON A UK/EU TRADE AND COOPERATION AGREEMENT GOVERNANCE DOCUMENT

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DECISION No 2/2025 OF THE PARTNERSHIP COUNCIL ESTABLISHED BY THE TRADE AND COOPERATION AGREEMENT BETWEEN THE EUROPEAN UNION AND THE EUROPEAN ATOMIC ENERGY COMMUNITY, OF THE ONE PART, AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, OF THE OTHER PART of 19 June 2025 issuing an interpretation of Article 331(2) and extending the application of Part Two, Heading One, Title VIII on energy, of the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part

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JOINT DECLARATION 1/2025 OF THE UNION AND THE UNITED KINGDOM IN THE PARTNERSHIP COUNCIL ESTABLISHED BY THE TRADE AND COOPERATION AGREEMENT BETWEEN THE EUROPEAN UNION AND THE EUROPEAN ATOMIC ENERGY COMMUNITY, OF THE ONE PART, AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, OF THE OTHER PART of 19 June 2025 on Energy

Submitted by Cabinet Office, 14 July 2025

SUBJECT MATTER

1. As set out in the Common Understanding which was agreed at the UK-EU Summit on 19 May 2025, the UK and EU agreed to extend energy cooperation on a continuous basis as part of the package of measures; this was formalised by a Partnership Council (PC) decision.
2. As set out in Joint Declaration 1/2025 of the Union and the United Kingdom in the Partnership Council, the EU and the UK stated their shared political understanding that those objectives set out in TCA Part Two, Heading One, Title VIII on energy should be pursued on a continuous basis and that it would be appropriate to extend the application of Title VIII.
3. On 19 June 2025, the UK and the EU adopted, via Decision [2]/2025 of the Partnership Council, (i) the interpretation of Article 331(2) of the TCA, and (ii) the extension of the application of Title VIII (Energy) of the TCA to 31 March 2027.

SCRUTINY HISTORY

4. This is the first time that this decision will have been subject to scrutiny, though several previous PC decisions have been subject to examination by the Committee. The substance and scope of the PC decision has been scrutinised in Parliament as part of the UK-EU Summit wider package.

MINISTERIAL RESPONSIBILITY

5. The Minister for the Constitution and European Union Relations is responsible for the UK-EU relationship and is co-chair of the Partnership Council.
6. The Secretary of State for the Department for Energy Security and Net Zero has responsibility for the implementation of Title VIII (Energy) of the TCA.

INTEREST OF THE DEVOLVED GOVERNMENTS

7. Title VIII (Energy) of the TCA and its associated annexes are reserved. Devolved Governments have nonetheless been consulted on the preparation of this explanatory memorandum.
8. The Devolved Governments are consulted regularly on the UK's approach to matters arising from the implementation of the TCA.

LEGAL AND PROCEDURAL ISSUES

9. **Legal Base:** The legal base for the PC to issue an interpretation of Article 331(2) of the TCA is Article 519(b) of the TCA. The legal basis for the PC to extend the application of Title VIII (Energy) of the TCA is Article 331(2) and Article 7(4)(c) of the TCA.
10. **Timetable for adoption and implementation:** The PC Decision was adopted by written procedure on 19 June 2025. The Decision will enter into force on 1 July 2026. The extension of the application of Title VIII (Energy) of the TCA will take effect on 1 July 2026.

POLICY IMPLICATIONS

11. Article 331 of the TCA makes provision for the termination, and potential extension, of Title VIII (Energy) of the TCA. According to Article 331(1), Title VIII (Energy) will cease to apply on 30 June 2026. Article 331(2) gives the PC the ability to extend the application of Title VIII (Energy) until 31 March 2027, with the possibility of subsequent annual extensions also foreseen.

12. The extension of the application of Title VIII (Energy) does not constitute a substantive change to the negotiated Title VIII (Energy) of the TCA, which will continue to govern the UK-EU relationship on energy.
13. The PC decision and political declaration has made clear our shared political understanding that the Energy Title should be extended on a continuous basis through successive decisions of the Partnership Council and will provide much needed certainty to businesses about the rules that apply to trade and investment between the UK and the EU for energy.

CONSULTATION

No external consultation has been necessary on this matter.

FINANCIAL IMPLICATIONS

There are no financial implications for the UK.

A handwritten signature in black ink, appearing to read 'Nick Thomas-Symonds', is positioned above the printed name.

**RT HON NICK THOMAS-SYMONDS MP
MINISTER FOR THE CABINET OFFICE (MINISTER FOR THE CONSTITUTION
AND EUROPEAN UNION RELATIONS)**