

Meeting of the UK TCA Domestic Advisory Group 27 January 2026

Agenda:

1. Welcome from the Executive Council
2. The Common Understanding and Update on Negotiations
3. TCA Implementation
4. Future DAG input into UK-EU relations/Summit

Welcome from Executive Council:

1. DAG chair Mike Clancy welcomed everyone to the meeting and noted that the majority of the time would be spent covering three core agenda items. He informed members that Danny Langley had stepped in for Niall Macentee-Creighton. Regarding the minutes shared in advance, he noted a late amendment concerning batteries and rules of origin (p.5) and invited further corrections.
 - A member (p.6, 14) emphasised the need for precise language regarding dynamic alignment in relation to chemicals. The DAG Secretariat offered suggested language; Mike Clancy proposed that this amendment be finalised via email rather than in the meeting.
 - Pamela Vera also indicated she would be seeking an amendment. Mike suggested that the minutes be formally cleared via email subsequently.
2. Mike then passed over to Dunstan Hadley, Deputy Director, Strategic Communications and Engagement, EU Relations Secretariat, Cabinet Office, Giles Hall, Deputy Director, Justice and Home Affairs, EU Relations Secretariat, Cabinet Office, and Danny Langley, Deputy Head, EU Economic and Trade Partnership Team, EU Relations Secretariat, Cabinet Office.

The Common Understanding and Update on Negotiations:

3. Dunstan Hadley opened by welcoming the group and noting a positive end to the previous year, specifically citing progress on Erasmus and the Joint Statement between MCO and Šefčovič, and electricity talks moving to a more meaningful phase.
 - **Negotiations update:** Dunstan noted that Danny and Giles would lead on specific negotiation updates. He emphasised that the government needed to start ramping up preparation for implementation once deals are finalised, and placed specific focus on the Sanitary and Phytosanitary (SPS) Agreement and the need for DEFRA to engage stakeholders on understanding impact, timeframes, and business readiness.

- **Legislative Outlook:** He stated that a 'powers bill' is expected to be put through Parliament this year, noting that it will be a slim bill designed to set out how dynamic alignment will function.
- **Made in Europe:** Dunstan emphasised that work continues at pace on addressing the EU's Made in Europe strategy. He explained this was a priority within the government.
- **Upcoming events:** Dunstan noted that preparations are also underway for the next UK-EU Summit to sign off on core agreements (SPS, ETS, YMS). He flagged that the Partnership Council (co-chaired by MCO and Maros Šefčovič) will meet on 2nd February, coinciding with separate bilateral meetings between UK Ministers, Šefčovič and Commissioner Dombrovskis in London.

4. Danny Langley provided a summary on the economic and trade aspects of negotiations:

- **Negotiations:** He stated that horizontal table negotiations are ongoing, with a focus on cross-cutting issues including dynamic alignment and 'decision-shaping'. He noted the importance of having a structured mechanism to feed UK views into the EU's policy-making process.
- **SPS & ETS Update:** Danny agreed with Dunstan that the goal is to finalise negotiations for SPS and ETS by the next UK-EU Summit. He confirmed that SPS talks have been constructive and are moving in a positive direction. The UK has been working with the European Commission on adaptations to EU rules to ensure SPS legislation makes sense in the specific context of Great Britain. On ETS, Danny noted the UK is in the process of technical negotiations to ensure effective linking of both schemes. There are ongoing discussions on what degree of alignment is necessary. He emphasised that ETS is intended to provide a mutual exemption from CBAM, which remains a key driver for the UK.
- **Transitional Arrangements:** Danny stated whilst the government wants SPS and ETS in place as soon as possible, it wants to ensure that UK industry can adequately prepare for the agreements. He emphasised its recognition of the lead times required for aspects of the legislation and that specific sectors will need to do more work than others. Danny echoed Dunstan's suggestion that stakeholders should be doing as much engagement with DEFRA as possible. He asked that members flag to the Government if they feel this isn't happening, and we will facilitate greater engagement.
- **Electricity:** Danny updated that talks are progressing to a different timeframe, with exploratory talks only finishing in December. He highlighted that the EU requires a mandate through the European Council, which will take time, but the goal remains efficient participation in internal EU energy markets.
- **Forward look:** He reiterated the Government's commitment to taking forward wider Summit conclusions. For example, making progress on the mutual recognition of professional qualifications, with work ongoing to establish a dedicated dialogue.

5. Giles Hall updated the group on Justice and Home Affairs:

- **Erasmus:** Giles reiterated the good progress made before Christmas, with an agreement reached. It is now moving through the EU Council process and the Special Committee, with the DfE working on domestic implementation.
- **Youth Mobility:** Giles reiterated that both sides are committed, but that significant challenges remain, including participant numbers, permitted activities, and home fee status. He noted that home fee status was not part of the agreement achieved at the previous UK-EU Summit. He emphasised that the UK is keen to avoid complex sets of rules for young people. Giles highlighted that the UK was very positive and committed to a youth mobility scheme but that these conceptual differences need to be addressed, which would require creativity on the EU side to resolve.

6. Points raised:

- **Summit Timing:** A member asked for clarity on the next summit.
- **Professional Qualifications:** A member asked whether the dialogue on the recognition of professional qualifications would be sector-specific.
- **Space Policy:** A member asked if the new EU Space Act would be fed into the Common Understanding or TCA. Giles confirmed that it is possible to look at items to be part of the next UK-EU Summit that weren't part of the existing work programme, and that the EU Space Act could be considered. He asked the member to contact him to discuss further.
- **Alignment:** A member reported that they had tried to engage with DESNZ to discuss the degree of alignment expected, but it has not been clear. They asked what level of alignment is expected for ETS and expressed their surprise at the administrative burden that ETS seemed to place on businesses. The member also asked how dynamic alignment will work post-linkage.
- **SPS Bill:** A member sought clarity on the legislative process for the SPS Agreement, asking whether a specific SPS bill would follow the high-level powers bill. The member also asked how much technical detail would be available post-negotiation, and whether the removal of checks would be staged or immediate.
- **ETS and CBAM:** A member welcomed the positive progress on ETS negotiations and the ambition to conclude talks by the next UK-EU Summit. They inquired whether the anticipated exemption from the CBAM would take effect immediately upon agreement or if a significant delay was expected, urging the Government to push for an expedited timeline.
- **Scope of Bill:** A member inquired whether the forthcoming powers bill would possess the capacity to incorporate additional sectoral agreements beyond those currently prioritised, such as ETS or SPS measures, or if further primary legislation would be required. They also sought clarity on whether the bill would be introduced prior to the King's Speech.
- **Devolved administrations:** A member raised concerns regarding a perceived lack of communication from DEFRA and the Scottish Government on SPS issues, seeking clarity on how the UK Government is collaborating with devolved administrations.

- **Youth Mobility Scheme:** A member expressed strong support for a scheme that imposes no restrictions on the activities young people can undertake, noting that restricted participation would diminish the scheme's value to UK businesses. They highlighted ongoing points of contention, including university tuition fees, the scale of participation (where the EU favors an uncapped approach versus the UK's preference for a cap), and the legal nature of the agreement (with the EU seeking a legally binding arrangement compared to the UK's preference for an MoU). The member questioned if there is room for compromise on these issues.
- **Governance and Dispute Mechanisms:** A member inquired whether the Government intended to establish a common architecture across all new agreements with the EU to ensure UK input into EU decision-making and sought clarity on the governance of these arrangements. They specifically asked about the consequences of non-compliance and whether these would link to the existing sanction mechanisms within the TCA.
- **Erasmus and Visa Requirements:** A member expressed support for flexibility within the Youth Mobility Scheme and requested an update on whether visa arrangements for the Erasmus+ programme were being addressed. They noted that visa requirements could be prohibitive for participants, drawing parallels with issues faced by other Erasmus+ participants such as Turkey.
- **Summit Priorities:** A member inquired about the extent to which the next summit would focus on existing agreements versus introducing new agenda items, how new matters will be put forward, and how the DAG could influence this process.
- **SPS Legislation:** A member requested clarification on whether the SPS Agreement would result in a singular piece of legislation under the Bill, and whether this implied that all future legislation under the Bill would be handled as secondary legislation.
- **Made in Europe:** A member emphasised the need for strong language in future summit conclusions regarding the importance of allies who share our democratic values in securing supply chains and maintaining European competitiveness. They urged the Government to prioritise the avoidance of protectionism, ensuring the UK is not disadvantaged by evolving EU agendas.

7. The UK Government responded:

- **Summit Timing:** The Government stated the ambition is the first half of the year, depending on talk progress and ministerial logistics.
- **Professional Qualifications:** The Government responded that the current intention is to promote recognition as broadly as possible, though this requires further scoping with the European Commission; members were invited to identify priority sectors.
- **Space Policy:** Giles confirmed that it is possible to look at items to be part of the next UK-EU Summit that weren't part of the existing work programme, and that the EU Space Act could be considered. He asked the member to contact him to discuss further.

- **Alignment:** An official suggested they follow up directly with the member to ensure experts can answer their questions. The official noted that, generally, dynamic alignment will mean an ongoing obligation to alter rules in line with the EU rules, but with a decision-shaping role to ensure UK views are represented.
- **SPS Bill:** The Government clarified that the primary legislation is a powers bill and that no separate SPS or ETS bills are planned. It was noted that secondary legislation would then be used to implement eg. specific SPS and ETS rules. Regarding the removal of checks and paperwork, such as the Export Health Certificates mentioned by the member, the Government confirmed its intention for a swift removal once an effective date is agreed with the EU, emphasising that DEFRA would engage stakeholders to establish a realistic transition timeframe.
- **ETS and CBAM:** The Government noted that while they are committed to swift implementation and will continue to press the EU on this, full implementation would not be possible by the UK-EU Summit itself.
- **Scope of Bill:** The Government clarified that the bill is intended as a broad framework, to implement agreements where legislation is necessary. Regarding the legislative timetable, officials noted that the timing - whether pre or post-King's Speech - would ultimately be a political decision determined by the broader parliamentary timetable and the practicalities of managing other competing pieces of legislation.
- **Devolved administrations:** The Government highlighted that it is engaging extensively with devolved governments at both ministerial and policy levels. Officials noted that devolved administrations are closely integrated into the SPS negotiation process, including being copied into draft mandates and receiving regular technical updates. While the official could not speak for the Scottish Government, it was suggested that the sensitive nature of ongoing UK Government negotiations might limit what devolved administrations feel they can share at this stage.
- **Youth Mobility Scheme:** The Government reiterated its firm stance on maintaining a cap on participant numbers, arguing that the EU's own proposals for restricted activities effectively acts as a form of capping..
- **Governance and Dispute Mechanisms:** The Government responded that while specific details remain subject to negotiation, there is broad mutual agreement to utilise existing TCA governance structures, such as Joint Committees to manage issues like the SPS agreement. Officials welcomed stakeholder views on the design of dispute mechanisms and anticipated that disputes would be channelled through these established frameworks. It was suggested that further technical discussions take place offline.
- **Erasmus and Visa Requirements:** The Government clarified that while visas are not currently a live topic of negotiation with the EU, there is confidence that the existing visa system will not be prohibitive to Erasmus participation. Officials invited the member to engage separately if they wished to discuss further.
- **Summit Priorities:** The Government emphasised that while finalising the ETS and SPS agreements are significant priorities, they are also seeking to maximise progress in areas where successes have been overlooked. Officials

noted that the UK may hold higher ambitions than the EU in certain sectors and that the current challenge is mapping UK priorities - such as those in civil society and business - to areas where there is clear mutual interest from the EU and member states. The Government underscored that the global geopolitical context provides a platform for this cooperation, including forward-thinking discussions on the Made in Europe initiative at the upcoming UK-EU Summit. Members were urged to provide evidence and identify areas of mutual benefit.

- **SPS Legislation:** The Government stated that the specific legislative approach remains under consideration by DEFRA colleagues. However, officials indicated that they anticipate future implementation will likely be managed through secondary legislation.
- **Made In Europe:** The Government responded that engagement on the Made in Europe initiative is a priority. It stated that it is currently being addressed at the ministerial level and across all European diplomatic posts. Officials noted that the debate remains live within the EU and that the UK is actively arguing that it should be viewed as a partner in economic security rather than being excluded through protectionist measures. The Government encouraged members to provide data and evidence to support the argument that the UK's inclusion is vital for broader European security.

TCA Implementation and Governance:

8. Officials provided reflections on the TCA structures. Dunstan noted that while the TCA provided a framework for routine engagement, substantive changes to the agreement could only be achieved through political processes rather than the DAG. Danny observed a constructive tone in current TCA meetings, with a focus on areas of mutual interest such as economic security and digital market regulation. He emphasised the UK's strategy to demonstrate the value of collaboration to ensure EU works with us on initiatives that risk having negative UK impacts.. Danny confirmed that minutes from the various specialist committees would be published shortly.
9. Points raised:
 - **TCA Implementation and Civil Society Forum:** A member sought confirmation that the upcoming TCA review would focus strictly on implementation rather than a broader renegotiation, and invited reflections on the progress of the various specialised committees. A different member expressed concern that while major issues are being handled through high-level political channels, the CSF and specialised committees remain constrained by the EU's reluctance to deviate from the strict text of the TCA. They questioned whether there was sufficient flexibility within existing governance structures to address emerging issues.
 - **Article 126:** A member highlighted that Article 126 of the TCA already provides a mechanism for the potential expansion of business activities and mobility services, suggesting this as a key area for further exploration.

10. The UK Government responded:

- **TCA Implementation and Civil Society Forum:** The Government noted a disparity in engagement styles between the two parties, observing that while the UK prioritises stakeholder consultation, the EU is less engaged with stakeholders. The official noted that the EU maintained a rigid adherence to the text of the TCA. This rigidity presented a challenge during agenda-setting for the Civil Society Forum, where the EU often resists discussing topics outside the strict remit of the TCA. The official reiterated that if significant change was required, it must be done via a political process such as the UK-EU Summit, whilst not underestimating the effective work that can be done via specialist committees. The Government emphasised that they are not saying when there's significant TCA implementation issues that they don't raise them through the specialised committees, only that it's more likely to make progress when it's done via political means.
- **Article 126:** The Government noted that the EU's appetite for liberalising services under Article 126 does not currently match the UK's level of ambition, nor is the article an especially strong provision in that it does not compel the EU to liberalise its offer on services under the TCA.

The Executive Council concluded:

The Chair thanked all attendees and confirmed that the next meeting of the DAG is scheduled for 25 March 2026 in a hybrid format. He noted that the ExCo will convene in February to review the concerns raised during the previous session in Cardiff in further detail.