

Research Briefing:

Negotiations on the UK's withdrawal from the EU: Monitoring Report – 11 June 2018



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Negotiations on the UK's withdrawal from the EU: Monitoring Report – 11 June 2018

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1. Introduction

This report provides an update on developments relating to the Article 50 Negotiations on the UK's withdrawal from the EU since 16 April.

This paper provides:

- A summary of the latest developments, documents and legislation published;
- An analysis of the key issues of interest to the External Affairs Committee ('the Committee'); and
- A summary of the Welsh Government's response to the latest developments.

Summary of developments

- On 9 May the UK Government published its **Framework for the UK-EU Security Partnership**,
- On 14 May Michel Barnier gave a speech at the **EU Institute for Security Studies conference**, stating that a close EU-UK partnership on foreign, security and defence policy is 'in our mutual interest'.
- On 16 May, the Executive Director at the UK's Competition and Market Authority (CMA) gave a **speech at the Advanced EU competition law conference**, setting out the CMA's preparations and plans for Brexit.
- On 22 May, the **UK Government confirmed that EU regional funds will be replaced** in the UK with a 'UK shared prosperity fund', the design and operation of which will be consulted on later this year.
- On 23 May, the UK published its **Framework for the UK-EU Partnership Data Protection**, followed on 25 May, by **Technical note on the exchange and protection of classified information**. These documents focus on the UK's proposals for the post-Brexit transfer of personal data between the UK and the EU. on 26 May Michel Barnier rejected the UK proposals in a **speech at the 28th Congress of the International Federation for European Law (FIDE)**,

- On 23 May the UK Government also published a **Framework for the UK-EU Partnership Science, Research and Innovation**, outlining its vision for 'a far-reaching Science and Innovation Pact with the EU',
- Also on 23 May, Jon Thompson, head of HMRC **provided evidence to the House of Commons Treasury Select Committee**. In that evidence he estimated the costs associated with implementing the UK Government's customs partnerships proposals.
- On 24 May the UK Government published a **Technical note on security, law enforcement and criminal justice**, and a **Technical note on consultation and cooperation on external security**, and a **Technical note on UK's participation in Galileo**.
- The first **meeting of the new Ministerial Forum (EU Negotiations)** was held in Edinburgh on 24 May. The new forum is said to allow the devolved administrations with an opportunity to contribute to the development of the UK's Brexit negotiating position.
- On 24 May the House of Commons Exiting the European Union Committee **published their latest report** on the progress of the UK's negotiations on EU withdrawal (March to May 2018), highlighting that 'the Government has indicated that neither the maximum facilitation proposal nor the new customs partnership, if agreed, is likely to be ready in time during the agreed 21-month transition/implementation period'.
- On 29 May, the UK Government published letters highlighting the **Secretary of State for Transport ministerial direction** to the department, authorising spending on the development of new systems of road haulage and trailer registration in preparation for Brexit.
- On May 30 the European Commission **unveiled its Erasmus proposal for the next seven years**, indicating that third countries will be allowed to pay to participate.
- From 5 to 8 June a round of **EU-UK Article 50 negotiations** took place in Brussels.
- On 7 June the UK Government published its **Technical note on temporary customs arrangement**, which sets out the UK's proposal for the customs element of an arrangement to satisfy its commitments in relation to Northern Ireland.

2. Latest developments and documents published

Negotiations

There has been little substantive developments in the negotiations during this reporting period as the UK Government was debating changes to the **customs arrangements it proposed** in August 2017 and it abided by its decision to delay the publication of a White Paper on its vision of the future UK-EU relationship. On 17 May, the UK Government **released a summary of a meeting** between the UK Prime Minister and President Jean-Claude Juncker and President Donald Tusk and with Taoiseach Leo Varadkar of Ireland, highlighting that little had been agreed since the publication of the Draft Withdrawal Agreement in March 2018.

The UK Government has published **a programme of EU-UK Article 50 negotiations** taking place in Brussels from 5-8 June 2018 (following the **last run of meetings in May**), where the Draft Withdrawal Agreement, Northern Ireland/Ireland border and the future relationship will be discussed.

Both the EU and the UK Government have further outlined some of its expectations of key aspects of the negotiations. In a speech on 14 May at the **EU Institute for Security Studies conference**, Michel Barnier said that:

Solidarity is not to be negotiated. Any trade-off between security and trade would lead to an historic failure - and it would be a strategic mistake, benefiting those who want to weaken us...the EU and the UK's interests are likely to overlap in foreign, security and defence policy. As a consequence, I firmly believe that a close partnership is in our mutual interest.

He noted that while the UK will not be able to participate in the decision making of the EU, including in foreign policy, a future relation could be 'underpinned by a set of mechanisms - dialogue, consultation, coordination, cooperation, exchange of information'.

In that speech, Barnier welcomed the publication of UK Government's **Framework for the UK-EU Security Partnership**, published 9 May. This framework highlights the UK Government's thinking that a future UK-EU relationship will have two core partnerships: economic and security. The framework further outlines that:

The UK wants to reach a security partnership with the EU that promotes our shared security and develops our cooperation.

It must respect both the decision-making autonomy of the European Union and the sovereignty of the United Kingdom.

Building on the framework, on 24 May, the UK Government published a **Technical note on security, law enforcement and criminal justice**, which provides analysis of the existing precedents for cooperation between the EU and third countries in the area of security, law enforcement and criminal justice before setting out the UK's proposals for a new internal security treaty with the EU for future cooperation across these areas. On the same day it published a **Technical note on consultation and cooperation on external security**, which outlines options for future UK-EU consultation and cooperation arrangements across foreign policy, common security and defence policy, defence capabilities and development and external instruments.

On 23 May, the UK published its **Framework for the UK-EU Partnership Data Protection**, followed on 25 May, by **Technical note on the exchange and protection of classified information**. These documents focus on the UK's proposals for the post-Brexit transfer of personal data between the UK and the EU. Those proposals noted that the 'UK's data protection regime will be fully aligned with EU law' and contend that the EU's 'standard adequacy approach'¹ to third countries would not be appropriate for the UK given the 'breadth and depth of the UK-EU relationship'. Instead it calls for a new model, which would:

[...] provide for continued regulatory co-operation and consistent enforcement through an appropriate ongoing role for the ICO [information commissioner's office] on the European Data Protection Board, to the benefit of consumers and businesses across the EU. [and]

It should ensure UK businesses and consumers are effectively represented under the EU's new 'One Stop Shop' mechanism for resolving data protection disputes when doing business in the EU.

Michel Barnier rejected these proposals on 26 May with a **speech at the 28th Congress of the International Federation for European Law (FIDE)**:

¹ Adequacy Decisions allow the European Commission to recognise formally that a third country provides data protection standards that are "Essentially equivalent" to those applied in the EU, and so personal data can flow freely without additional safeguards. Thus adequacy provides a legal basis that enables the free flow of personal data from the EU to a third country.

[...] we cannot, and will not, share this decision-making autonomy with a third country, including a former Member State who does not want to be part of the same legal ecosystem as us...the UK must understand that the only possibility for the EU to protect personal data is through an adequacy decision.

He indicated that the rejection stems for the EU concerns regarding ensuring compliance with the EU's data protection guidelines after the UK leaves the EU.

In that speech, Michel Barnier also provided a general update as to the progress of the negotiations. In doing so he highlighted the importance of finding a solution on how the Withdrawal Agreement will be governed and to how the Ireland/Northern Ireland border will be managed. He also noted that:

[...] time is – and will be – short. If we want to lay the foundations of our future relationship before the UK's withdrawal, we need to accelerate. On our side, we are ready to discuss this at political level. We are also ready, at any time, to intensify our negotiations at technical, legal and political level...All we ask for is clarity.

Because, to negotiate effectively, you need to know what the other side wants.

On the issue of the governance of the Withdrawal Agreement, Mr Barnier reported:

So far, we have reached an agreement with the UK negotiators on the existence and functioning of a mixed committee which is, as you know, a classic institution in agreements concluded by the European Union and which represents a forum for political dialogue between the parties.

But in no circumstances is it sufficient to ensure the appropriate governance of the Withdrawal Agreement.

On 7 June, the UK Government published its **Technical note on temporary customs arrangement**, which sets out the UK's proposal for the customs element of an arrangement to satisfy its commitments in relation to Northern Ireland. This develops the UK's position on the 'backstop option' included in the Draft Withdrawal Agreement. The note states that:

The UK's proposal is that in the circumstances in which the backstop is agreed to apply, a temporary customs arrangement should exist between the UK and the EU... The temporary customs arrangement will be

replaced by a permanent end state settlement, whose terms will need to be agreed by both parties.

This UK Government proposes that this temporary arrangement would see:

- The elimination of tariffs, quotas, rules of origin and customs processes including declarations on all UK-EU trade;
- The UK outside the scope of the Common Commercial Policy (CCP), except where it is required to enable the temporary customs arrangement to function. This will mean applying the EU's common external tariff (CET) at the UK's external border, alongside the Union Customs Code (UCC) and such other parts of the Common Commercial Policy that are required to enable the temporary customs arrangement to function; and
- The UK able to negotiate, sign and ratify free trade agreements (FTAs) with rest of world partners and implement those elements that do not affect the functioning of the temporary customs arrangement.

This temporary arrangement is expected to end in December 2021.

Future partnership

Despite withholding the publication of its White Paper on the future UK-EU Relationship, the UK Government has highlighted some of its ambitions during this reporting period. As highlighted above, it has set out its proposals on data protection and security co-operation, which have been responded to by the EU.

Outside of these, on 22 May the Chancellor of the Exchequer, Philip Hammond gave **a speech at the Confederation of British Industry (CBI) Annual Dinner** where he provided an update on the UK Government's position on the negotiations. He reiterated the UK Government's desire for minimal friction at the border, including Ireland/Northern Ireland, but that it does not 'agree that staying in the customs union is necessary to deliver' that.

He also outlined that the UK is seeking a deal that includes:

- a comprehensive system of mutual recognition to ensure that, as now, products only need to undergo approvals in one country to show that they meet regulatory standards across Europe;
- a UK relationship with the EU agencies, such as those for the chemicals, pharmaceutical, and aerospace industries;

- a broad agreement on services, including continued recognition of professional qualifications, and a labour mobility framework that enables travel to provide services to clients in person; and
- a bespoke partnership in financial services that will enable the delivery of cross-border financial services in both directions.

On 23 May, the UK Government has also published a **Framework for the UK-EU Partnership Science, Research and Innovation**, outlining its vision for 'a far-reaching Science and Innovation Pact with the EU', including a 'full association to Horizon Europe'. The framework notes that the UK is 'willing to offer a fair contribution to the programme costs' and to 'respect the remit of the CJEU², where relevant, where we participate in EU programmes'. In return it is seeking an:

[...] appropriate level of influence on the shape of the programme. This should be greater than current non-EU precedents.

However, on 30 May the Guardian newspaper reported that:

A draft copy of the so-called Horizon Europe document, seen by the Guardian, suggests that the UK is set to be offered less generous access than countries with associate status in the current programme, known as Horizon 2020, including Israel, Turkey, Albania and Ukraine.

On a related note, the UK Government published a **Technical note on UK's participation in Galileo** on 24 May, highlighting its desire to continue participating in the development of Galileo, an EU Global Navigation Satellite System.

The UK Government has also published its **Framework for the UK-EU Economic Partnership** on 24 May. The framework explains that the partnership will have three principles:

- broad – covering more sectors than any other free trade agreement, including areas where the UK and EU economies and peoples are linked, such as financial services, energy, transport, and digital;
- deep – depth of mutual market access, reflecting that at the end of the implementation period the UK and EU will have the same laws and rules; and

² Court of Justice of the European Union

- balanced – including reciprocal commitments to ensure open and fair completion, proportionate to the level of market access, and consistent with the UK's commitments on Northern Ireland.

The first **meeting of the new UK Ministerial Forum (EU Negotiations)** was held in Edinburgh on 24 May. The official communiqué following the meeting noted the:

[...] two principal agenda items at the meeting were the White Paper on the Framework for the UK's Future Relationship with the EU, and the Ministerial Forum in Practice and Forward Plan.

The forum has representatives from the UK and devolved Government's, with the Minister Housing and Regeneration, Rebecca Evans AM, representing the Welsh Government on the day. In a **written statement issued on the same day**, Mark Drakeford, Cabinet Secretary for Finance explained that:

Building on initial discussions at the Joint Ministerial Committee Europe (JMC - EU Negotiations), a new Ministerial Forum has been established on the future relationship between the UK and the EU where the devolved administrations will have an opportunity to contribute to the development of a UK negotiating position... We expect the first meeting to focus on the broad negotiating position rather than departmental specific issues.

On May 30 the European Commission **unveiled its Erasmus proposal for the next seven years. The Commission announced that** "a more powerful Erasmus programme which will reach a size of EUR 30 billion over the period". This represents a doubling of funds for the program. Of particular interest to Wales and the UK is the proposal of a new category for third (non-EU) party participation, which would enable the UK to participate in programme. The Commission is proposing that the programme be open to the participation of third countries on the condition that an agreement is reached which "ensures a fair balance as regards to the contribution and benefits of third county participation". **As Politico reports**, this essential means that the UK could pay to participate. **Article 24 of the previous system** limited participation in the Erasmus programme to those countries which are wither EU countries, candidates for accession, members of the European Free Trade Association or covered by the European Neighbourhood Policy.

Brexit Preparedness

On 16 May, Michael Grenfell, Executive Director at the UK's Competition and Market Authority (CMA) gave a **speech at the Advanced EU competition law conference**. In that speech he focused on the 4 aspects of Brexit as regards the CMA:

- What it means for the CMA's functions and workload;
- Practicalities – funding and preparation;
- Scope for UK divergence from EU law precedent; and
- Wider implications.

In doing so he highlighted that in its Spring Statement, UK Government allocated an 'additional £23.6 million to our budget for 2018-19, so as to enable us to prepare for the UK's exit from the EU...we are planning to recruit substantial numbers'.

On 22 May, the EU Commission published a '**slide on customs controls**'. This slide:

[...] highlights the checks and controls that need to be carried out on goods entering, transiting or leaving the customs territory of the European Union.

The majority of these checks would apply whether the UK was in the customs union or not. The EU Commission has also published additional notices to stakeholders on the **Enforcement of intellectual property rights** and the EU rules **on the preferential origin of goods**.

On 23 May, Jon Thompson, head of HMRC **provided evidence to the House of Commons Treasury Select Committee**. In that evidence he estimated the costs associated with implementing the UK Government's customs partnerships proposals. For the highly streamlined model of customs partnership 'is somewhere in the £17 billion to £20 billion region, and for the new customs partnership the estimate of the set-up costs is around £700 million'. He also estimated that the highly streamlined model would take three years to implement from the moment a final decision was made to pursue it, while the customs partnership model would take five years to implement.

In light of likely changes arising from Brexit, Permanent Secretary for the Department for Transport **requested Ministerial direction from the Secretary of State for Transport**, Chris Grayling MP, permission to spend:

[...] £10m for DVSA to develop a new road haulage permit system to issue permits for UK hauliers to allow them to perform road haulage in the EU... [and] £15.4m for developing systems for managing a trailer registration system.

The Secretary of State approved this proposed expenditure and the letters were published on 29 May.

UK legislation

On 16 May the **European Union (Withdrawal) Bill** passed Third Reading in the House of Lords. **Around 200 changes** were made to the Bill in the Lords.

Explanatory Notes on the amendments made by the Lords have been published.

During Report and Third Reading Stages of the Withdrawal Bill in the House of Lords, the UK Government lost 15 votes in total, including an amendment tabled during Third Reading regarding maintenance of EU environmental principles and standards. This **amendment**, if accepted by the Commons, would require the Secretary of State to “take steps designed to ensure that the United Kingdom’s withdrawal from the EU does not result in the removal or diminution of any rights, powers, liabilities, obligations, restrictions, remedies and procedures that contribute to the protection and improvement of the environment.” This includes a duty on the Secretary of State, within six months of exit day, to publish proposals for primary legislation to do two things:

- establish a duty on public authorities to apply EU environmental principles after Brexit, and
- establish an independent body with the purpose of ensuring compliance with environmental law by public authorities.

Before publishing these proposals for primary legislation, the Secretary of State must, amongst other things, consult each of the devolved administrations.

In addition, technical amendments to the Government of Wales Act 2006, tabled by Lord Callanan on behalf of the UK Government, were agreed to without division during House of Lords Third Reading.

The Withdrawal Bill will return to the Commons on 12 June for consideration of the changes made by the Lords.

On 25 May the **Sanctions and Anti-Money Laundering Act 2018**, which started in the House of Lords, received Royal Assent. The Act enables the UK Government to make sanctions regulations. Otherwise, as a result of Brexit and the repeal of the European Communities Act 1972 through the Withdrawal Bill, there would be no power in UK legislation enabling the UK Government to implement and impose sanctions in order to comply with United Nations and other international obligations. Similarly, the Act enables the UK Government to make regulations about money laundering and terrorist financing because UK legislation providing such power will cease to exist after Brexit.

The dates for Commons Report Stage consideration of both the **Taxation (Cross-border Trade)** and **Trade** Bills have not yet been announced. Both Bills started in the House of Commons in November 2017 and both Bills completed Committee Stage without being amended on 1 February. However a number of amendments have been tabled to both Bills ahead of Report Stage, including amendments regarding participation in a customs union with the EU after Brexit.

With regards to the Trade Bill, some of the **amendments** with cross party support and of interest to the EAAL Committee include:

- taking all necessary steps to implement an international trade agreement which enables the UK to participate after exit day in a customs union with the EU in the same terms as existed before exit day (Amendment NC1);
- ensuring all new free trade agreements are subject to parliamentary scrutiny and consent (Amendment NC3);
- ensuring that regulations made by UK Ministers within devolved competence require the consent of devolved Ministers (Amendment NC4); and
- a new parliamentary procedure for scrutiny of regulations made under the Bill (Amendment NC6).

With regards to the Taxation (Cross-border Trade) Bill, some of the **amendments** with cross party support and of interest to the EAAL Committee include new clause to establish the following:

- a negotiating objective to maintain the UK's participation in the EU Customs Union, provides for Parts 1 and 2 of the Act to expire if that objective is met and makes the ending of the retention of EU customs duties conditional upon a report stating that the objective has not been met (Amendment NC1);
- a negotiating objective to secure an agreement which allows the UK to have tariff free access to the EU including the potential to participate in a customs union (NC11); and
- an enhanced parliamentary procedure to some regulations made under the Bill (NC13).

Assembly developments on Brexit legislation

On 11 May the Chair of the Constitutional and Legislative Affairs Committee **wrote to the Secretary of State for Wales** in relation to the sifting mechanism that it to apply to regulations made under the Withdrawal Bill. The Withdrawal Bill currently gives UK Parliament committees 10 sitting days to carry out a sift and gives the Assembly 14 calendar days (excluding any time the Assembly is dissolved or in recess for more than four days).

The Chair has also enquired whether the UK Government intends to mirror the provisions making the decision of the sifting committee binding on Ministers in the Assembly. This is following the acceptance of Lord Lisvane's amendment by the House of Lords during Report Stage of the Withdrawal Bill, providing that decisions are binding on Ministers save where a House of Parliament resolves otherwise. A very similar recommendation was unanimously endorsed by the Assembly on 7 March following CLAC's report on the **Scrutiny of regulations made under the European Union (Withdrawal) Bill**.

On 15 May the Constitutional and Legislative Affairs Committee and the External Affairs and Additional Legislation Committee both published **reports on the Supplementary LCM relating to the Bill**. Neither Committee made a recommendation in terms of consenting to the provisions of the Bill.

On 15 May **the Chief Executive and Clerk of the Assembly wrote to the Clerk of the House of Commons** informing that the **Legislative Consent Memorandum** on the provisions arising from the Withdrawal Bill was debated and approved by the Assembly **in Plenary** that day.

On 16 May the Llywydd received a **letter** from the Scottish Parliament's Presiding Office to the Assembly that the Scottish Parliament decided not to consent to the Bill when the LCM was debated on 15 May.

Following the agreement between the Welsh and UK Governments on the Withdrawal Bill, the **Intergovernmental Agreement** stated that steps would be taken to withdraw the referral and to repeal the Welsh Continuity Bill. During the four week period of intimation, the Attorney General had referred the **Law Derived from the EU (Wales) Bill** to the Supreme Court.

Following the Assembly's decision to approve the LCM in relation to the Bill, on 25 May the **Secretary of State for Wales wrote to the Llywydd** confirming that the Attorney General for England and Wales had withdrawn the reference to the Supreme Court. The letter also stated that he did not intend to make an order under

section 114 of GOWA 2006 which would prevent the Bill from being submitted for Royal Assent.

The Bill received **Royal Assent** on 6 June. The Welsh Ministers will now be able to use their executive powers under section 22 of the Act to pass regulations providing for the repeal of the Act.

Documents and Position Papers

Since the last monitoring report was published the EU has published its negotiation directives on the transition period, a position paper on suggested clauses for inclusion in the Withdrawal Agreement and a series of presentations made as part of the informal internal discussions on a future relationship. These are added to the table below.

Table 1 Position Papers and key documents published by the EU and UK

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><u>Essential Principles on Citizens Rights</u></p> <p>29 May 2017 to EU 27</p> <p>12 June to UK</p>	<p>Sets out the EU's position on rights of UK citizens in the EU and EU citizens in the UK.</p>	<p><u>Safeguarding the position of EU citizens in the UK and UK nationals in the EU: Position Paper.</u></p> <p><u>26 June 2017</u></p>	<p>Sets out the UK position on the rights EU citizens should enjoy in the UK and that UK nationals should enjoy in the EU. See Research Service blog post for further detail.</p>
<p><u>Essential Principles on the financial settlement</u></p> <p>29 May 2017 to EU 27</p> <p>12 June to UK</p>	<p>Sets out the EU's proposals for a methodology that should be agreed during the Phase 1 negotiations on how the UK's financial obligations to the EU should be calculated. Annex 1 contains a list of agencies, bodies and financial instruments to be included in the methodology.</p>	<p>None.</p>	<p>UK Secretary of State for DEXEU has outlined that the UK will 'interrogate' the EU's position rather than set out its own.</p>
<p><u>Nuclear material and safeguard equipment (Euratom)</u></p> <p>23 June 2017 to EU27</p> <p>13 July to UK</p>	<p>Sets out the EU's proposals for the treatment and transfer of ownership of special fissile materials. Covers less areas than proposed by UK in equivalent paper.</p>	<p><u>Nuclear material and safeguards issues.</u></p> <p>13 July 2017</p>	<p>The UK Government sets out six principles it wants negotiations on these matters to achieve. It covers some additional areas to those covered by the European Commission including</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			<p>existing contracts for the supply of nuclear material and spent fuel and radioactive waste. The UK states that spent fuel and radioactive waste should remain the responsibility of the State in which it was generated post withdrawal.</p>
<p><u>Judicial cooperation in civil and commercial matters</u></p> <p>29 June 2017 to EU 27</p> <p>13 July to UK</p>	<p>Sets out proposals for procedures to be put in place for cases pending at time of UK withdrawal.</p>	<p><u>Providing a cross-border civil judicial framework: a future partnership paper</u></p> <p>22 August 2017</p>	<p>The UK Government has set out its position for the procedures that should apply to cases pending at time of UK withdrawal and proposals for on-going cooperation in this area in a single paper. The paper states that Annex A of the paper responds directly to the EU's paper and sets out the UK Government's priorities should no agreement be reached on a future partnership. It states that no agreement on future cooperation is not however its preference. The paper states</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			<p>that leaving the EU will bring an end to the direct jurisdiction of the European Court of Justice but that the UK will seek an agreement with the EU that allows for close and comprehensive cross-border civil judicial cooperation.</p>
<p><u>Ongoing Police and Judicial cooperation in criminal matters</u> 29 June 2017 to EU 27 13 July to UK</p>	<p>Proposals for the procedures that will apply to on-going procedures such as European investigation orders and European Arrest Warrants procedures at the date of withdrawal and the treatment of information obtained by these procedures.</p>	<p><u>Security law enforcement and criminal justice: Future Partnership Paper</u> 18 September 2017</p>	<p>Annex A of the paper provides a direct response to the issues raised by the EU in its paper. However, the UK advocates that discussions on the withdrawal issues on criminal matters take place with reference to discussions on a future partnership. The paper calls for a deeper relationship and cooperation on law enforcement and criminal justice issues between the UK and EU than the EU currently has with third party countries. It states that it should be read in conjunction with other future partnership papers on</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			security and data protection.
<p><u>Ongoing Union and Judicial Procedures</u></p> <p>29 June 2017 to EU 27</p> <p>13 July to UK</p>	<p>Sets out the proposals for procedures to be put in place for cases before the European Court of Justice involving the UK or UK residents/legal persons on-going at the time of withdrawal and for proposals for on-going administrative procedures before Union institutions, bodies, offices and agencies concerning the UK or UK residents/legal persons. The EU proposed that the European Court of Justice should retain some competence to adjudicate in cases brought after the withdrawal against the UK about matters that happened when the UK was still a Member State.</p>	<p><u>Ongoing union judicial and administrative proceedings: Position Paper.</u></p> <p><u>13 July 2017</u></p>	<p>The UK Government recognises that there will be some cases pending at the point of withdrawal that should continue to fall within the jurisdiction of the European Court of Justice and seeks agreed criteria on the definition of 'pending'. It also seeks clarification of the role of the UK Advocate General and UK lawyers in the Court for a transitional period whilst cases are still pending. It does not agree that the European Court of Justice should retain some competence over cases brought after the withdrawal date relating to actions that took place before the withdrawal date.</p>
<p><u>Issues relating to the functioning of EU Institutions, Agencies and</u></p>	<p>The paper sets out the EU's position on what protections and immunities will apply to</p>	<p><u>Privileges and Immunities</u></p> <p><u>13 July 2017</u></p>	<p>The UK's position paper agrees that protections and immunities should be offered</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><u>Bodies</u></p> <p>29 June 2017 to EU 27</p> <p>13 July 2017 TO UK</p>	<p>EU institutions and agencies in the UK at after withdrawal whilst the activities of the EU's bodies in the UK are being wound-up.</p>		<p>to EU property, assets and operations in the UK for a transitional period after withdrawal. Negotiators on both sides have indicated that they are close to reaching agreement on this issue.</p>
<p><u>Governance</u></p> <p>29 June 2017 to EU 27</p> <p>13 July 2017 to UK</p>	<p>The paper sets out the EU's proposals for a dispute resolution mechanism for the Withdrawal Agreement, including that a Joint Committee be established to consider disputes. It states that the Joint Committee should make references to the European Court of Justice for binding decisions where agreement cannot be reached in the Committee. It states that the European Commission should retain full powers for the monitoring and implementation of the agreement on citizen's rights.</p>	<p><u>Enforcement and Dispute resolution: Future Partnership Paper</u></p> <p><u>23 August 2017</u></p>	<p>The paper includes proposals for a new enforcement and dispute resolution mechanism for both the Withdrawal Agreement and any future partnership. The paper states that a new mechanism will be needed as the jurisdiction of the European Court of Justice will come to an end. The UK's position is that where the Withdrawal Agreement or any future partnership arrangements give rise to rights or obligations for individuals and business operating in the UK these will be given effect in UK law and enforced by UK courts. The position paper argues there is</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			no precedent or imperative in EU or UK law which states that enforcement or dispute resolution has to fall under the direct jurisdiction of the European Court of Justice.
<p><u>Goods placed on the market under Union law before the withdrawal date</u></p> <p>29 June 2017 to EU 13 July 2017 to UK</p>	<p>The paper sets out proposals for the procedures that should apply to goods that comply all Union rules and are placed on the market for sale before withdrawal date but have not been sold at the time of withdrawal.</p>	<p><u>Continuity in the availability of goods for the EU and the UK: Position Paper</u></p> <p><u>21 August 2017</u></p>	<p>The UK Government states that this issue should be resolved with reference to any future partnership. The UK seeks further discussion on the meaning of “placed on the market” and suggests it should include services associated with the supply of goods.</p>
<p><u>Customs related matters needed for an orderly withdrawal of the UK from the Union</u></p> <p>7 September 2017 to EU 27</p>	<p>Proposals for the customs procedures that should apply to goods whose movement started before the date of withdrawal but ends on or after.</p>	<p><u>Continuity in the availability of goods for the EU and the UK: Position Paper</u></p> <p><u>21 August 2017</u></p> <p><u>Future customs arrangements: Future Partnership Paper</u></p>	<p>The UK position paper on the continuity of goods acknowledges that customs issues related to goods on the market at time of withdrawal will need addressing but does so with reference to its proposals for a future customs relationship and states that the issue should be addressed</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
		<u>15 August 2017</u>	with reference to a future partnership.
<p><u>Guiding Principles transmitted to EU 27 for the Dialogue on Ireland/Northern Ireland.</u></p> <p>7 September to EU 27</p>	<p>Principles set out for the basis of discussions of the relationship between Ireland and Northern Ireland. No solutions are proposed for the Irish border and the paper places the onus on the UK to propose solutions.</p>	<p><u>Northern Ireland and Ireland: Position Paper</u></p> <p>16 August 2017</p>	<p>The position paper states that the Common Travel Area (CTA) between Ireland and the UK should remain, that swift progress should be made on the issue and that the rights of EU citizens in Ireland will not be affected by the CTA's continuance. The paper does not propose specific options for the land border but sets out principles to test models against. It cross-references the UK Government's proposals for future customs arrangements. It states that no solution agreed should require a new customs border between Northern Ireland and Great Britain. It makes specific proposals on agri-food products. It suggests that separate to the broader discussions on the financial settlement there should be an</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			agreement to continue PEACE funding to Northern Ireland and border counties of Ireland.
<p><u>Public Procurement</u> 7 September to EU 27</p>	<p>Proposals for the rules and procedures on public procurement that should apply to procurement procedures and contracts on-going at the date of withdrawal.</p>	<p>None</p>	
<p><u>Intellectual Property Rights (including geographical indications)</u> 7 September 2017 to EU 27</p>	<p>Proposals for the continuation of the protection of intellectual property rights agreed before the date of withdrawal including the protection of protected food names. The EU suggests that the UK will need new domestic legislation to be in place before the date of withdrawal on protected food names.</p>	<p>None</p>	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><u>Use of Data and Protection of Information Obtained or Processed before the Withdrawal Date</u></p> <p>7 September to EU 27</p>	<p>Proposals to the reciprocal rules and protections that should apply to data held or processed in the UK and the EU after the date of withdrawal.</p>	<p><u>Confidentiality and access to documents: Position Paper</u></p> <p><u>21 August 2017</u></p>	<p>The paper states that the aim should be for the Withdrawal Agreement to ensure that the UK and EU have equivalent protections and obligations on information and access to documents as it currently the case under existing EU legislation.</p>
<p>None</p>		<p><u>Future Customs Arrangements: Future partnership paper</u></p> <p>15 August 2017</p>	<p>The position paper proposes two possible options for a future customs relationship. A highly streamlined customs arrangement between the UK and EU or a new customs partnership with the EU where the UK would align its border with the EU in such a way that it would remove the need for the UK-EU customs border. The UK would leave the customs union and be able to negotiate its own trade deals under both options.</p> <p>Under the second option the</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			<p>position paper proposes that the UK would mirror EU requirements for goods from the rest of the world where their final destination is the EU. It states that this would be unprecedented and could be challenging to implement but wishes to explore it with the EU.</p> <p>The paper proposes a time limited model of close association with the EU Customs union for a transitional period to avoid a cliff-edge for business and individuals on both sides.</p>
None		<p><u>The exchange and protection of personal data: Future partnership paper</u></p> <p>24 August 2017</p>	<p>Sets out the UK Government's proposals for a new UK-EU model for the exchanging and protection of personal data based on the current EU approach. It suggests the Information Commissioner's Office could continue to cooperate with EU regulators.</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
None		<p><u>Collaboration on Science and innovation: Future partnership paper</u></p> <p>6 September 2017</p>	<p>It sets out the UK Government's proposals for a science and innovation agreement with the EU. It states the agreement should be broad and make room for new areas of research. It states that the UK's continued access to EU research and innovation programmes will need to be negotiated along with the size of any financial contribution the UK would have to make to participate in them. It states that this contribution would need to be weighed against the UK Government's other spending priorities. Reference to the participation of Welsh Universities in existing programmes and networks is made.</p>
None		<p><u>Foreign Policy, defence and development: Future partnership paper</u></p>	<p>The paper proposes a future partnership with the EU on security and defence which is broader than any agreement</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
		12 September 2017	the EU currently has with a third-party country. It sets out the areas where there is currently cooperation on defence, security and international development.
None		<p data-bbox="1167 587 1599 735"><u>Customs Bill White Paper: legislating for UK's future customs, VAT and excise regimes</u></p> <p data-bbox="1167 775 1406 804">9 October 2017</p>	<p data-bbox="1671 587 2145 1010">The <u>White Paper on the Customs Bill</u> sets out the UK Government's initial proposals for a standalone customs, VAT and excise regime following the UK's exit from the EU. The White Paper includes proposals for a contingency scenario should no deal be reached with the EU on a future trading relationship.</p>
None		<p data-bbox="1167 1082 1615 1155"><u>Preparing for our future UK trade policy</u></p> <p data-bbox="1167 1195 1406 1224">9 October 2017</p>	<p data-bbox="1671 1082 2141 1383">The <u>trade policy white paper</u> sets out the UK Government's preferred positions for a new trade policy and indicates what legislation will be needed to implement that policy. The paper sets out five priorities for a new trading</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			policy.
<p>European Council Conclusions on progress made in the negotiations- 20 October</p>	<p>The Council concluded that insufficient progress has been made in the discussions on the Withdrawal Agreement to begin negotiations on the future relationship. It provided detail on where further progress is needed. It also stated that internal preparations between the 27 remaining Member States for discussions on a future trade relationship would begin.</p>	<p>None</p>	
<p>None</p>		<p>Sanctions and Anti-Money Laundering Bill</p> <p>19 October</p>	<p>The Bill is considered necessary to ensure that the UK can implement an international sanctions regime following its exit from the EU.</p>
<p>None</p>		<p>Technical Note: citizen's rights administrative procedures in the UK</p> <p>7 November</p>	<p>The UK Government published further details on how the system for EU Citizens to apply for permanent UK residency will work. This was sent as a</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			technical paper to the European Commission.
None		<p><u>Trade Bill 2018</u></p> <p>7 November</p>	<p>The Bill provides ministers with powers to make changes to domestic UK law to implement the WTO's Agreement on Government Procurement and any necessary changes if the UK replicates some of the EU's existing deals with third party countries. It also provides for the establishment of a new Trade Remedies Authority and gives HMRC new data and powers and duties in relation to export and trade.</p>
<p><u>Joint Report</u> from the negotiators of the European Union and the UK Government on progress during Phase 1 of negotiations under Article 50 TEU on the UK's orderly withdrawal from the EU</p>	<p>Both the EU and the UK Government reached agreement in principle in the areas under consideration during the first phase of negotiations, enabling talks to move to the next phase. The report sets out their agreed position on protecting the</p>	<p><u>Joint Report</u></p> <p>8 December 2017</p>	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
8 December 2017	rights of Union citizens in the UK and UK citizens in the Union; the framework for addressing the unique circumstances in Northern Ireland; and the financial settlement.		
<p><u>Communication from the Commission to the European Council (Article 50)</u> on the state of progress of the negotiations with the UK under Article 50 of the Treaty on European Union</p> <p>8 December 2017</p>	Based on the Joint Report from the negotiators of the EU and the UK Government, the Commission recommended to the European Council (Article 50) to conclude that sufficient progress had been made in the first phase of the negotiations.		
None		<p><u>Prime Minister's commitments to Northern Ireland</u></p> <p>8 December 2017</p>	Prime Minister Theresa May set out six key commitments to Northern Ireland that guided her in the negotiations with the EU.
<p><u>European Council Guidelines</u></p> <p>15 December 2017</p>	Following the decision that sufficient progress had been made, the European Council (Article 50) issued draft	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
	<p>guidelines to move to the second phase of negotiations where a transition period and the framework for the future relationship will be discussed.</p>		
<p><u>Supplementary negotiating directives</u> 20 December 2017</p>	<p>Supplementary directives for the negotiation of an agreement with the UK setting out the arrangements for its withdrawal from the EU.</p>	<p>None</p>	
<p><u>Slides on Fisheries</u> 17 January 2018</p>	<p>Presentation on fisheries to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><u>Slides on Aviation</u> 17 January 2018</p>	<p>Presentation on aviation to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><u>Slides on Governance</u> 19 January 2018</p>	<p>Presentation on governance to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><u>Slides on Security, Defence and Foreign Policy</u></p> <p>24 January 2018</p>	<p>Presentation on security, defence and foreign policy to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><u>Slides on Police and Judicial Cooperation in criminal matters</u></p> <p>24 January 2018</p>	<p>Presentation on police and judicial cooperation to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><u>Council (Article 50) negotiating directives on the transition period</u></p> <p>29 January 2018</p>	<p>Directives from the European Council setting out the guidelines for the Union's negotiator on a transition period with the UK</p>	<p>None</p>	
<p><u>Slides on a Level Playing Field</u></p> <p>31 January 2018</p>	<p>Presentation on a level playing field to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><u>Slides on Services</u></p> <p>6 February 2018</p>	<p>Presentation on Services to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><u>Slides on International Agreements and Trade Policy</u></p> <p>6 February 2018</p>	<p>Presentation on International Agreements and Trade Policy to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><u>Position Paper on Transitional Arrangements in the Withdrawal Agreement</u></p> <p>7 February 2018</p>	<p>Paper outlining suggested legal text on transition for inclusion in a Withdrawal Agreement.</p>	<p>Response to Position Paper on Transitional Arrangements in the Withdrawal Agreement</p> <p>21 February 2018.</p>	<p>Response with suggested amendments to the position paper published by the European Commission.</p>
<p>None.</p>		<p><u>Technical note on international agreements</u></p> <p>8 February 2018</p>	<p>This technical note outlines further information on the UK's approach to international agreements during the implementation period.</p>
<p><u>Slides on Transport</u></p> <p>21 February 2018</p>	<p>Presentation on transport to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><u>Slides on Mobility</u></p> <p>21 February 2018</p>	<p>Presentation on mobility to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><u>Slides on regulatory issues</u> <u>21 February 2018</u></p>	<p>Presentation on regulatory issues to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><u>Brexit preparedness document rail transport</u> 27 February 2018</p>	<p>Information for citizens and businesses on the implications of the UK's withdrawal from the EU on rail transport.</p>	<p>None</p>	
<p><u>Brexit preparedness document consumer protection and passenger rights</u> 27 February 2018</p>	<p>Information for citizens and businesses on the implications of the UK's withdrawal from the EU on consumer protection and passenger rights.</p>	<p>None</p>	
<p><u>Brexit preparedness document animal health and welfare</u> 27 February 2018</p>	<p>Information for citizens and businesses on the implications of the UK's withdrawal from the EU on animal health and welfare.</p>	<p>None</p>	
<p><u>Brexit preparedness document maritime transport</u></p>	<p>Information for citizens and businesses on the implications of the UK's withdrawal from the EU on maritime transport.</p>	<p>None</p>	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
27 February 2018			
<p><u>Draft legal text on the Withdrawal Agreement</u></p> <p>28 February 2018</p>	<p>Draft articles and clauses for a legal text to implement the agreement reached between the EU and UK on Withdrawal.</p>	<p>None</p>	
<p><u>European Council draft negotiation guidelines on a framework for a future partnership</u></p> <p>7 March 2018</p>	<p>Suggested guidelines from the Council to the Commission on agreement a framework for a future partnership between the EU and UK.</p>	<p>None</p>	
<p>None</p>		<p><u>Frameworks analysis</u></p> <p>9 March 2018</p>	<p>Breakdown of areas of EU law that intersect with devolved competence in Scotland, Wales and Northern Ireland.</p>
<p>None</p>		<p><u>Draft Withdrawal Agreement</u> 19 March 2018</p>	<p>The draft Withdrawal Agreement of 19 March 2018 includes agreed legal text for the implementation period, citizens' rights, and the financial settlement, as well as a significant number of other articles. The UK and the EU negotiating teams aim to</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			finalise the entire Withdrawal Agreement by October.
<p><u>European Council (Art. 50) guidelines on the framework for the future EU-UK relationship</u></p> <p>23 March 2018</p>	<p>These guidelines will serve as a mandate for the EU negotiator to start discussing the framework for the future relationship, with the aim of reaching an overall understanding. That understanding will be reflected in a political declaration accompanying the withdrawal agreement and referred to in it.</p>	<p><u>The Prime Minister's letter to UK Businesses</u></p> <p>23 March 2018</p>	<p>Explaining the substantial elements of the transition period.</p>
<p><u>Notice to Stakeholders relating to:</u> the internal energy market, protection certificates for medicinal and plant protection products, rules in the field of institutions for occupational retirement provision.</p> <p>27 April 2018</p>		<p><u>Intellectual Property and Brexit Factsheet</u></p> <p>26 April 2018</p>	<p>An update factsheet on future of intellectual property laws following the decision that the UK will leave the EU. First published in August 2016.</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
None		<p><u>Framework for the UK-EU Security Partnership</u></p> <p>9 May</p>	<p>This presentation explains the UK Government's vision for the future UK-EU Security Partnership.</p>
None		<p><u>Home Secretary letter to Guy Verhofstadt MEP</u></p> <p>16 May</p>	<p>Sajid Javid responds to a letter from Guy Verhofstadt, the Brexit co-ordinator for the European Parliament, about the application process for EU citizens living in the UK.</p>
<p><u>Slide on customs controls</u></p> <p>22 May 2018</p>	<p>This slide highlights the checks and controls that need to be carried out on goods entering, transiting or leaving the EU customs territory.</p>	None.	
None		<p><u>Framework for the UK-EU Partnership Science, Research and Innovation</u></p> <p>23 May 2018</p>	<p>It focuses on the UK's proposals for continued cooperation on science, research and innovation.</p>
None		<p><u>Framework for the UK-EU Partnership Data Protection</u></p> <p>23 May 2018</p>	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
None		<p><u>Technical note on consultation and cooperation on external security</u></p> <p>24 May 2018</p>	<p>The note outlines options for future UK-EU consultation and cooperation arrangements across foreign policy, common security and defence policy, defence capabilities and development and external instruments.</p>
None		<p><u>Technical note on security, law enforcement and criminal justice</u></p> <p>24 May 2018</p>	<p>The note provides analysis of the existing precedents for cooperation between the EU and third countries in the area of security, law enforcement and criminal justice before setting out the UK's proposals for a new internal security treaty with the EU for future cooperation across these areas.</p>
None		<p><u>Framework for the UK-EU Economic Partnership</u></p> <p>24 May 2018</p>	<p>This presentation explains the UK Government's vision for the future UK-EU Economic Partnership.</p>
None		<p><u>Technical note on UK's participation in Galileo</u></p>	<p>The note sets out the UK's position on participation in the Galileo programme.</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
		24 May 2018	
None		<p data-bbox="1167 391 1624 502"><u>Technical note on the exchange and protection of classified information</u></p> <p data-bbox="1167 534 1361 571">25 May 2018</p>	The note sets out the UK's position on the technical arrangements necessary for the exchange and protection of classified information between the UK and the EU.
None		<p data-bbox="1167 646 1579 718"><u>EU exit preparations: DfT ministerial direction</u></p> <p data-bbox="1167 758 1361 794">29 May 2018</p>	Correspondence requesting and confirming a ministerial direction relating to EU exit preparations.
Notice to stakeholders on <u>preferential origin of goods</u> and the <u>enforcement of intellectual property rights</u> – 5 June		<p data-bbox="1167 861 1635 933"><u>Technical note on temporary customs arrangement,</u></p> <p data-bbox="1167 965 1355 1002">7 June 2018</p>	Which sets out the UK's proposal for the customs element of an arrangement to satisfy its commitments in relation to Northern Ireland.

3. Key areas of interest to the External Affairs Committee

Preparation for Brexit

Last month's Brexit monitoring report included reference to **the response of UK Minister of State for Energy and Clean Growth**, Claire Perry MP, to a recent **report by the House of Lords EU Select Committee on Brexit** and Energy Security. In the Government's response it was stated that "good progress has been made in preparing the UK to assume legal responsibility for its own nuclear safeguards regime" once the UK leave Euratom.

On 16 May, **Sky news claimed to have obtained a Government document** revealing an internal risk register produced by the Office for Nuclear Regulation (ONR), highlighting a number of high-risk areas where preparations for establishing a UK safeguards regime have not progressed adequately. These areas include development of a new IT system for tracking nuclear material, recruitment and training of inspectors, securing funding, and obtaining access to the necessary equipment.

Following on from this, the Lord's European Union Energy and Environment Sub-Committee **wrote to the Minister for Business and Industry**, Richard Harrington MP, on 18 May expressing concern about whether progress can indeed be described as "good" and asked for a response to media reports that the ONR is falling behind in its efforts to prepare for Brexit.

On 24 May the House of Commons Exiting the European Union Committee **published their latest report** on the progress of the UK's negotiations on EU withdrawal (March to May 2018). The report concludes that:

It is highly unsatisfactory that nearly two years after the referendum, Ministers have yet to agree, and set out in detail, what kind of trading and customs arrangements they wish to seek in negotiations with the European Union. The Secretary of State has said that the EU's dismissal of the UK's original proposals for its future customs arrangements was an opening negotiating position. However, the Government admits that further work is required to make both the maximum facilitation proposal and the new customs partnership proposal viable propositions. Moreover, trade in goods currently regulated through the Customs Union is not the only challenge that must be resolved in order

to secure frictionless trade. Significant elements of intraEU trade are also regulated through Single Market legislation that sits alongside the Customs Union.

On the possibility of extending the UK's membership of the EU Customs Union, **the report concludes** that:

The Government has indicated that neither the maximum facilitation proposal nor the new customs partnership, if agreed, is likely to be ready in time during the agreed 21-month transition/implementation period. Each option will have to be judged against the commitment repeatedly made by the Government to have no hard border in Northern Ireland, no infrastructure at the border and to uphold in full the Good Friday/Belfast Agreement. The Prime Minister has alluded to “contingencies” that can be triggered in this eventuality but has not set them out. The Secretary of State has ruled out any extension of the Customs Union but in the absence of any other plan, such an extension will be the only viable option.

Implications of Brexit for Wales

In **Plenary on 16 May**, the Cabinet Secretary for Finance, Mark Drakeford AM, highlighted that in terms of replacing the EU's regional funds in Wales,

Neither a bidding nor a Barnett-derived approach to a shared prosperity fund would be acceptable to us here in Wales, remembering that this fund has no origins here in Wales and that the party that proposed it certainly did not secure a majority for it here in Wales.

However, on 22 May the Chancellor of the Exchequer, Philip Hammond MP, **stated in the House of Commons that:**

Once we have left the European Union the money that was reaching the UK from EU sources will be allocated to the UK shared prosperity fund, and over the course of this year we will consult on both the distribution and the application of those funds and the size that that fund should be.

This approach was confirmed in a response to a written question published on 23 May, the Chief Secretary to the Treasury, Elizabeth Truss MP, **stated that:**

We will launch the UK Shared Prosperity Fund following the UK's departure from the European Union.

The implementation period included within the draft Withdrawal Agreement with the EU means that we will see all parts of the UK receive their full allocation of structural funds from the EU's 2014-2020 budget.

The Industrial Strategy White Paper set out that we intend to consult this year on the precise design and priorities for the fund. Further details on the operation of the UK Shared Prosperity Fund will be set out following this consultation.

On 23 May Suella Braverman MP and Mr Robin Walker MP, Parliamentary Under-Secretaries of State, Department for Exiting the European Union, **appeared before the House of Commons Exiting the European Union Committee**. The Committee heard evidence on parliamentary procedures for approving and implementing Brexit, as part of their ongoing inquiry into the progress of the UK's negotiations on EU withdrawal. In his evidence Mr Walker discussed the potential impact of a hard border on Wales, reporting:

We want to ensure continued frictionless movement within the UK market and between Northern Ireland and Wales. I know that is an important channel for that movement, so we will ensure that continues to happen.

During an evidence session with the Assembly's EAAL committee on 14 May, First Minister Carwyn Jones AM expressed concern that the Welsh Government has not to date been invited to participate in the **Australia-UK trade working group**. Following this, on 23 May, the House of Commons International Trade Committee **held an evidence session** on the UK's trade relationship with Australia and New Zealand. Witnesses included Kevin Roberts, Chair of Hybu Cig Cymru (Meat Promotion Wales). During the session, witnesses discussed the potential impact that Brexit, as well as possible future trade agreements with Australia and New Zealand, could have on agriculture in the UK, including sheep farming in Wales. In his evidence, Mr Roberts highlighted that:

[...] the sector that is most at risk from a hard exit—the sheep sector in Wales. Wales is overweight in sheep and 30% of its production is exported to the single market. If we lose that market because we revert to WTO rules and tariffs—at 50% tariffs for sheep-meat into the EU—we

lose the market. We then have an excess of supply in the UK market and we tend to export the elements of the sheep that we don't want to eat. So we've then got a big consumer challenge about trying to persuade consumers in the UK to start consuming parts of the sheep that they don't normally consume... 95% of exports of sheep meat from Wales go to the single market.

4. Welsh Government Response

The Welsh Government's response to announcements on the shared prosperity fund and the establishment of a Ministerial Forum on EU negotiations is set out in the sections above.