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# REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

## on the implementation and application of the Trade and Cooperation Agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland

## 1 January – 31 December 2023

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# 1. Introduction

The relationship between the European Union (EU) and the United Kingdom of Great Britain and Northern Ireland (United Kingdom) in 2023 was marked by the adoption of the Windsor Framework[1], paving the way for constructive cooperation between the parties, who also jointly committed to fully exploit the potential of the Trade and Cooperation Agreement (TCA)[2].

The TCA, which has applied since 1 January 2021, covers a wide range of areas including trade, transport, fisheries, energy, social security coordination, law enforcement and judicial cooperation in criminal matters, while ensuring a level playing field for fair competition and sustainable development, as well as respect for fundamental rights.

This is the Commission's third report on the implementation of the TCA, as required by Article 2(4) of Council Decision (EU) 2021/689 of 29 April 2021[3]. It presents an overview of the main developments in the functioning of the governance structures established by the TCA (Section 2) and in relation to enforcement tools, dispute settlement and complaints (Section 3). The report also summarises the progress made in the areas falling within the remit of the TCA (Section 4) and outlines legislative developments in the United Kingdom that are relevant to the implementation of the TCA (Section 5).

# 2. Institutional framework

Throughout 2023, the joint bodies and other structures established under the TCA were active in monitoring and facilitating its implementation. Thirty meetings were held across all policy areas covered by the TCA. This was more than with any other third country with which the EU has a comparable relationship in terms of trade and cooperation. The list of meetings is presented in Annex 1. The Commission publishes the agendas and minutes of the meetings of joint bodies online[4].

The **Partnership Council,** the main body set up under Article 7 of the TCA to oversee its implementation at political level, met on 24 March 2023. The EU, represented by Vice-President Maroš Šefčovič, and the United Kingdom, represented by Foreign Secretary James Cleverly, reaffirmed their desire to fully exploit the potential of the TCA. They confirmed their commitment to advance work on the electricity trading arrangements and the association

[1] Windsor Political Declaration by the European Commission and the Government of the United Kingdom: https://commission.europa.eu/system/files/2023-02/political%20declaration.pdf

[2] 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 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A22021A0430%2801%29

[3] Council Decision (EU) 2021/689 of 29 April 2021 on the conclusion, on behalf of the Union, 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, and of the Agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland concerning security procedures for exchanging and protecting classified information (OJ L149/2) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021D0689&from=EN.

[4] Meetings of the EU-UK Partnership Council and Specialised Committees under the Trade and Cooperation Agreement: https://ec.europa.eu/info/strategy/relations-non-eu-countries/relations-united-kingdom/eu-uk-trade-and-cooperation-agreement/meetings-eu-uk-partnership-council-and-specialised-committees-under-trade-and-cooperation-agreement_en.

of the United Kingdom to Union programmes. They also agreed to take forward work on a memorandum of understanding on financial services, cooperation in intellectual property issues, the setting up of the working groups under Article 9 of the TCA and the launch of dialogues on cyber issues and counterterrorism. Annex 2 to this report provides the full list of the agreed actions and a summary of the progress made in 2023 to implement them.

The 19 **Committees** set up under Article 8 of the TCA to monitor its implementation in specific areas met throughout the year to discuss a wide range of issues falling within the remit of their respective powers. These meetings provided an opportunity to review progress on the commitments made in the TCA and to hold technical discussions on various matters related to their implementation, including upcoming regulatory developments. Several decisions and recommendations were adopted, a summary of which is presented in Annex 3.

The **Parliamentary Partnership Assembly** (PPA), set up in accordance with Article 11 of the TCA, met twice in 2023. At the meeting on 3 and 4 July in Brussels, parliamentarians discussed, amongst other issues, cooperation between the EU and the United Kingdom in the areas of trade and industrial policy[5]. Beyond the scope of the TCA, the PPA adopted a recommendation on common efforts to support Ukraine and cooperation on sanctions[6]. At the meeting on 4 and 5 December in London, parliamentarians discussed climate and fisheries, as well as some issues that fall outside the scope of the TCA such as the mobility of people, on which the PPA made a recommendation to the Partnership Council[7].

Representatives of civil society continued to be involved in the implementation of the TCA. The EU **Domestic Advisory Group** (DAG), set up according to Article 13 of the TCA, met several times[8]. The EU DAG drew up an agenda of issues and recommendations reflecting the views of civil society about the implementation of the TCA and broader EU-United Kingdom relations (the EU-UK Relations Issues Tracker)[9]. The Commission takes this input into account in its interactions with the United Kingdom on implementing the TCA.

Furthermore, the **Civil Society Forum**, created under Article 14 of the TCA to conduct a dialogue on the implementation of Part Two of the TCA, which covers trade, transport, fisheries and other arrangements, was held on 7 November 2023 in London. The meeting focused on implementation issues related to trade in goods and services, regulatory cooperation, the level playing field, energy and climate[10]. The Commission takes account of the views expressed in the Civil Society Forum by civil society organisations, trade unions, EU businesses and other workers' organisations. The Commission seeks to promote their interests in discussions with the United Kingdom on the implementation of the TCA.

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[5] Agendas of the meetings: https://www.europarl.europa.eu/delegations/en/d-uk/home

[6] Recommendation on EU-UK common effort to support Ukraine and effective cooperation on sanctions: https://www.europarl.europa.eu/cmsdata/273042/3rd%20PPA%20-%20recommendation%20on%20common%20support%20to%20Ukraine.pdf

[7] PPA recommendation, 4-5 December 2023: Youth mobility schemes, student exchanges, school trips, and touring artists: https://www.europarl.europa.eu/cmsdata/279312/Final%20Recommendation%20-%204th%20EU_UK%20PPA.pdf

[8] Minutes of the meetings: https://www.eesc.europa.eu/en/sections-other-bodies/other/eu-domestic-advisory-group-under-eu-uk-tca/events

[9] EU-UK relations Issues Tracker: https://www.eesc.europa.eu/sites/default/files/files/eu-uk_relations_issues_tracker_december_2022_january_update_0.pdf

[10] Agenda of the meeting: https://policy.trade.ec.europa.eu/events/second-eu-uk-trade-and-cooperation-agreement-civil-society-forum-2023-11-07_en

# 3. Enforcement tools, dispute settlement and complaints

The Commission put in place mechanisms to enforce the commitments made in the TCA, to settle disputes that may arise and to deal with complaints from stakeholders in the EU.

## 3.1. Enforcement tools

Two regulations were adopted in 2023 to enable the EU to exercise its rights in implementing and enforcing the agreements concluded with the United Kingdom in an effective and timely manner. These are: the Regulation[11] covering the Withdrawal Agreement[12] and the TCA as regards the matters falling within the scope of the Treaty on the Functioning of the European Union, and the Regulation[13] covering the TCA as regards the matters falling within the scope of the Euratom Treaty.

These regulations provide a legal basis for the Commission to adopt unilateral and enforcement measures as set out in the TCA and the Withdrawal Agreement. In particular, the Commission will be able to suspend its obligations under the TCA if the United Kingdom does not comply with a ruling of the arbitration tribunal set up under the TCA[14] or the Withdrawal Agreement. In certain cases, the Commission will be able to act unilaterally to protect EU interests without resorting to arbitration, for example, where a subsidy in the United Kingdom would entail the risk of a significant negative effect on trade or investment between the two parties[15].

## 3.2. Dispute settlement

While the list of arbitrators established under Article 752 of the TCA was adopted in 2022[16], work continued in 2023 on the list of members of the panel of experts to assess level playing field issues in accordance to Article 409(3) of the TCA. On 23 March 2023, the EU formally

[11]Regulation (EU) 2023/657 of the European Parliament and of the Council of 15 March 2023 laying down rules for the exercise of the Union's rights in the implementation and enforcement of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community and 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: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R0657.

[12] Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community 2019/C 384 I/01: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A12019W%2FTXT%2802%29.

[13]Council Regulation (Euratom) 2023/1479 of 14 July 2023 laying down rules for the exercise of the Community's rights in the implementation 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: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2023.182.01.0086.01.ENG&toc=OJ%3AL%3A2023%3A182%3ATOC.

[14] Article 749(4) of the TCA

[15] Article 374(3) TCA

[16] Decision No 3/2022 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 21 December 2022 establishing a list of individuals who are willing and able to serve as members of an arbitration tribunal under the Trade and Cooperation Agreement: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22022D2550

proposed to the United Kingdom a list of individuals willing and able to serve as panellists and chairpersons of a panel of experts[17]. The United Kingdom sent its proposal to the EU on 13 July 2023. Based on these respective proposals, a list of at least 15 individuals is to be drawn up by the Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development. It is forecast that this list will be completed in the first half of 2024.

### 3.3. Complaints

In 2023, six complaints were submitted through the centralised tools set up by the Commission[18]. One of these submissions was declared ineligible, as it had been submitted by an entity from the United Kingdom. The five remaining submissions concerned issues that fall outside the scope of the TCA[19]. They were redirected to the relevant Commission departments for reply.

## 4. Sectoral implementation

The sectoral implementation of the TCA worked well. All the implementation commitments that were due for 2023 or early 2024 were completed or on track.

This section sets out the main achievements, as well as the key policy developments in the United Kingdom in the various areas. It also quantifies, where possible, trade flows between the EU and the United Kingdom.

### 4.1. Trade in goods

Overall, the trade-related arrangements set out in the TCA worked very well.

In accordance with Article 31 of the TCA, the EU and the United Kingdom exchanged in 2023 import statistics[20]. These show that preference utilisation rates[21] remain high and are comparable to those of the previous year: 88.4% of EU preference eligible goods exported to the United Kingdom and 81.2% of preference eligible goods imported from the United Kingdom made use of the preferences under the TCA. These rates are among the highest compared to the preference utilisation rates under EU free trade agreements with other partners[22].

[17] https://commission.europa.eu/system/files/2023-04/Letter%20to%20Secretary%20of%20State%20Rt%20Hon%20James%20Cleverly%20MP.pdf

[18] https://ec.europa.eu/assets/sg/complaint_eu_uk_tca/complaints_en/ and https://trade.ec.europa.eu/access-to-markets/en/content/single-entry-point-0

[19] These submissions concerned the immigration rules for homeowners, recognition of certain medical training, cash controls at the border, data protection in visa processes, and student mobility.

[20] The data covers the year 2022.

[21] The preference utilisation rate reflects the share of imports or exports entering under trade preferences as a share of the total value of imports or exports eligible for preferences by partner country.

[22] For details see the Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Implementation and Enforcement of EU Trade Policy: https://policy.trade.ec.europa.eu/enforcement-and-protection/implementing-and-enforcing-eu-trade-agreements_en

Commitments under the TCA that were due to be completed were fulfilled in a satisfactory and timely manner for trade in **organic products**. The EU and the United Kingdom completed the reassessment of the mutual recognition of equivalence of each other's legislation in accordance with Article 3(3) of Annex 14 to the TCA. Following the reassessment, the Commission adopted a decision[23] on 6 December 2023 confirming the recognition of equivalence, in line with Article 5(1)(a) of the Council Decision on the conclusion of the TCA[24]. In the United Kingdom, the recognition of EU equivalence was confirmed through a ministerial decision adopted on the same day. The online register[25] in the United Kingdom reflects the continued recognition of the EU. As a result of the reassessment, trade in organic products covered by the TCA can continue uninterrupted after 2023.

At its meeting in October 2023, the Trade Specialised Committee on Technical Barriers to Trade completed the review of further steps to facilitate **trade in wine**, which had been due within 3 years of the entry into force of the TCA, in accordance with Article 7 of Annex 15.

To facilitate cooperation between the EU and the United Kingdom on **value added tax and claims concerning taxes and duties**, the responsible Committee adopted the decisions[26] necessary to fully implement the Protocol on administrative cooperation and combating fraud in the field of Value Added Tax and on mutual assistance for the recovery of claims relating to taxes and customs duties (VAT Protocol) referred to in Article 120 of the TCA. As a result, the VAT Protocol can be fully implemented as soon as the necessary electronic systems become operational, which is expected in the course of 2024. This will allow the Member States to better enforce EU VAT rules, as well as to recover taxes and customs duties from businesses in the United Kingdom that supply customers in the EU.

As regards **rules of origin**, on 21 December 2023, the Partnership Council adopted a decision[27] extending the current product-specific rules of origin for batteries and electrified vehicles by 3 years until 31 December 2026. The Partnership Council highlighted that this was a one-off measure. To avoid tariffs beyond this date, stakeholders must use the additional 3 years to adapt supply chains so that vehicles destined for export to the other party are equipped with batteries complying with the rules of origin laid out in the TCA. To ensure the

[23] Commission Decision (EU) 2023/2719 of 6 December 2023 on the confirmation of equivalence recognition with regard to organic products provided for in Annex 14 to 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: https://eur-lex.europa.eu/eli/dec/2023/2719.

[24] Council Decision (EU) 2021/689 of 29 April 2021 on the conclusion, on behalf of the Union, 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, and of the Agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland concerning security procedures for exchanging and protecting classified information (OJ L149/2) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021D0689&from=EN.

[25] https://www.gov.uk/government/publications/organic-registers-lists-of-third-countries-or-territories-control-bodies-and-control-authorities

[26] See Annex 3 for details.

[27] Decision No 1/2023 of the Partnership Council as regards the transitional product-specific rules for electric accumulators and electrified vehicles: https://commission.europa.eu/publications/decision-no-12023-partnership-council-regards-transitional-product-specific-rules-electric_en.

one-off nature of this extension, the Partnership Council has also limited its future powers to amend these product-specific rules again[28].

On developments in the United Kingdom, a new approach to **security checks on goods from the EU**, including **sanitary and phytosanitary requirements**, set to be progressively introduced from October 2023, was announced on 5 April 2023[29]. However, on 29 August, with the publication of the Border Target Operating Model[30], the United Kingdom decided to phase in full border checks for imports from the EU in the course of 2024.

The late publication of the final Border Target Operating Model and the lack of detail on many of its provisions, together with delays in introducing electronic certification by the United Kingdom, raised significant concerns in the EU about the exact requirements and procedures that EU exports would face. Moreover, additional administrative requirements, costs[31] and possible long delays at the border could have a dissuasive effect on the export of agri-food products to the United Kingdom.

Although the responsibility for developing and implementing a workable import regime lies with the United Kingdom, to help EU stakeholders to prepare for the new import requirements, the Commission sought the necessary clarifications from the United Kingdom's authorities through the channels set up by the TCA, such as the Trade Specialised Committees on Sanitary and Phytosanitary Measures and on Customs Cooperation and Rules of Origin. The Commission used structures such as the Domestic Advisory Group and the Market Access Advisory Committee to liaise with stakeholders in the EU.

On 1 August 2023, the Department for Business and Trade announced an indefinite extension of the use of the CE marking for 18 product categories falling under its remit[32]. This means that EU manufacturers of these product categories do not have to affix the UK Conformity Assessed marking (UKCA) to place goods on the market in Great Britain but can continue using the CE marking to confirm that products meet safety, health and environmental protection requirements. Nor is it necessary to undergo a third-party conformity assessment in the United Kingdom. It is not yet clear whether other government departments in the United Kingdom will allow the continued use of the CE marking for other product categories.

The **trade flows** between the EU and the United Kingdom developed as follows in 2023[33].

In the first three quarters of 2023, the EU exported goods worth EUR 251 billion to the United Kingdom, which represents an increase of 2.8% compared to the same period in 2022

[28] https://ec.europa.eu/commission/presscorner/detail/en/ip_23_6707
[29] The Border Target Operating Model: Draft for Feedback: https://www.gov.uk/government/publications/the-border-target-operating-model-draft-for-feedback.
[30] The Border Target Operating Model: https://www.gov.uk/government/publications/the-border-target-operating-model-august-2023.
[31] The government of the United Kingdom estimated that the new border checks on animal and plant products imported from the EU would cost businesses around £330 million a year in additional administrative costs: https://www.ft.com/content/015e1f25-0725-49f1-9a7d-bf9ec0dc4678.
[32] https://www.gov.uk/government/news/uk-government-announces-extension-of-ce-mark-recognition-for-businesses?utm_medium=email&utm_campaign=govuk-notifications-topic&utm_source=16bd8618-3575-44cc-b015-b8fa30cc34c5&utm_content=immediately.
[33] All figures are based on Eurostat data.

and 3.5% compared to the same period in 2019[34]. The value of EU imports from the United Kingdom in the first three quarters of 2023 was EUR 139 billion, representing a 15.7% decrease compared to the same period in 2022 and a fall of 4.2% compared to the same period in 2019. In 2023, the EU ran a sizeable trade surplus with the United Kingdom amounting to EUR 112 billion.

Comparing EU trade with the United Kingdom to EU trade with the rest of the world in the first three quarters of 2023, EU exports to other non-EU countries increased by 0.5% compared to the same period in 2022 and by 23.5% compared to the same period in 2019. EU imports from other third countries fell by 15.2% compared to the same period in 2022 and increased by 35.1% compared to 2019.

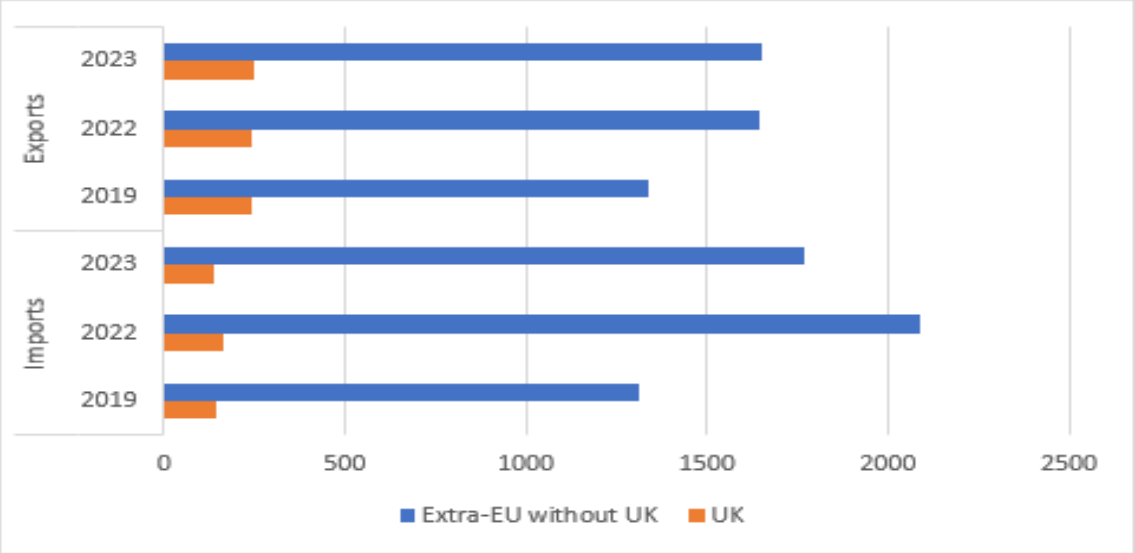



*Figure 1: EU trade in goods with the United Kingdom compared to EU trade with the rest of the world, first three quarters of 2019, 2022 and 2023, EUR billion. Source: Eurostat*

In the first three quarters of 2023, total trade in goods with the United Kingdom accounted for 10.2% of the EU's trade with its international partners, representing a slight increase from 9.9% in 2022 and a decrease from 12.7% in 2019.

The United Kingdom was the destination of 13.2% of EU exports (compared to 12.9% in 2022 and 15.3% in 2019), second to the United States (19.5%). The United Kingdom was the origin of 7.3% of the EU's imports (compared to 7.3% in 2022 and 10.00% in 2019), in third place behind China (20.4%) and the United States (13.5%).

[34] In 2019, data on trade with the United Kingdom was based on statistical concepts applicable to trade between the EU Member States. Since January 2021, data on trade with the United Kingdom has aggregated EU trade with the United Kingdom excluding Northern Ireland, using the same statistical concepts as for trade with a non-EU partner country, and data on the EU's trade with Northern Ireland that uses the same statistical concepts as for trade between Member States. Trade in goods with the United Kingdom is published by Eurostat in EU's datasets for trade with non-EU countries ('extra-EU' data).

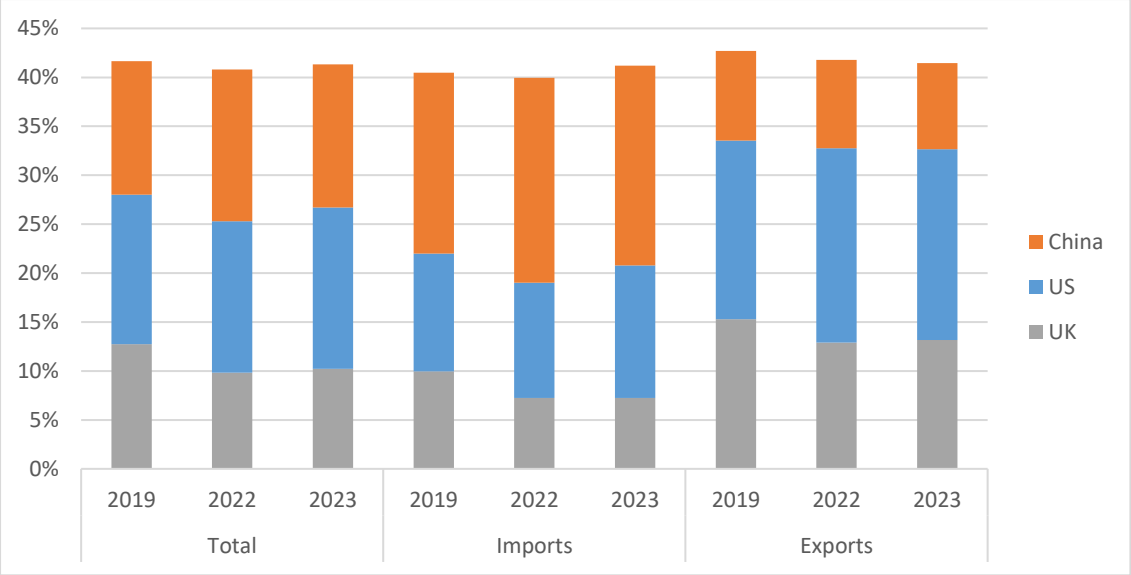



*Figure 2: EU trade in goods with its top three international partners, first three quarters of 2019, 2022 and 2023, (%). Source: Eurostat*

The sectors where EU exports to the United Kingdom showed the strongest increase in 2023 compared to 2022 were machinery and transport equipment (+14%), and food, drinks and tobacco (+11%). EU imports from the United Kingdom in 2023 increased only for machinery and transport equipment (+15%), and food, drinks and tobacco (+4%), while they decreased for all other categories of products.

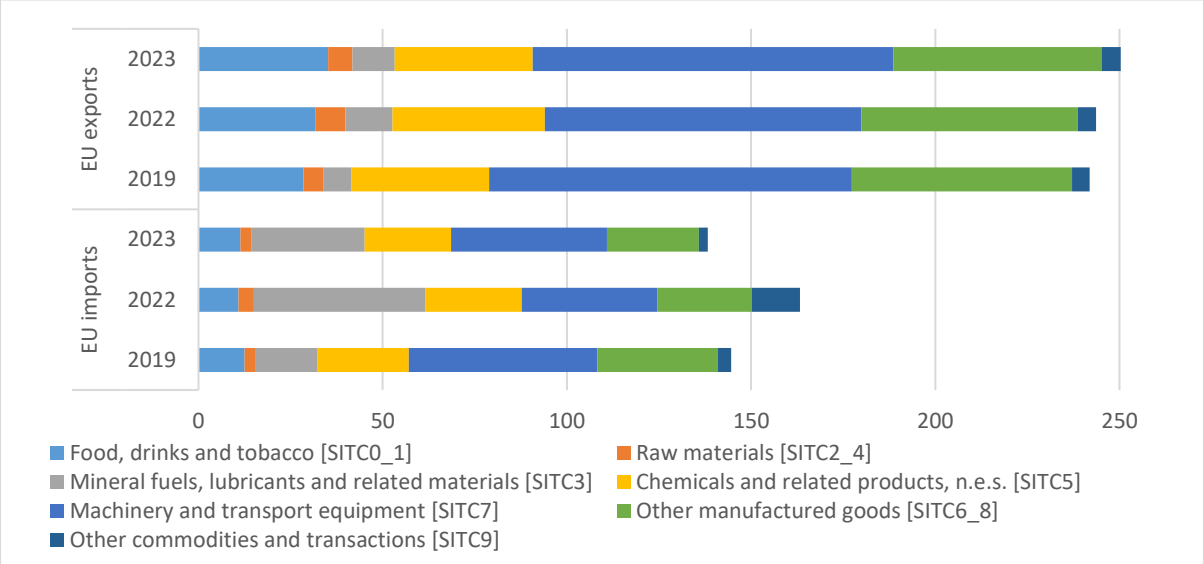



*Figure 3: EU trade in goods with the United Kingdom by the Standard International Trade Classification (SITC) for goods, first three quarters of 2019, 2022 and 2023, EUR billion. Source: Eurostat*

## 4.2. Services and investment, digital trade, intellectual property, public procurement and small and medium-sized enterprises

There were no significant implementation problems in the areas of services and investment, digital trade, intellectual property, public procurement and small and medium-sized enterprises.

At its meeting in October 2023, the Trade Specialised Committee on Services, Investment and Digital Trade completed the review of the implementation of the provision on **cross-border data flows,** which had been due within 3 years of the entry into force of the TCA, in accordance with Article 201(2).

As regards the **recognition of professional qualifications**, the Commission assessed the Joint Recommendation submitted in October 2022 by the Architects' Council of Europe and the Architects Registration Board in the United Kingdom, pursuant to Article 158(3) of the TCA, as well as a draft mutual recognition agreement.

In the Commission's view the proposal was unbalanced and prejudicial to EU architects, as it would give architects who qualified in the United Kingdom a level of recognition similar to that which they enjoyed when the United Kingdom was a Member State, whereas architects who qualified in an EU Member State would be required to sit specific professional examinations in the United Kingdom. This asymmetry is not justified on any of the possible grounds for compensatory measures set out in the TCA. The professional bodies submitted a revised version of the joint recommendation and a draft mutual recognition agreement, which do not address this asymmetry. The Commission considers that these documents are not an adequate basis to start negotiations.

Discussions continued with the United Kingdom on its Global Business Mobility rules and the difficulties faced by EU operators, in particular the burdensome **sponsorship requirements** that EU service suppliers must fulfil to provide a service in the United Kingdom[35]. The Commission will continue to seek a resolution.

In the area of **intellectual property**, discussions began between the EU Intellectual Property Office and the United Kingdom's Intellectual Property Office on improving cooperation, as provided for in Article 273 of the TCA, by means of a memorandum of understanding.

**Trade flows** between the EU and the United Kingdom developed as follows in 2023[36].

In the first three quarters of 2023, the EU exported services worth EUR 197 billion to the United Kingdom, which represents a 5.2% increase on the same period in 2022 and 18.2% more than in the same period of 2019. The value of EU imports from the United Kingdom was EUR 152 billion, representing a 4.6% increase compared to the same period in 2022 and 17.9% more compared to 2019. In 2023, the EU ran a trade surplus with the United Kingdom amounting to EUR 45 billion.

When comparing EU trade with the United Kingdom to EU trade with the rest of the world, in the first half of 2023, EU exports to other third countries marginally decreased by 0.4% compared to the same period in 2022 and increased by 28.7% compared to 2019. EU imports from other third countries increased by 4.9% compared to the same period in 2022 and by 28.8% compared to 2019.

[35] For further details, see Section 3.2. of the Commission's second report on the implementation of the TCA: https://commission.europa.eu/system/files/2023-03/COM_2023_118_en.PDF.
[36] All figures are based on Eurostat data.

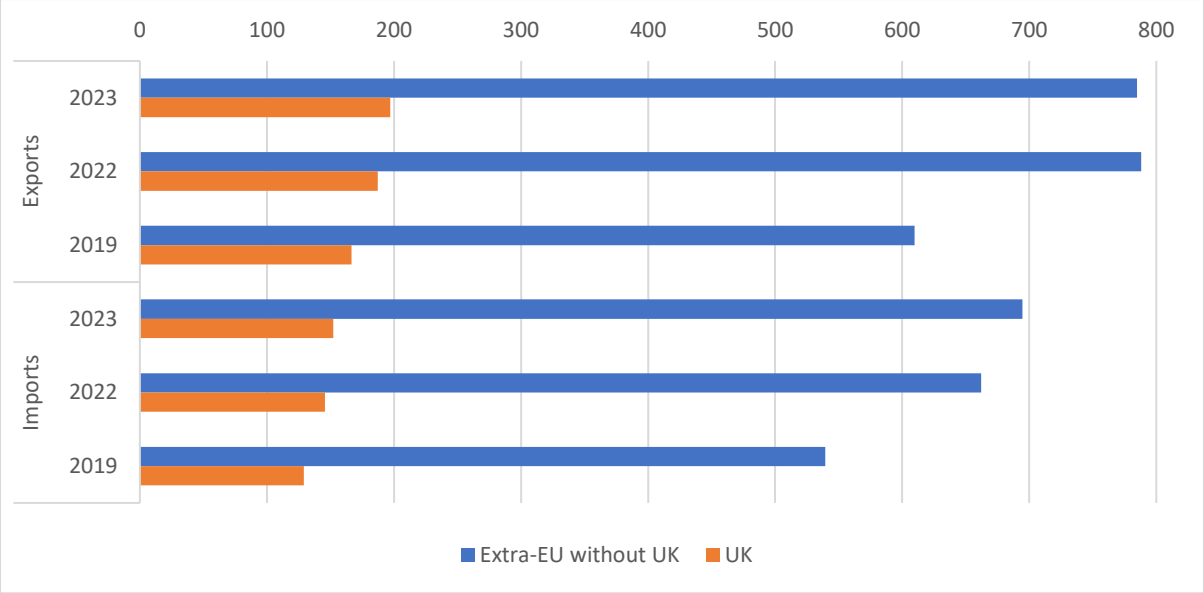



*Figure 4: EU trade in services with the United Kingdom compared to EU trade with the rest of the world, three quarters of 2019, 2022 and 2023, EUR billion. Source: Eurostat*

In the first three quarters of 2023, total trade in services with the United Kingdom accounted for 19.1% of the EU's total trade with its international partners, representing a slight increase from 18.7% in 2022 and a decrease compared to 2019 (20.5%).

The United Kingdom was the destination of 20.1% of EU exports in 2023 (compared to 19.2% in 2022 and 21.5% in 2019), second to the United States (21.7%). The United Kingdom was the origin of 18.0% of the EU's imports (compared to 18.0% in 2022 and 19.3% in 2019), second to the United States (33.6%).

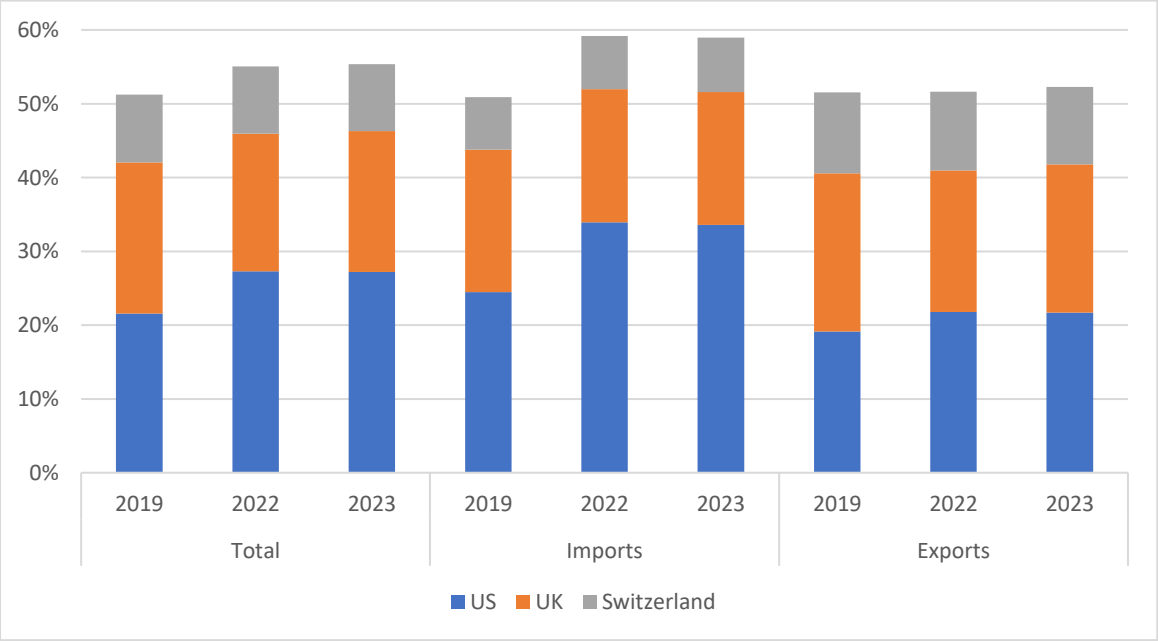



*Figure 5: EU trade in services with its top three international partners, first three quarters of 2019, 2022 and 2023, (%). Source: Eurostat*

The sectors where EU exports to the United Kingdom showed the strongest increase in 2023 compared to 2022 were travel (+19.2%) and insurance and pension services (+12.4%). Travel also showed the largest increase for EU imports from the United Kingdom (+19.3%), followed by telecommunication and computer services (+8.8%).

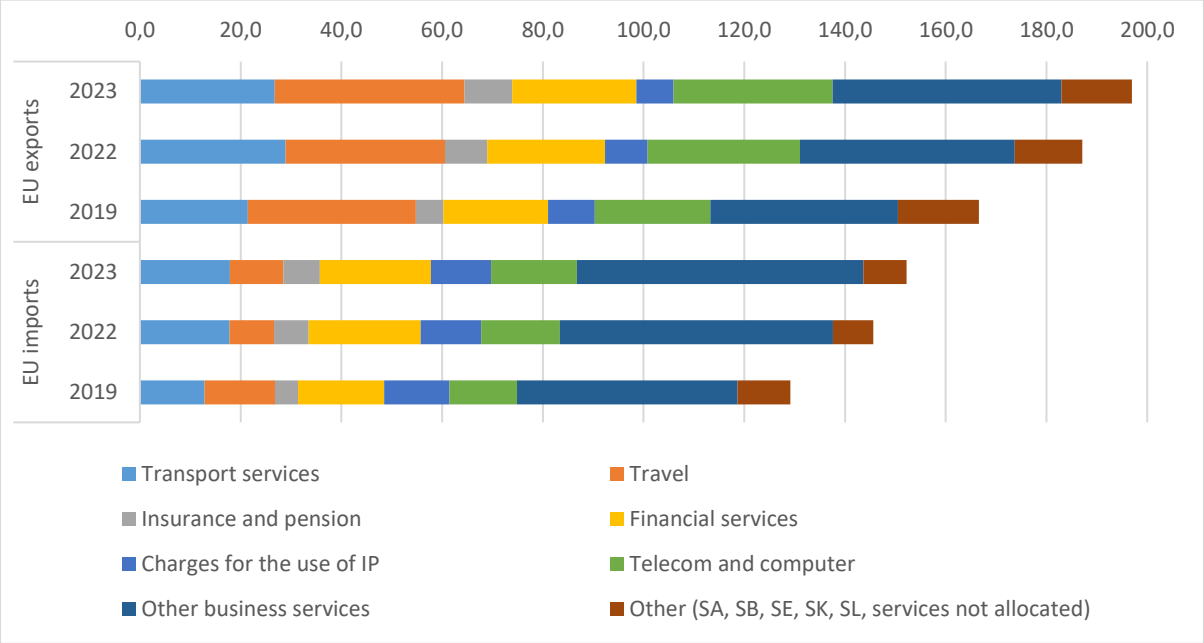



*Figure 6: EU trade in services with the United Kingdom in the first three quarters of 2023 compared to the same period of 2022 and 2019, by type of service[37], EUR billion. Source: Eurostat*

### 4.3. Energy

In view of the current geopolitical context, it is particularly important to strengthen cooperation on energy between the EU and the United Kingdom. The significance of cooperation in this area was underlined at the second meeting of the Partnership Council. However, the full implementation of the energy provisions in the TCA remained challenging due to the complexity of the file.

Only partial progress was made in implementing the **new electricity trading arrangements** provided for in Article 312 and Annex 29 of the TCA. Following the recommendation of the Specialised Committee on Energy of 7 February 2023, the Transmission System Operators from the EU and the United Kingdom submitted additional information. This information did not identify a clear way forward for the adoption of the new arrangements, as concerns remained about how robust and future-proof the potential solutions would be. The Specialised Committee on Energy continues to explore options and ways to address these concerns.

In the context of the efforts to diversify away from Russian fuels, cooperation under Article 315 of the TCA on **security of supply** continued to be of great importance. In 2023, gas supplies from the United Kingdom to the EU remained high. This contributed to the EU's

[37] The types of services included under 'Other' are: SA - manufacturing services on physical inputs owned by others, SB - maintenance and repair services, SE – construction, SK - personal, cultural, and recreational services, SL – government goods and services and services not allocated.

security of supply and diversification of energy sources. In anticipation of the winter of 2023-2024, technical exchanges were held on gas and electricity preparedness and on the safety of offshore operations.

In accordance with Article 319 of the TCA on **renewable energy and energy efficiency**, the EU informed the United Kingdom of its more ambitious targets resulting from the revised Renewable Energy Directive[38] and the Energy Efficiency Directive[39].

Cooperation on the **development of offshore renewable energy** made progress, in line with Article 321 of the TCA, and under the umbrella of the Memorandum of Understanding on offshore renewable energy cooperation between the participants of the North Seas Energy Cooperation and the United Kingdom[40].

The EU and the United Kingdom also took steps to facilitate **cooperation between** their **transmission system operators and regulatory authorities**, as provided for in Articles 317 and 318 of the TCA. It is expected that working arrangements between both parties' transmission system operators for gas and electricity[41] and the regulatory authorities[42] will be put in place in 2024.

### 4.4. Transport

Implementation of the TCA in the area of transport was unproblematic and focussed on the effective exercise of the rights mutually granted by the parties.

In the area of **aviation safety**, out of 18 applications for validation of certificates issued by the United Kingdom's Civil Aviation Authority, 1 was approved by the EU Aviation Safety Agency (EASA) on the basis of Article 446 in conjunction with Annex 30 of the TCA. With the support of the EASA, the United Kingdom authorities validated 4 out of 5 projects submitted by EU applicants. These figures are within the expected range of activity in terms of validation.

[38] Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023L2413&qid=1699364355105.

[39] Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast): https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AJOL_2023_231_R_0001&qid=1695186598766.

[40] Memorandum of understanding on offshore renewable energy cooperation between the participants of the North Seas Energy Cooperation (NSEC), of the one side, and the United Kingdom of Great Britain and Northern Ireland, of the other side: https://energy.ec.europa.eu/system/files/2022-12/NSEC%20UK%20MoU%20signed.pdf.

[41] The European Network of Transmission System Operators for Electricity and the European Network of Transmission System Operators for Gas in the EU and the transmission system operators for electricity and gas in the United Kingdom.

[42] The EU Agency for the Cooperation of Energy Regulators and the regulatory authority in the United Kingdom.

In the area of **air transport,** by the end of 2023, there were 23 bilateral agreements[43] on all-cargo services between an EU Member State and the United Kingdom in accordance with Articles 419(4) and (9) of the TCA. Two of these agreements (with Croatia and Slovenia) were concluded in 2023.

In the area of **road transport**, the Specialised Committee on Road Transport adopted a decision[44] pursuant to Article 468(5) and Article 2(2) of Section 4 of Part B of Annex 31 of the TCA, adapting the technical specifications of the smart tachograph 2 as laid out in EU law[45]. As a result, road haulage operators established in the United Kingdom are required to equip their vehicles with smart tachographs that meet these technical specifications when undertaking journeys in accordance with Article 462 of the TCA.

For the sake of completeness, in the area of **rail transport**, which is not covered in the TCA, on 20 June 2023, the Commission adopted a proposal[46] for a Decision of the European Parliament and of the Council empowering the French Republic to negotiate, sign and conclude an international agreement on the safety and interoperability requirements within the Channel Fixed Link.

As regards developments in the United Kingdom, legislation[47] on **cabotage** was amended, revoking the right of EU operators to carry out this type of activity after the unladen journey or in combination with transport activities in the United Kingdom. Also, the right of EU operators to carry out transport activities between the United Kingdom and other non-EU countries was removed. According to the United Kingdom, the purpose of these changes was to align the level of openness of its market with its obligations under the TCA.

### 4.5. Fisheries

Implementation of the TCA's provisions on fisheries made good progress.

To improve the **sustainable management of the shared fishing stocks,** the Specialised Committee on Fisheries adopted several decisions and recommendations in 2023, including joint guidelines for notifying management measures to the other party[48]**.**

[43] The following Member States have signed bilateral agreements with the United Kingdom: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Slovakia, Slovenia and Sweden.
[44] Decision No 1/2023 of the Specialised Committee on Road Transport 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 23 November 2023 on the adaptation of technical specifications of the smart tachograph 2: https://eur-lex.europa.eu/eli/dec/2024/293/oj.
[45] Annex IC of Commission Implementing Regulation (EU) 2016/799 as amended by Implementing Regulations (EU) 2021/1228[2] and (EU) 2023/ 980: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32023R0980.
[46] Proposal for a Decision of the European Parliament and of the Council empowering the French Republic to negotiate, sign and conclude an international agreement on the safety and interoperability requirements within the Channel Fixed Link: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023PC0328.
[47] The Drivers' Hours, Tachographs, International Road Haulage and Licensing of Operators (Amendment) Regulations 2022: https://www.legislation.gov.uk/uksi/2022/1260/contents/made.
[48] See Annex 3 for details.

The Commission also continued to discuss with the United Kingdom **management measures** notified under Article 496(3) of the TCA that may affect both parties' vessels.

The Commission and the authorities of the United Kingdom, Jersey and Guernsey began to implement the arrangements for the type and the conditions of the fishing activities that the EU fishing vessels undertake in Jersey's and Guernsey's waters, as provided for in Article 502 of the TCA.

In December, the EU and the United Kingdom concluded their annual consultations to determine the **total allowable catches** for shared stocks in 2024 under Article 498 of the TCA. The parties reached a comprehensive agreement covering all stocks, thus securing fishing opportunities of over 388 000 tonnes for the EU fleet, estimated to be worth around EUR 1 billion based on historic landing prices, adjusted for inflation.

Finally, in its contacts with the United Kingdom throughout 2023, the EU highlighted the importance of establishing the arrangements for **reciprocal access to waters** from July 2026 onwards.

### 4.6. Social security coordination

Cooperation in this area was constructive, with both parties committed to solving any issues that might emerge in the implementation of the **Protocol on Social Security Coordination** to the TCA ('the Protocol').

To facilitate the transmission of data and to clarify certain financial aspects, the Specialised Committee on Social Security Coordination adopted two decisions[49].

Furthermore, the Specialised Committee on Social Security Coordination carried out technical work on topics such as additional minimum changes to structured electronic documents and potential minimal changes to portable documents, procedures to be followed for the reimbursement of the cost of sickness benefits, and the transposition of relevant decisions of the Administrative Commission for the Coordination of Social Security Systems.

### 4.7. Law enforcement and judicial cooperation in criminal matters

Implemention of the TCA in relation to law enforcement and judicial cooperation functioned smoothly.

In the area of **exchanges of DNA profiles and fingerprints**, by the end of 2023, 19 Member States[50] and the United Kingdom had given each other access to their national DNA databases for automated searching, in accordance with Article 530 of the TCA. 12 Member

[49] See Annex 3 for details.
[50] Austria, Belgium, Czechia, Finland, France, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Romania, Slovakia, Spain and Sweden

States[51] and the United Kingdom did so in respect of fingerprints, in accordance with Article 534 of the TCA.

On the **transfer of Passenger Name Record** (PNR) data by air carriers to the United Kingdom for flights between the EU and the United Kingdom, in line with Article 552(15) of the TCA, the interim period expired on 31 December 2023[52]. From 1 January 2024, the United Kingdom must delete a passenger's PNR data after they leave the United Kingdom, unless a risk assessment indicates a need to retain such data.

To make cooperation in criminal matters easier, the Specialised Committee on Law Enforcement and Judicial Cooperation adopted a standard form[53] for requests for **mutual assistance in criminal matters**, as referred to in Article 635 of the TCA. The competent authorities have been required to use this form since 1 September 2023. It contains all the necessary information for a request for mutual assistance.

### 4.8. Association of the United Kingdom to certain EU programmes

A major step in the implementation of the TCA was achieved with the association of the United Kingdom to certain programmes in accordance with Part Five of the TCA, providing more opportunities for cooperation in science, research and innovation.

Protocols I and II, adopted on 4 December 2023 by the Specialised Committee on Participation in Union Programmes, cover the specific terms and conditions for the United Kingdom's participation in Horizon Europe and the Copernicus component of the Space programme (Protocol I), as well as access to services of the EU Space Surveillance and Tracking component of the Space programme (Protocol II) under the 2021 - 2027 multiannual financial framework. The United Kingdom chose not to participate in the Euratom Research and Training Programme and the Fusion for Energy Joint Undertaking.

The United Kingdom's association to Horizon Europe took effect on 1 January 2024, making it possible for entities from the United Kingdom to sign grant agreements and receive funding under the relevant programmes from the fourth year of the current multiannual financial framework. Until then, the Commission's transitional arrangements for countries in the process of becoming associated to Horizon Europe allowed entities from the United Kingdom to be evaluated on the same terms as those from countries that were already associated.

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[51] Belgium, Bulgaria, Czechia, Denmark, Germany, France, Lithuania, Hungary, Netherlands, Austria, Romania and Sweden.

[52] Decision No 2/2022 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 21 December 2022 as regards the second and last extension of the interim period during which the United Kingdom may derogate from the obligation to delete Passenger Name Record data of passengers after their departure from the United Kingdom: https://eur-lex.europa.eu/eli/dec/2022/2549/oj.

[53]Decision No 1/2023 of the Specialised Committee established by Article 8(1)® 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, of 19 June 2023 establishing a standard form for requests for mutual assistance: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2023.199.01.0103.01.ENG&toc=OJ%3AL%3A2023%3A199%3AFULL.

# 5. Developments in the law of the United Kingdom

The Commission continued to monitor closely legislative developments in the United Kingdom, in particular with regard to their impact on the commitments under the TCA.

This section summarises developments in the relevant laws of the United Kingdom of a cross-cutting nature (Section 5.1.) and those pertinent to the level playing field (Section 5.2.), looking at the most significant legislative proposals (bills) and adopted legislation (acts). In cases where legislation was adopted, the report highlights its relevance for the TCA. Announcements of policy intentions and public consultations are not covered. While these may indicate a policy direction, it would be premature to draw conclusions about their relevance for the TCA.

## 5.1. Cross-cutting matters

In 2023, two important acts were passed, and two bills were tabled that could affect how the TCA operates in many areas. One bill that raised significant concerns about its compatibility with the European Convention on Human Rights was withdrawn.

The **Retained EU Law (Revocation and Reform) Act**[54] was passed on 29 June 2023. The Act revokes certain retained EU laws by the end of 2023 and removes the special status of all retained EU law in the United Kingdom's legal order[55]. Furthermore, the Act delegates significant powers to the United Kingdom's authorities to revoke, amend or modify retained EU laws.

The Commission closely followed developments in the adoption of this legislation and its compatibility with the United Kingdom's commitments under the TCA. In their official reply to Vice-President Šefčovič and in a series of technical meetings, the United Kingdom's authorities informed the Commission that the objective of the Act is not to lower the levels of protection in labour, environment and climate-related matters under the TCA. However, further monitoring will be necessary to ensure compliance in view of the wide-ranging empowerment granted to the United Kingdom's authorities to modify EU retained law and the role of its courts in interpreting retained EU legislation[56].

On 20 July 2023, the **Illegal Immigration Act**[57]was passed, under which people who enter the United Kingdom illegally will not be allowed to stay, but will be detained and promptly removed, either to their home country or to another country. Furthermore, on 7 December 2023, the **Safety of Rwanda (Asylum and Immigration) Bill**[58] was introduced, which declares Rwanda a safe country, to which persons may be removed from the United

[54] Retained EU Law (Revocation and Reform) Act 2023: https://www.legislation.gov.uk/ukpga/2023/28/contents/enacted.
[55] Retained EU law is the corpus of EU law that that the United Kingdom carried over at the end of the transition period (31 December 2020) to avoid a regulatory cliff-edge.
[56] In this respect, the United Kingdom courts should respect Section 29 of the European Union (Future Relationship) Act 2020 that requires domestic law to be read with such modifications that are necessary to comply with the TCA.
[57] Retained EU Law (Revocation and Reform) Act 2023: https://www.gov.uk/government/collections/illegal-migration-bill.
[58] Safety of Rwanda (Asylum and Immigration) Bill: https://bills.parliament.uk/bills/3540/publications.

Kingdom. In his declaration under Section 19(1)(b) of the United Kingdom's Human Rights Act, the Home Secretary declared that he was '*[…] unable to make a statement that […] the provisions of the Safety of Rwanda (Asylum and Immigration) Bill are compatible with the Convention rights, but the Government nevertheless wishes the House to proceed with the Bill*'[59]. The Commission notes these developments with concern and expects the United Kingdom to respect its international obligations, in particular those under the European Convention on Human Rights, which forms the basis for cooperation in the field of law enforcement and judicial cooperation in criminal matters under the TCA.

In March 2023, the government of the United Kingdom tabled a new version of the **Data Protection and Digital Information (No 2) Bill**[60]. The objective of the Bill is to reform the data protection framework in the United Kingdom, on which the Commission based its decisions on the adequacy of the level of protection for personal data. The Bill intends to make changes in several areas, notably on the legal grounds for the processing of personal data, the exercise of data subject rights, the rules for the transfer of personal data to other countries and the set-up and functioning of the independent data protection supervisory authority. The Commission will continue to monitor the legislative process.

The government of the United Kingdom introduced the **Digital Markets, Competition and Consumers Bill**[61] in April 2023. The Bill provides for the regulation of competition in digital markets and the designation of undertakings with a strategic market status. It also seeks to reform certain aspects of competition law and creates two separate regimes for the civil enforcement of consumer law: a court-based regime and a direct enforcement regime administered by the United Kingdom's Competition and Markets Authority. The Commission will continue to monitor the legislative process.

Finally, the **Bill of Rights Bill**[62] introduced in 2022 was withdrawn on 27 June 2023.

## 5.2. Level playing field for open and fair competition and sustainable development

The Commission carefully monitors regulatory developments in this area and requests clarifications from the United Kingdom where necessary.

### *5.2.1. Subsidy control and taxation*

Three types of block-exempted subsidies, the '**Streamlined Routes'**[63], were adopted in January 2023. The three Streamlined Routes cover: (i) research, development and innovation; (ii) energy usage; and (iii) local growth and would exempt public authorities from assessing subsidy measures against the subsidy principles.

[59] See explanatory notes to the Safety of Rwanda (Asylum and Immigration) Bill: https://publications.parliament.uk/pa/bills/cbill/58-04/0038/230038.pdf.
[60] Data Protection and Digital Information Bill: https://bills.parliament.uk/bills/3430.
[61] Digital Markets, Competition and Consumers Bill: https://bills.parliament.uk/bills/3453.
[62] Bill of Rights Bill: https://bills.parliament.uk/bills/3227.
[63] Subsidy Control Act 2022: Streamlined Routes: https://www.gov.uk/government/publications/subsidy-control-act-2022-streamlined-routes.

The Commission continued to monitor the implementation of previously adopted legislation that entered into force in 2023, such as the new subsidy control regime under the Subsidy Control Act 2022[64]. It also requested clarifications from the United Kingdom on a package of measures on electricity costs for energy-intensive industries[65], as well as an update on investment zones and freeports.

#### *5.2.2. Labour and social standards, environment and climate*

In the area of **labour and social standards,** the Commission followed the developments surrounding the adoption and implementation of the **Strikes (Minimum Service Levels) Act** 2023[66], which empowers the government of the United Kingdom to set out minimum service requirements during strikes in certain public service sectors.

Following a submission[67] by the Trades Union Congress to the International Labour Organization (ILO) about alleged attacks on workers' right to strike, on 17 July 2023 the ILO's Committee on the Application of Standards urged the government of the United Kingdom to facilitate the dialogue with the social partners and to ensure that any existing or new legislation complies with international rules on freedom of association[68]. It remains to be seen how these recommendations will be addressed.

Furthermore, on 13 July 2023, the High Court of the United Kingdom quashed the statutory instrument that allows employment agencies to knowingly provide temporary workers to an employer to perform the duties of workers taking part in a strike[69].

In the area of **environment and climate**, the United Kingdom passed secondary legislation[70] reducing the number of allowances under its Emission Trading Scheme (ETS) to be auctioned from 2024 onwards to strengthen its decarbonisation objectives. The Commission monitored these changes alongside other developments, such as the fall in the United Kingdom's ETS prices, which created a gap with those of the EU ETS, and the adoption by the Climate Change Committee of the 2023 Report to Parliament[71] on progress in reducing emissions and the assessment of the announcements and developments on Net-Zero in the United Kingdom[72].

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[64] Subsidy Control Act 2022: https://www.legislation.gov.uk/ukpga/2022/23/enacted.
[65] British Industry Supercharger: Capacity Market consultation and EIIs government response: https://www.gov.uk/government/consultations/british-industry-supercharger-capacity-market-consultation-and-eiis-government-response.
[66] Strikes (Minimum Service Levels) Act 2023: https://www.legislation.gov.uk/ukpga/2023/39/enacted.
[67] TUC submission to ILO committee of experts: https://www.tuc.org.uk/sites/default/files/2022-09/ILOsubmission2022.pdf.
[68] International Labour Organization Record of Proceedings: https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_888016.pdf.
[69] Case No: CO/3337/2022 CO/3346/2022 CO/3532/2022: https://www.judiciary.uk/wp-content/uploads/2023/07/ASLEF-v-Secretary-of-State-for-Business-and-Trade-judgment-130723.pdf.
[70] The Greenhouse Gas Emissions Trading Scheme Auctioning (Amendment) Regulations 2023: https://www.legislation.gov.uk/uksi/2023/994/contents/made.
[71] Progress in reducing emissions 2023 Report to Parliament: https://www.theccc.org.uk/wp-content/uploads/2023/06/Progress-in-reducing-UK-emissions-2023-Report-to-Parliament-1.pdf.
[72] CCC assessment of recent announcements and developments on Net Zero: https://www.theccc.org.uk/2023/10/12/ccc-assessment-of-recent-announcements-and-developments-on-net-zero/.

The Commission also monitored the development of a chemicals policy in the United Kingdom (UK REACH) and its divergence from EU policy (EU REACH).

## 6. Conclusions

The TCA is not, and cannot be, a substitute for EU membership. Being outside the EU's single market and its policies has inevitable implications for trade, market access and the extent of cooperation.

However, as previously highlighted[73], the TCA is a very good agreement for the EU. It strikes a good balance between rights and obligations for both parties and provides for far-reaching market access and extensive cooperation.

The Commission remains fully committed to taking forward the implementation of the TCA and to working with the United Kingdom in a cooperative and constructive manner to this end.

[73] Annual report on the implementation and application of the Trade and Cooperation Agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland: https://commission.europa.eu/publications/annual-report-implementation-and-application-trade-and-cooperation-agreement-between-european-union_en.

## Annex 1: Meetings in 2023 of the joint bodies and other structures established by the TCA

| Date | Joint body/structure |
|---|---|
| 7-9 March | Fisheries (Working Group): 4th meeting |
| 9 March | EU Domestic Advisory Group: 6th meeting |
| 24 March | Partnership Council: 2nd meeting |
| 18-20 April | Fisheries (Working Group): 5th meeting |
| 1 June | Air Transport (Specialised Committee): 3rd meeting |
| 19 June | Law Enforcement and Judicial Cooperation (Specialised Committee): 3rd meeting |
| 21 June | EU Domestic Advisory Group: 7th meeting |
| 27 June | Fisheries (Specialised Committee): 6th meeting |
| 28 June | Social Security Coordination (Specialised Committee): 3rd meeting |
| 3-4 July | Parliamentary Partnership Assembly: 3rd meeting |
| 26 July | Fisheries (Working Group): 6th meeting |
| 22 September | Fisheries (Specialised Committee): 7th meeting |
| 27 September | Customs Cooperation and Rules of Origin (Trade Specialised Committee): 3rd meeting |
| 4 October | Level Playing Field for Open and Fair Competition and Sustainable Development (Trade Specialised Committee): 3rd meeting |
| 9 October | Services, Investment and Digital Trade (Trade Specialised Committee): 3rd meeting |
| 11 October | Sanitary and Phytosanitary Measures (Trade Specialised Committee): 3rd meeting |
| 13 October | EU Domestic Advisory Group: 8th meeting |
| 18 October | Technical Barriers to Trade (Trade Specialised Committee): 3rd meeting |
| 19 October | Administrative Cooperation in VAT and Recovery of Taxes and Duties (Trade Specialised Committee): 3rd meeting |
| 23 October | Intellectual Property (Trade Specialised Committee): 3rd meeting |
| 6 November | Regulatory Cooperation (Trade Specialised Committee): 3rd meeting |
| 7 November | Civil Society Forum: 2nd meeting |
| 8 November | Goods (Trade Specialised Committee): 3rd meeting |
| 9 November | Energy (Specialised Committee): 4th meeting |
| 16 November | Public Procurement (Trade Specialised Committee): 3rd meeting |
| 23 November | Road Transport (Specialised Committee): 3rd meeting |
| 30 November | Aviation Safety (Specialised Committee): 3rd meeting |
| 4-5 December | Parliamentary Partnership Assembly: 4th meeting |
| 4 December | Participation in Union Programmes (Specialised Committee): 3rd meeting |
| 7 December | Trade Partnership Committee: 3rd meeting |

## Annex 2: Overview of the actions for implementation agreed by the Partnership Council on 24 March 2023

| Topic | State of play |
|---|---|
| Association of the United Kingdom to Union programmes | **DELIVERED:** Association to Horizon Europe and Copernicus as of 1 January 2024. The Protocols to the TCA were adopted by the Specialised Committee on Participation on Union Programmes on 4 December 2023. |
| New electricity trading arrangements and cooperation of electricity transmission system operators | Additional technical input received from Transmission System Operators on 10th July. The file is under assessment, with further discussions with the United Kingdom on a regular basis. |
| MoU on regulatory cooperation on financial services | **DELIVERED:** The MoU was signed on 27 June 2023 and is operational. |
| MoU on intellectual property cooperation between the European Union Intellectual Property Office (EUIPO) and the United Kingdom's Intellectual Property Office (UKIPO) | Discussions between the EUIPO and the UKIPO are advancing. |
| United Kingdom: Retained EU Law Act | **DELIVERED:** A technical meeting between the Commission departments and the United Kingdom took place on 2 July 2023. The United Kingdom provided explanations about the content of the Act. |
| United Kingdom: Bill of Rights Bill | **OBSOLETE:** The United Kingdom withdrew the bill. |
| Model rules of procedure for working groups set up under the TCA | **DELIVERED:** The rules have been agreed with the United Kingdom at technical level. On 28 September, the Council adopted its Decision, under Article 218(9) of the Treaty on the Functioning of the EU, on the position to be taken by the EU on this issue. This enables the working groups on organic products, motor vehicles and parts, medicinal products and social security coordination to become operational. |
| Dialogue on counterterrorism | **DELIVERED:** The dialogue took place on 2 February 2024. |
| Dialogue on cyber issues | **DELIVERED:** The dialogue took place on 14 December 2023. |
| EU to provide information to the United Kingdom on its measures applicable to imports of live bivalve molluscs and seed potatoes | **DELIVERED:** Information provided on 3 April 2023. |
| Activating the VAT protocol under the TCA | **DELIVERED:** The relevant four decisions necessary for the activation of the VAT Protocol were adopted by the Trade Specialised Committee on VAT administrative cooperation and the recovery of taxes and duties, on 19 October 2023. |

## Annex 3: Decisions and recommendations adopted by the Partnership Council or Committees established by the Trade and Cooperation Agreement

**Recommendation No 1/2023 of the Specialised Committee on Energy** established by Article 8(1)(1) 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, of 7 February 2023 to each Party concerning their requests to transmission system operators for electricity in view of preparing technical procedures for the efficient use of electricity interconnectors[74].

**Decision No 1/2023 of the Specialised Committee** established by Article 8(1)(r) 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, of 19 June 2023 establishing a standard form for requests for mutual assistance[75].

**Decision No 1/2023 of the Specialised Committee on Social Security Coordination** established by Article 8(1)(p) 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, of 10 March 2023 as regards the use of the Electronic Exchange of Social Security Information for the transmission of data between institutions or liaison bodies[76].

**Decision No 2/2023 of the Specialised Committee on Social Security Coordination** established by Article 8(1)(p) 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, of 28 June 2023 as regards the designation of the financial institution to serve as reference to determine the interest rate for late payments and the exchange rate for currency conversions, as well as the date to be taken into consideration for determining the rates of currency conversion[77].

**Decision No 1/2023 of the Specialised Committee on Fisheries** established by Article 8(1)(q) 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, of 24 July 2023 as regards the mechanism for voluntary in-year transfers of fishing opportunities[78].

**Recommendation No 1/2023 of the Specialised Committee on Fisheries** established by Article 8(1)(q) 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

[74] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22023D0425
[75] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22023D1621
[76] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22023D0698
[77] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22023D1460
[78] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2023.198.01.0039.01.ENG

Britain and Northern Ireland, of the other part, of 24 July 2023 as regards guidelines for notifications under Article 496(3) of the Agreement[79].

**Recommendation No 2/2023 of the Specialised Committee on Fisheries** established by Article 8(1)(q) 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, of 24 July 2023 as regards the alignment of management areas for Lemon Sole, Witch, Turbot and Brill[80].

**Recommendation No 3/2023 of the Specialised Committee on Fisheries** established by Article 8(1)(q) 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, of 1 December 2023, as regards the alignment of management areas for Plaice and Whiting[81].

**Decision No 1/2023 of the Trade Specialised Committee on Administrative Cooperation in VAT and Recovery of Taxes and Duties** 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 October 2023 on the procedure for the conclusion of a service level agreement[82].

**Decision No 2/2023 of the Trade Specialised Committee on Administrative Cooperation in VAT and Recovery of Taxes and Duties** 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 October 2023 on the amount and modalities of the financial contribution to be made by the United Kingdom of Great Britain and Northern Ireland to the general budget of the Union in respect of the cost generated by its participation in the European Information Systems[83].

**Decision No 3/2023 of the Trade Specialised Committee on Administrative Cooperation in VAT and Recovery of Taxes and Duties** 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 October 2023 laying down implementing rules for provisions relating to recovery assistance of the Protocol on administrative cooperation and combating fraud in the field of value added tax and on mutual assistance for recovery of claims[84].

**Decision No 4/2023 of the Trade Specialised Committee on Administrative Cooperation in VAT and Recovery of Taxes and Duties** 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 October 2023 on standard forms for the communication of information and statistical data, the transmission of information via the Common Communication Network and the

[79] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2023.198.01.0041.01.ENG
[80] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2023.198.01.0044.01.ENG
[81] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202400626
[82] https://eur-lex.europa.eu/eli/dec/2023/2472/oj
[83] https://eur-lex.europa.eu/eli/dec/2023/2473
[84] https://eur-lex.europa.eu/eli/dec/2023/2474/oj

practical arrangements for the organisation of contacts between central liaison offices and liaison departments[85].

**Decision No 1/2023 of the Specialised Committee on Road Transport** 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 23 November 2023 on the adaptation of technical specifications of the smart tachograph 2[86].

**Decision No 1/2023 of the Specialised Committee on Participation in Union Programmes** established by Article 8(1)(s) 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, of adopting Protocols I and II and amending Annex 47 to the Trade and Cooperation Agreement[87].

**Decision No 1/2023 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 21 December 2023 as regards the transitional product-specific rules for electric accumulators and electrified vehicles[88].

[85] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202302475
[86] https://eur-lex.europa.eu/eli/dec/2024/293/oj
[87] https://eur-lex.europa.eu/eli/dec/2023/2731
[88] EUR-Lex - 22023D2891 - EN - EUR-Lex (europa.eu)