Research Briefing:

Negotiations on the UK's withdrawal from the EU: Monitoring Report – 9 July 2018





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Negotiations on the UK's withdrawal from the EU: Monitoring Report – 9 July 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 11 June.

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 6 June the Welsh Government's 'continuity' Act, the <u>Law Derived from</u>
 the <u>European Union (Wales) Act 2018</u>, was given Royal Assent.
- The UK Government slides on Framework for the UK-EU Partnership:
 Transport were published on June 7. The slides focuses on the UK Government's proposals for aviation and road transport.
- On June 8 Michel Barnier summarised the negotiations, highlighting that progress had been made on the so called "other separation issues". However, he indicated that further work was needed on the personal data of EU citizens, geographical indications, the governance of the withdrawal agreement and the Ireland/Northern Ireland border.
- On 11 June the EU published <u>slides on the UK Government's technical</u>
 <u>note</u> on a temporary customs arrangements. The slides indicate that the
 EU thought the UK's proposals were insufficient.
- On June 13 the UK Government published its slides on a <u>Framework for</u>
 the UK-EU partnership: Civil judicial cooperation. Consequently the UK is
 seeking a new bilateral agreement encompassing a full range of civil
 judicial cooperation with the EU covering family, civil and commercial and
 insolvency law.

- Also on 13 June the EU published its slides on involvement in the EU's space-related activities. These slides indicate that the EU is not prepared to allow the UK any special access to its space programmes.
- On 18 June, the Welsh Government **announced that**, through the Welsh Government's £50 million EU Transition Fund, £2.15 million will be provided to support the development of the red meat sector in Wales.
- On 24 May, the UK Government published a technical note on security, law enforcement and criminal justice. Michel Barnier responded to the UK proposals in a speech at the European Union Agency for Fundamental Rights on 19 June.
- On 19 June the European Commission and United Kingdom published a
 Joint Statement outlining further progress in Article 50 negotiations
 This Joint Statement highlighted the progress on the other separation issues within the Draft Withdrawal Agreement.
- On the same day, the Cabinet Secretary for Finance wrote a letter to all
 Assembly Members confirming the details of the Intergovernmental
 Agreement the Welsh Government reached with the UK Government.
- On 21 June the UK Government published a <u>technical note on</u> coordination of external security. This builds on its slides on a <u>Framework for a UK-EU security partnership</u> published on 9 May and the technical note on security cooperation, published on <u>24 May</u>. The EU's stance on these matters are set out in its <u>Slides on foreign, security and defence policy</u>, published on 15 June 2018.
- Also on 21 June the UK Home Office **published a statement of intent** regarding the UK Government's post-Brexit EU settlement scheme. Welsh Cabinet Secretary for Finance, Mark Drakeford, and Scottish Cabinet Secretary for External Affairs Fiona Hyslop, **wrote a joint letter** to the Home Secretary asking for devolved administrations to be fully consulted on the details of the settlement scheme ahead of their publication on 15 June. On 3 July, the European Parliament's Brexit Steering Group **released a statement** in response to the UK Government's statement of intent.

https://www.gov.uk/government/publications/joint-statement-on-withdrawal-agreement-19-june-2018

¹ The parallel UK Government announcement can be found here:

- On the same day, UK Chancellor also gave a speech at Mansion House on, focused on the UK's position on a future financial services agreement with the EU. In it he reiterates the UK Government's view that the EU's standard equivalence model is not be suitable for the type of agreement the UK wants.
- On 21 June, Airbus <u>published a risk assessment</u> on the implications for its business of a no deal scenario.
- The Interparliamentary Forum on Brexit <u>held its fourth meeting</u> on 21 June 2018. This meeting was hosted by the House of Commons and chaired by Sir Bernard Jenkin MP, Chair of the Commons Public Administration and Constitutional Affairs Committee. It was <u>stated in a joint statement</u>
- On 26 June the Society of Motor Manufacturers and Traders (SMMT)
 called for swifter progress on the Brexit negotiations and a deal that, as a
 minimum, maintains customs union membership and delivers single
 market benefits.
- 29 June the EU Council <u>published its four conclusions</u> on the negotiations. To date. The Council highlighted the need to find a solution to the Ireland/Northern Ireland and Gibraltar.
- On 3 July the British Chambers of Commerce published a list of 24 Brexit related 'practical questions that businesses need answers to'
- On 22 June <u>a meeting</u> of the Joint Ministerial Committee on European Negotiations was held in Guernsey ahead of a meeting of the British Irish Council. The First Ministers for Wales and Scotland also <u>held a separate</u> <u>meeting</u> after the Council with the Irish Prime Minister Leo Varadkar.
- On 26 June the Welsh NHS Confederation' Policy Forum <u>published a</u> <u>briefing</u> on the key issues for health and social care organisations as the UK prepares to leave the European Union. That same day, the Cabinet Secretary for Health and Social Services, made <u>an oral statement</u> on the risks posed by Brexit for the future of health and social care in Wales.
- On 27 June the second meeting of the **Joint Ministerial Forum** on Brexit Negotiations took place.

- On 2 July the **UK Government** and the **Welsh Government** announced that EU students will be continue to be treated as home students when applying for courses starting in the 2019/2020 academic year.
- On 3 July Parliamentary Under Secretary of State at the Department for Exiting the European Union, Robin Walker, gave a speech on the <u>future of</u> mutual recognition of professional qualifications.
- On 4 July the UK Government published its <u>Sustainable fisheries for</u> future generations white paper.

2. Latest developments and documents published

Negotiations

At the time of the publication of the Draft Withdrawal Agreement in March 2018, it was expected that the meeting of the Council of Europe on 28-29 June would see the negotiations reaching an advance level. However, for most of the reporting period it was clear that this would not be the case, with the UK delaying the publication of its white paper on its proposed future relationship with the EU until after the Council meeting. The white paper is expected to be published following a widely publicised meeting of the UK Prime Minister and the full cabinet on 6 July.

On **June 8 Michel Barnier summarised the negotiations** at that point. In that statement he highlighted that progress had been made on the so called "other separation issues"2 and that these issues 'can be resolved before the next European Council'. However, he indicated that further work was needed on:

- The protection of the personal data of EU citizens., he reiterated the EU's position of ensuring that 'data that has already been exchanged remains protected as it is today';
- The protection of geographical indications, noting that there does seem to be have 'any UK position' on the matter;
- The infringement and administrative procedures concerning the UK which will be ongoing at the end of the transition, for example in the area of state aid;
- The governance of the Withdrawal Agreement, he set out the issues in regards to this in a speech in Lisbon on 26 May; and
- the border between Ireland and Northern Ireland.

Following this meeting, on 11 June, the EU published an **infographic on its backstop proposal** for the Ireland/Northern Ireland border. The same day it also published **slides on the UK Government's technical note**3 on a temporary customs

² Other separation Issues are those issues that are distinct from citizens' rights, Northern Ireland and the financial settlement.

³ This <u>technical note</u> 'sets out the UK's proposal for the customs element of an arrangement to satisfy its commitments in relation to Northern Ireland' and was published on 7 June.

arrangements. The slides compares its proposals with the UK's proposed temporary customs arrangement, concluding that while its proposals were 'timely and workable', the UK proposals:

- leave key questions unanswered;
- do not cover regulatory controls, which would result in a hard border; and
- are time-limited, with the UK expecting the arrangement to last until December 2021.

On 2 July the **BBC reported** that the UK Prime Minister had developed a new customs model for the UK post Brexit that would 'offer "the best of both worlds" - an independent trade policy and friction-free trade'. Details of this plan are expected to be announced following the Prime Minister's meeting with her Cabinet on 6 July.

On 19 June the European Commission and United Kingdom published a **Joint Statement outlining further progress in Article 50 negotiations**4. This Joint

Statement highlighted the progress on the other separation issues within the Draft

Withdrawal Agreement that Barnier referenced on 8 June. Section 3 and 4 of the

Joint Statement highlights the articles in Part Three of the Draft Agreement that

have now been agreed. These articles relate to:

3. Both Parties have reached agreement on the following articles of Part Three of the draft Agreement:

Title I - Goods placed on the market: Article 42 (Making available of information held by notified bodies established in the United Kingdom or in a Member State);

- Title III Ongoing value added tax and excise duty matters: Article 47 (Value added tax);
- Title IV Intellectual property: Article 56 (Pending applications for supplementary protection certificates in the United Kingdom);
- Title VI Ongoing judicial cooperation in civil and commercial matters: Article 63 (Jurisdiction, recognition and enforcement of judicial decisions, and related cooperation between central authorities);

https://www.gov.uk/government/publications/joint-statement-on-withdrawal-agreement-19-june-2018

⁴ The parallel UK Government announcement can be found here:

- Title VIII Ongoing public procurements and similar procedures: Article 72 (2) (Rules applicable to ongoing procedures); Article 73 (Review procedures);
- Title IX EURATOM-related issues: Article 79 (Ownership and rights of use and consumption of special fissile materials in the United Kingdom); and
- Title XI Administrative cooperation procedures: Articles 94 (Administrative cooperation for matters related to indirect tax); Article 95 (Mutual assistance for the recovery of claims relating to taxes, duties and other measures).
- 4. In addition, both Parties have reached agreement on:
- Annex y+7 on time-limits mentioned in paragraph 1 of Article 45 (Ending of temporary storage or customs procedures); and
- Annex y+4 referred to in Articles 46 (Access to relevant network and information systems and data bases), 49 (Access to relevant network and information systems and data bases), 94 (Administrative cooperation for matters related to indirect tax) and 95 (Mutual assistance for the recovery of claims relating to taxes, duties and other measures).

Section 6 of the Statement highlighted that agreement had still not been reached on the areas highlighted by Michel Barnier on 8 June. The Statement also highlights that agreement is needed on the arrangements for the UK's Sovereign Base Areas in Cyprus after Brexit.

The Joint Statement was intended to inform the discussion on the negotiations as part of the **meeting of the EU Council on 29 June**. As a result of that meeting, the EU Council **reached four conclusions** on the negotiations. In summary, the EU Council:

- welcomed the further progress made on parts of the legal text of the Withdrawal Agreement, as announced on 19 June. However it notes that other aspects still need to be agreed, including the territorial application of the Withdrawal Agreement, particularly in regards to Gibraltar.
- is concerned that there has been 'no substantial progress has yet been achieved on agreeing a backstop solution for Ireland/Northern Ireland'. As a result it calls for 'intensified efforts so that the Withdrawal Agreement,

including its provisions on transition, can be concluded as soon as possible';

- believes the negotiations should be 'accelerated with a view to preparing a
 political declaration on the framework for the future relationship. This
 requires further clarity as well as realistic and workable proposals from the
 UK as regards its position on the future relationship'; and
- calls on 'all stakeholders to step up their work on preparedness at all levels and for all outcomes.'

On 8 June, the House of Lords European Union Committee **published its report** on UK-EU relations after Brexit. The report **argued that**:

The UK and the EU have approached the negotiations with too great an emphasis on the dismantling of existing relationships. They have focused on 'red lines' and guidelines, on what is unacceptable, increasing the risk that they will be left without agreement on the future relationship.

Future partnership

At the time of writing, the UK Government has not yet revealed its widely reported White Paper outlining its full ambitions for the future UK-EU relationship. It is expected that this White Paper will be published following the widely publicised meeting of the UK Cabinet on 6 July. However, on 2 July the **Guardian newspaper reported** that 'EU sources who have seen drafts of white paper say proposals would never be accepted'.

In **evidence** to the Assembly's External Affairs and Additional Legislation Committee the Welsh Government's Cabinet Secretary for Finance and Minister for Housing and Regeneration told the Committee that as of 2 July the devolved governments of the UK where yet to see a draft of the white paper in its entirety.

Despite the lack of a White Paper, the UK Government and the EU have published more frameworks, technical notes and slides relating to the future UK- EU partnership in a number of areas, including transport, civil and criminal law, the coordination of international affairs and the participation in EU space-related activities. The UK Chancellor also gave a **speech at Mansion House on 21 June**, focused on the UK's position on a future financial services agreement with the EU. These are discussed in more detail below.

Transport

UK Government slides on **Framework for the UK-EU Partnership: Transport** were published on June 7. This slides state that:

...no single existing precedent meets the UK's or EU's ambitions but there are practical examples from which we can build.

The slides focuses on the UK Government's proposals for aviation and road transport. In terms of aviation the UK Governments wants to maintain connectivity and affordable prices and to maintain the arrangements for UK and EU licensed air carriers to operate air services to, from, and wholly within the territory of both the UK and EU on an equal basis.

It also wants continued cooperation on Air Traffic Management, to maintain interoperability, and on security threats and on shaping international standards. The UK Government is also seeking to remain a part of the **European Aviation Safety Agency (EASA)**, noting that it is prepared:

...to respect the remit of the ECJ [European Court of Justice] in that regard, and make an appropriate financial contribution.

In terms of road transport, the UK Government is seeking a 'solution that negates the need for permits, additional documents, and systematic document checks'. To do this, it wants to maintain:

- liberalised access to road haulage, including "cabotage"₅ and "cross---trade rights."⁶
- liberalised cross---border bus and coach travel; and
- citizens' freedom to drive in the UK and EU without additional checks and documentation.

⁵ Cabotage is the haulage of goods for hire or reward in one member state by a vehicle registered in a different member state.

⁶ **Cross-trade is international road transport** between two different countries performed by a road motor vehicle registered in a third country. A third country is a country other than the country of loading/embarkation and than the country of unloading/disembarkation.

Civil and criminal law

On 24 May, the UK Government published a **technical note on security, law enforcement and criminal justice**. This note set out the UK proposals for a new UK-EU Internal Security Treaty, which would:

...provide a legal basis for future cooperation relating to police and judicial cooperation in criminal matters on the basis of existing EU police and criminal justice measures.

Michel Barnier responded to the UK proposals in a speech at the **European Union Agency for Fundamental Rights** on 19 June. There he set out that the EU's future security partnership with the UK will be based on four pillars:

- effective reciprocal exchange of information, including UK agencies and Europol and Eurojust, but will not allow for UK access to EU-only or Schengen-only databases.
- operational cooperation between law enforcement authorities, including in live Europol investigations (with EU member state agreement), but the UK will not be in a position to shape the strategic direction of EU agencies, such as Europol or Eurojust.
- judicial cooperation in criminal matters, including the provision of mutual legal assistance and the coordination between EU and UK investigators and prosecutors in relation to cross border crime. However the UK will not be able to participate in the European Arrest Warrant as this is intrinsically 'linked to the free movement of people'. However, the EU is prepared to work with the UK on extradition through 'streamlining the procedure, facilitating processes, introducing time-limits'.
- measures against money laundering and terrorist financing, which will involved ensuring transparency on the beneficial owners of companies and trusts.

Michel Barnier also highlighted the EU's expectation that UK will remain party to the European Convention of Human Rights if it wants to agree a new security Treaty with the EU.

On June 13 the UK Government published its slides on a **Framework for the UK-EU partnership: Civil judicial cooperation**. In the slides the UK draws attention to the fact that:

International civil judicial cooperation has a purpose wider than trade, and predates the single market.

As with other programmes and systems, the UK is seeking an arrangement that goes beyond that which the EU currently has with third parties, given its 'unique starting point'. Consequently the UK is seeking a new bilateral agreement encompassing a full range of civil judicial cooperation with the EU covering family, civil and commercial and insolvency law.

Cooperation on international affairs

On 21 June the UK Government published a **technical note on coordination of external security**. This builds on its slides on a **Framework for a UK-EU security partnership** published on 9 May and the technical note on security cooperation, published on **24 May**. The recent technical note set out the UK's willingness for future cooperation in international sanctions; supporting election observation missions; crisis preparedness and consular affairs; developing and delivering international development programmes; and the planning, research and development of defence capabilities.

The EU's stance on these matters are set out in its **Slides on foreign, security and defence policy**, published on 15 June 2018. These slides conclude that while there is a mutual commitment to cooperation in international matters:

...a number of UK requests are contrary to the parameters set in the European Council guidelines.

Space-related activities

The UK published its **technical note on UK's participation in Galileo** on 24 May 2018. This note set out its desire to 'continue participating in Galileo' as part of a wider security partnership between the UK and the EU. The UK would like participation to include Galileo's encrypted Public Regulated Service (PRS), which is designed for the use of military and Government agencies.

On 13 June the EU published its **slides on involvement in the EU's space-related activities**. These slides indicate that the EU is not prepared to allow the UK any special access to its space programmes.

The EU is prepared to grant the UK observer status in committees/EU Agency for Space Programme, but the UK would have no decisional power. In participating, the UK would have to make a financial contribution and be subject to EU rules on financial management and industrial participation. Crucially the EU maintains that

any access to the more robust and resilient **Galileo Public Regulated Service (PRS)**7 is restricted to EU member states.

Financial services

On 21 June the Chancellor of the Exchequer **gave the annual Mansion House8 speech.** In it he focused on the negotiations in relation to a future UK-EU financial services agreement. In it he reiterated the UK Government's position that the EU standard equivalence arrangement for third countries would not be sufficient for a future UK-EU financial partnership. He indicated that the UK believes the EU's negotiating positions are designed to 'force the location of business into the Eurozone'. He states that the UK's position, as set out by the **Chancellor in a speech in March 2018**, is the best way forward.

Mutual recognition of professional qualifications

On 3 July Parliamentary Under Secretary of State at the Department for Exiting the European Union, Robin Walker, gave a speech on the **future of mutual recognition of professional qualifications** (MRPQ). In it he noted that

As part of this, we have also agreed to continue recognising qualifications for residents and frontier workers if their qualifications have been recognised, or are in the process of being recognised, before the end of the implementation period. So right up until December 2020.

This will cover everything recognised under the **MRPQ directive**, as well as lawyers practising under host title and approved statutory auditors and toxic product handlers.

View from the European Parliament

On 20 June, Brexit coordinator for the European Parliament, Guy Verhofstadt, **gave evidence to the House of Commons Exiting the European Union Committee**, as part of its ongoing inquiry into UK's negotiations on EU withdrawal. In giving evidence, Mr Verhofstadt said that it is the desire of the European Parliament to see the framework for the future EU-UK relationship take the form of an Association Agreement. He said:

⁷ Galileo Public Regulated Service (PRS) is an encrypted navigation service for governmental authorised users and sensitive applications that require stronger defences against interference.

 $^{^{8}}$ Which had been cancelled the last two years out of respect for the death of Jo Cox MP in 2016 and the Grenfell Tower tragedy in 2017.

We think it has to be an association agreement that is foreseen in our treaties in Articles 8 and 217. On the one hand, that gives an enormous flexibility, because an association agreement can be very narrow; you can limit yourself only to trade, for example. In an association agreement you can be very broad. You can also put cooperation on foreign and security policy in it. It is flexible and precise at the same time, because you are going to create one governance structure and you are going to create not only one governance structure but also one cycle of ratification...

The advantage of an association agreement is that once it is approved by your side and by the European institutions, the Council and Parliament, it is applicable in advance; you do not need to wait for ratification by the other 27 member states, which can take some time.

Mr Verhofstadt described the parliament's proposal as an attempt to 'create a bridge' between the red lines of the UK Government and the principles of the European Union. However, he also stated that an EU-UK Association Agreement would not, by itself, resolve the border issue between Northern Ireland and the Republic of Ireland or the need for the UK to decide whether or not to stay within the EU's single market.

Brexit Preparedness

The rights of EU Citizens

On 21 June the UK Home Office **published a statement of intent** regarding the UK Government's post-Brexit EU settlement scheme. EU citizens living in the UK and their family members will need to apply online under the settlement scheme to obtain their new UK immigration status.

Settled status will be granted for those who have been living in the UK continuously for five years. Those who have not yet lived in the UK for five years will be granted presettled status and be able to apply for settled status once they reach the five-year point.

Under the proposed scheme, those applying under the will be required to prove their identity, show that they live in the UK, and declare that they have no serious criminal convictions. Applications will cost £65, with a reduced fee of £32.50 for children under the age of 16. Those with valid permanent residence or indefinite leave to remain documentation will be able to exchange it for settled status for free.

The UK Government's Minister for Immigration, Caroline Nokes MP, **stated in the House of Commons** that:

We will engage with our stakeholders on the details set out in the statement of intent. These include the user groups that we have established to help us develop the scheme, involving EU citizens' representatives, embassies, employers and others. We look forward to hearing their views, and will make improvements where we can.

EU citizens and their family members living in the UK will be able to start applying for UK immigration status via the scheme from later this year.

Prior to the UK Government publishing its statement of intent, Welsh Cabinet Secretary for Finance, Mark Drakeford, and Scottish Cabinet Secretary for External Affairs Fiona Hyslop, **wrote a joint letter** to the Home Secretary asking for devolved administrations to be fully consulted on the details of the settlement scheme ahead of their publication on 15 June. The letter **stated that**:

We are concerned about the lack of clarity around the expected role of local government with regards to the Settled Status Scheme, both in terms of informing EEA citizens about the scheme, and in terms of supporting individuals through the application process. Local authorities need clear guidance and messaging around what will be expected of them, including clarity on what resources will be made available to local authorities to support any additional responsibilities. We strongly encourage you to improve engagement with local authorities at political and officer level working with the Convention of Scottish Local Authorities and the Welsh Local Government Association to ensure this lack of clarity is rectified. The Third Sector also needs to be meaningfully engaged in this work and we would like to request that your Department undertakes face to face engagement with these stakeholders in Scotland and Wales.

On 3 July, the European Parliament's Brexit Steering Group **released a statement** in response to the UK Government's statement of intent regarding the EU settlement scheme. It is written in the statement that:

[The European parliament] urge the UK Government to provide as soon as possible and in advance of the tabling of draft legislation details on the powers and responsibilities of Independent Monitoring Authority (IMA) for EU27 citizens in the UK. It is vital that this independent authority, which will be capable of conducting inquiries, receiving complaints and taking legal action before a UK court or tribunal, is up and running by the 30 March 2019.

MEPs remain unhappy that EU27 citizens in the UK, who have contributed to British society and paid their taxes, will have to pay for registration. We continue to believe this process should be cost-free, in keeping with the European Parliament's longstanding position on this matter.

More needs to be done to ensure that vulnerable EU citizens are properly catered for and that any delays faced by citizens with the registration process itself does not create unnecessary anxiety.

UK businesses Brexit concerns

On 3 July the British Chambers of Commerce published a list of 24 Brexit related 'practical questions that businesses need answers to'. The questions relate to the movement of people, replacement or maintain of funding from EU programmes and agencies, future rates of value added tax (VAT), the new models of regulation and standards, indications of the expected trading regime, the maintenance of digital connectivity with the EU and future borders and customs arrangements.

In its statement accompanying the questions, the BCC said it is:

...calling on the UK government to draw a line under internal political debate and deliver urgent clarity on the practical, detailed issues that underpin trade – or face a continued deterioration in investment intentions and confidence as the clock ticks down to the October deadline to complete the UK's Withdrawal Agreement.

Within the report period, a number of individual UK businesses issued warning calls on the pace of the negotiations and the impact a 'no deal' scenario could have on the UK economy.

On 21 June, Airbus **published a risk assessment** on the implications for its business of a no deal scenario. The corresponding **press release issued** by Airbus states:

It [the risk assessment] states that the UK exiting the EU next year without a deal - therefore leaving both the single market and customs union immediately and without any agreed transition - would lead to severe disruption and interruption of UK production. This scenario would force Airbus to reconsider its investments in the UK, and its long-term footprint in the country, severely undermining UK efforts to keep a competitive and innovative aerospace industry, developing high value jobs and competences.

More information on the Airbus risk assessment is included in Section 3.

On 26 June **the Society of Motor Manufacturers and Traders** (SMMT) called for swifter progress on the Brexit negotiations and a deal that, as a minimum, maintains customs union membership and delivers single market benefits.

Other companies voicing similar concerns have included **BMW**, the Chief Executive of Standard Life Aberdeen and **Barclays Bank Gerry Grimstone**, and the **American**, **Canadian**, **Japanese and Indian business** associations in the EU.

Intergovernmental and interparliamentary Relations

The Interparliamentary Forum on Brexit **held its fourth meeting** on 21 June 2018. This meeting was hosted by the House of Commons and chaired by Sir Bernard Jenkin MP, Chair of the Commons Public Administration and Constitutional Affairs Committee. It was **stated in a joint statement** agreed by attendees that:

We previously recognised that the current system of inter-governmental relations is not fit for purpose and is in urgent need of substantial reform. Today we discussed the need for intergovernmental mechanisms for UK common frameworks and the importance of effective scrutiny of these processes and considered in detail the concerns about existing intergovernmental relations that have been identified by a range of our respective Committees [...]

We note that the UK Government is yet to outline its proposals for reform of intergovernmental mechanisms or how UK common frameworks will operate. We urge the Government to publish these proposals as soon as possible to allow time for consideration and consultation.

The National Assembly was represented by David Rees AM, Chair, External Affairs and Additional Legislation Committee, and Mick Antoniw AM, Chair, Constitutional and Legislative Affairs Committee.

On 22 June **a meeting** of the Joint Ministerial Committee on European Negotiations was held in Guernsey ahead of a meeting of the British Irish Council. The First Ministers for Wales and Scotland also **held a separate meeting** after the Council with the Irish Prime Minister Leo Varadkar. On 27 June the second meeting of the **Joint Ministerial Forum** on Brexit Negotiations took place. Further detail about these meetings is provided in section 4 of this report.

UK legislation

European Union (Withdrawal) Bill.

On 12 and 13 June members of the House of Commons considered changes made by the Lords during Report and Third Reading of the **European Union (Withdrawal) Bill.** They agreed to all Government amendments made by the Lords and in terms of non-government changes they decided to accept one, adjust one, reject eight and replace five with amendments in lieu.

On 13 June members of the SNP walked out of Prime Minister's questions in protest after the House of Commons spent less than 20 minutes the previous day debating the Withdrawal Bill's provisions about devolution, despite the Scottish Parliament refusing to grant consent to the Bill on **15 May**. An emergency debate on the Validity of the Sewel Convention was later requested by the SNP and held on 18 June. For more information about the debate see the Research Service's **blogpost**.

On 18 June the Withdrawal Bill returned to the House of Lords for consideration of the amendments that the Commons decided to adjust, reject or replace. The Lords did not insist of any of its amendments to the Bill but did amend the Bill on division to require the UK Government to bring forward an amendable motion for the House of Commons to approve a statement on how it intends to proceed at the end of Article 50 negotiations. Other proposals were brought forward by the UK Government as compromise amendments to avoid a defeats in the House of Lords. These were agreed to by the Lords without division. Agreement was reached on other parts of the Bill without division and as a result were not subject to further debate.

On 20 June the Withdrawal Bill returned to the Commons for members to consider the changes made by the Lords at "ping-pong". Members considered the four issues on which the two Houses had not yet reached agreement due to the government amendments in lieu being tabled in the Lords and a government defeat on parliamentary approval of the withdrawal agreement. The Commons voted with the UK Government to make changes to the amendment relating to this issue of parliamentary approval. The agreed amendment provides that the motion to approve the UK Government's statement on how it intendeds to proceed would be 'in neutral terms' meaning that the statement of intention could not be amended. The Commons agreed to the remaining three amendments without division.

The Bill returned to the House of Lords that evening for the Lords to consider the Commons amendment on parliamentary approval of the withdrawal agreement,

the only outstanding point of difference in the Bill. The House of Lords agreed to the amendment without division and in doing so agreed to the final text of the Bill.

On 26 June the Withdrawal Act was given **Royal Assent.**

Nuclear Safeguards Act 2018

On 26 June the **Nuclear Safeguards Act 2018** also received Royal Assent. The Act makes provision for nuclear safeguards after the UK leaves Euratom by enabling the UK Government to make regulations for, and implement international agreements in relation to, nuclear safeguarding. In making regulations, UK Ministers must consult the UK's Office for Nuclear Regulation and the regulations must be subject to the affirmative procedure in both Houses of the UK Parliament. If any of the future international agreements on nuclear safeguards to be implemented by the UK Government by regulations are treaties requiring UK ratification, they must be laid before the UK Parliament as required by the ratification processes of the Constitutional Reform and Governance Act 2010.

Nuclear safeguards are reserved and the provisions of the Bill apply to the UK as a whole. During Committee Stage of the Bill in the House of Commons, following the SNP's unsuccessful attempt to add a clause requiring the Secretary of State to consult with the devolved Ministers before concluding new international agreements relating to nuclear safeguarding, **Richard Harrington MP on behalf of the UK Government said**:

As I have said, nuclear safeguards are not a devolved matter. Despite the responsibility legally being the UK Government's, I hope that our general approach of having an open and transparent process, which is evolving, would be described as reassuring. The Government are acutely aware of the value of consultation in developing this new regulatory regime—obviously with the ONR, but also with the industry generally and formally and informally with parliamentary colleagues. As I have explained before, the nuclear safeguards regime regulations will be subject to detailed consultations with the regulator and industry. Industry stakeholders across the UK, which of course includes Scotland, Wales and Northern Ireland, will be widely encouraged to take part in that consultation. The outcome of the consultation will then be made public, in line with the Government's general policy on consultations.

The public consultation on the draft regulations will not be the first or only opportunity for stakeholders to be made aware of our intentions, and it will not be their only opportunity to provide the Government with their

views. We have had detailed discussions with the nuclear industry since the referendum, and we will continue to work closely with it and other stakeholders when taking the development of the new regime forward, including the development of regulations. My officials have already been in discussions with colleagues from across the devolved Administrations and the relevant environment agencies, such as the Scottish Environment Protection Agency, Natural Resources Wales and so on, to ensure effective collaborations on key Euratom-related policy areas—including the domestic nuclear safeguards regime—and will continue to do so.

Haulage Permits and Trailer Registration Bill

On 26 June the **Haulage Permits and Trailer Registration Bill** received its Third Reading in the House of Commons. The Bill, which started in the House of Lords, is expected to return to the Lords on 4 July for their consideration of changes made by the Commons. The purpose of the Bill is to make provision to support UK hauliers to continue to operate internationally after the UK leaves the EU. As a result, the Bill gives powers to the Secretary of State to make regulations to provide for a haulage permit scheme, if such a scheme will be required as part of a deal with the EU, with the aim of ensuring that UK hauliers can obtain the necessary paperwork to provide services to and from EU countries. It also enables the Secretary of State to make regulations to introduce a trailer registration scheme. The Bill extends and applies to Wales and does not give any powers to Welsh Ministers. The Explanatory Notes to the Bill state that the Assembly does not have legislative competence in relation to road haulage permits and trailer registration.

Taxation and Trade

Dates for House of Commons Report Stage of the **Taxation (Cross-border Trade) Bill** and the **Trade Bill** are yet to be formally announced but it has been reported in the press that they will take place on 16 July and 17 July respectively. Both Bills received First Reading in the Commons in November 2017. **Recent amendments** tabled in relation to the Trade Bill include a crossbench proposal to achieve implementation of an international agreement to enable the UK to become a member of the European Trade Association and continue as a signatory to the EEA Agreement.

With regards to future trade, Greg Hands MP, former Minister of State for Trade Policy **wrote** to the Chair of the External Affairs and Additional Legislation Committee on 17 June stating that the UK Government is committed to ensuring that the devolved administrations and legislatures have the opportunity to engage with and contribute to the UK's trade policy. The letter states that 14 Trade Working

Groups across 21 countries have been established. According to the Minister these are delivered by the UK Government because international relations is a reserved matter, however they are "keen that the Devolved Administrations have a role supporting preparations for the negotiation of future trade agreements."

Upcoming UK legislation

On 13 June the House of Commons Environment, Food and Rural Affairs Committee **held an evidence session** with the UK Government's Secretary of State for Environment, Food and Rural Affairs, Michael Gove MP. During the session, the committee questioned Mr Gove on the work of Defra, including preparations for Brexit. Mr Gove **stated that** it is his 'hope' that the UK Government's Agricultural Bill will be published before the summer recess.

In the 2017 Queen's Speech, the UK Government announced its intention to introduce a **Fisheries Bill** to control access to the UK's waters and set fishing quotas once it left the EU. On 4 July the UK Government published its **Sustainable fisheries for future generations white paper**. That white paper sets out the UK Government proposed approach to:

- Promoting sustainable fisheries;
- Access agreements and quota allocation;
- Common Fisheries Policy (CFP) technical regulations;
- A new UK framework; and
- Reforming fisheries management.

Assembly developments on Brexit legislation

On 14 June **the Llywydd wrote to the First Minister** regarding an amendment to the Withdrawal Bill to preserve EU environmental principles. An amendment was agreed during the passage of the Bill through the UK Parliament requiring the Secretary of State, within a period of six month of the EU Withdrawal Bill being passed, to publish a draft Bill that would place a duty on the Secretary of State to publish a statement of policy in relation to the application and interpretation of a series of environmental principles. The draft Bill must also include provisions for the establishment of a public authority which could take proportionate enforcement action if it considers a UK Minister is not complying with environmental law. The new section places duties on UK Ministers only, however, the issue was raised whether the amendment agreed required a supplementary Legislative Consent Motion on the Bill on the grounds that it related to matters within devolved competence. The

Legislative Consent Motion approved by the Assembly on the EU Withdrawal Bill was passed before these changes were made.

The letter written by the Llywydd asked the Welsh Government to confirm as soon as possible whether or not it intended to lay a Legislative Consent Memorandum in respect of the amendment.

During the short debate on the amendment on 18 June **Lord Callanan**, on behalf of the UK Government, stated that both the amendment and subsequent draft Bill would only apply to England and reserved to matters:

As we made clear in our consultation document and in last week's Commons debates, the amendment applies only to England and to reserved matters. The draft Bill itself will similarly apply only to England and to reserved matters. That means that neither the amendment nor the draft Bill that will flow from it will trigger the legislative consent process. I understand that the Welsh Government do not share our view, and it is of course open to them to put forward a legislative consent Motion in the Assembly. That is clearly a matter for the Assembly and it would not change the UK Government's view.

Lord Callanan also said that the UK Government would "work closely with the devolved Administrations on the new body, including on whether they wish to take a similar or, indeed, different approach themselves."

On 19 June the Chair of the Constitutional and Legislative Affairs Committee wrote to the Cabinet Secretary for Finance on a related issue. During ping pong stages of the EU Withdrawal Bill the issue was raised whether the UK Government could potentially be in breach of the Intergovernmental Agreement on the Withdrawal Bill as a result of the environmental principles amendment. The Intergovernmental Agreement states that the UK Government commits to not bringing forward legislation that would alter areas of policy for England in so far as the devolved legislatures are prevented from doing so as a result of restrictions imposed on their competence by UK Ministers under powers in the Withdrawal Act.

The section in relation to maintenance of environmental principles requires the Secretary of State to publish a draft Bill within six months. Should restrictions in relation to the environment be imposed on the Assembly's devolved competence between now and the draft environment Bill being published, the UK Government could potentially be in breach of the assurances in the Intergovernmental Agreement by bringing forward legislation in a policy area subject to restrictions. The letter asked the Cabinet Secretary to clarify whether the Welsh Government had been involved in discussions with the UK Government on the implications of the

amendment and whether they thought it had the potential to breach the Intergovernmental Agreement.

The Committee received a **response to their letter** on the same day. The letter states:

The UK Government is very clear that the draft Bill which the Secretary of State will be required to produce will apply only in England, or to reserved matters. In addition, the amendment requires the Bill to set out a series of cross-cutting environmental principles; it does not oblige the UK Government to produce a Bill which sets out a legislative framework in relation to one of the specific policy areas set out in the Annex to the Intergovernmental Agreement.

As such, on this basis I do not believe that the amendment has the potential to breach the Intergovernmental Agreement, but the Welsh Government officials will continue to engage closely with UK Government colleagues as they develop the draft Bill, and will be reminding them of the need to ensure that they are compliant with the Agreement.

On 21 June the Chair of the Constitutional and Legislative Affairs Committee **wrote back** to the Cabinet Secretary for Finance seeking further clarification why the fact that the draft Bill will apply only in England is a reason why there would be no potential breach of the Intergovernmental Agreement, given that the agreement states that the restriction on legislating in policy areas that will be subject to legislative frameworks will also apply in England.

On the same day the Cabinet Secretary for Economy and Transport **wrote** to the Chair of the House of Commons Select Committee on International Trade giving written evidence to the committee's inquiry into the appropriate level of transparency and scrutiny of UK trade strategy and negotiations post Brexit.

Documents and Position Papers

Since the last monitoring report was published the UK and EU published a joint statement outlining the progress on agreeing a number of articles in the Withdrawal Agreement. The EU Council has published its conclusions following its summit on 28 and 29 June, which both sides have produced slides and technical notes on aspects of the future relationship between the UK and EU.

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

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

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
13 July to UK	proposed by UK in equivalent paper.		areas to those covered by the European Commission including 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.
Judicial cooperation in civil and commercial matters 29 June 2017 to EU 27 13 July to UK	Sets out proposals for procedures to be put in place for cases pending at time of UK withdrawal.	Providing a cross-border civil judicial framework: a future partnership paper 22 August 2017	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 these papers.
		Framework for the UK- EU partnership: Civil judicial cooperation 13 June 2018	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
Ongoing Police and Judicial cooperation in criminal matters 29 June 2017 to EU 27 13 July to UK	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.	Security law enforcement and criminal justice: Future Partnership Paper 18 September 2017	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 security and data protection.
Ongoing Union and	Sets out the proposals for procedures to be put in	Ongoing union judicial and administrative	The UK Government recognises that there will

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
Judicial Procedures 29 June 2017 to EU 27 13 July to UK	place for cases before the European Court of Justice involving the UK or UK residents/legal persons ongoing 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.	proceedings: Position Paper 13 July 2017	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.
Issues relating to the functioning of EU Institutions, Agencies and Bodies 29 June 2017 to EU 27	The paper sets out the EU's position on what protections and immunities will apply to EU institutions and agencies in the UK at after withdrawal whilst the activities of the EU's bodies in the UK are	Privileges and Immunities 13 July 2017	The UK's position paper agrees that protections and immunities should be offered to EU property, assets and operations in the UK for a transitional period after withdrawal.

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
13 July 2017 TO UK	being wound-up.		Negotiators on both sides have indicated that they are close to reaching agreement on this issue.
Governance 29 June 2017 to EU 27 13 July 2017 to UK	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.	Enforcement and Dispute resolution: Future Partnership Paper 23 August 2017	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 no

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			EU or UK law which states that enforcement or dispute resolution has to fall under the direct jurisdiction of the European Court of Justice.
Goods placed on the market under Union law before the withdrawal date 29 June 2017 to EU 13 July 2017 to UK	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.	Continuity in the availability of goods for the EU and the UK: Position Paper 21 August 2017	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.
Customs related matters needed for an orderly withdrawal of the UK from the Union 7 September 2017 to EU 27	Proposals for the customs procedures that should apply to goods whose movement started before the date of withdrawal but ends on or after.	Continuity in the availability of goods for the EU and the UK: Position Paper 21 August 2017 Future customs arrangements: Future Partnership Paper	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

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
		15 August 2017	states that the issue should be addressed with reference to a future partnership.
Guiding Principles transmitted to EU 27 for the Dialogue on Ireland/Northern Ireland. 7 September to EU 27 Infographic on the EU's backstop proposal 11 June 2018	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. The Infographic sets out the EU's backstop proposal as contained within the Withdrawal Agreement.	Northern Ireland and Ireland: Position Paper 16 August 2017	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

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			suggests that separate to the broader discussions on the financial settlement there should be an agreement to continue PEACE funding to Northern Ireland and border counties of Ireland.
Public Procurement	Proposals for the rules and	None	
7 September to EU 27	procedures on public procurement that should apply to procurement procedures and contracts on-going at the date of withdrawal.		
Intellectual Property Rights (including geographical indications) 7 September 2017 to EU 27	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	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
	domestic legislation to be in place before the date of withdrawal on protected food names.		
Use of Data and Protection of Information Obtained or Processed before the Withdrawal Date 7 September to EU 27	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.	Confidentiality and access to documents: Position Paper 21 August 2017 Technical note on Data Protection 7 June 2018	Sets out the UK's position for ensuring the protection of data post Brexit.
None		Future Customs Arrangements: Future partnership paper 15 August 2017	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.

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			The UK would leave the customs union and be able to negotiate its own trade deals under both options.
			Under the second option the 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. 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.
None		The exchange and	Sets out the UK

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
		protection of personal data: Future partnership paper 24 August 2017	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.
None		Collaboration on Science and innovation: Future partnership paper 6 September 2017	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

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			Government's other spending priorities. Reference to the participation of Welsh Universities in existing programmes and networks is made.
None		Foreign Policy, defence and development: Future partnership paper 12 September 2017	The paper proposes a future partnership with the EU on security and defence which is broader than any agreement 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		Customs Bill White Paper: legislating for UK's future customs, VAT and excise regimes 9 October 2017	The White Paper on the Customs Bill 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

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			for a contingency scenario should no deal be reached with the EU on a future trading relationship.
None		Preparing for our future UK trade policy 9 October 2017	The trade policy white paper 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 policy.
European Council Conclusions on progress made in the negotiations- 20 October 2017	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	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
	for discussions on a future trade relationship would begin.		
None		Sanctions and Anti- Money Laundering Bill 19 October 2017	The Bill is considered necessary to ensure that the UK can implement an international sanctions regime following its exit from the EU.
None		Technical Note: citizen's rights administrative procedures in the UK 7 November 2017	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 technical paper to the European Commission.
None		Trade Bill 2018 7 November 2017	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

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			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.
Joint Report 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 8 December 2017	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 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.	Joint Report 8 December 2017	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 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.

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
Communication from the Commission to the European Council (Article 50) on the state of progress of the negotiations with the UK under Article 50 of the Treaty on European Union 8 December 2017	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		Prime Minister's commitments to Northern Ireland 8 December 2017	Prime Minister Theresa May set out six key commitments to Northern Ireland that guided her in the negotiations with the EU.
European Council Guidelines 15 December 2017	Following the decision that sufficient progress had been made, the European Council (Article 50) issued draft guidelines to move to the second phase of negotiations where a transition period and the framework for the future	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
	relationship will be discussed.		
Supplementary negotiating directives 20 December 2017	Supplementary directives for the negotiation of an agreement with the UK setting out the arrangements for its withdrawal from the EU.	None	
Slides on Fisheries 17 January 2018	Presentation on fisheries to inform the internal preparatory discussions on a future relationship.	Sustainable fisheries for future generations white paper 4 July 2018	This paper sets out the UK Government's proposals for; Promoting sustainable fisheries; Access agreements and quota allocation; Common Fisheries Policy technical regulations; A new UK framework; and Reforming fisheries management post Brexit.
Slides on Aviation 17 January 2018	Presentation on aviation to inform the internal preparatory discussions on a future relationship.	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
Slides on Governance 19 January 2018	Presentation on governance to inform the internal preparatory discussions on a future relationship.	None	
Slides on Security, Defence and Foreign Policy 24 January 2018	Presentation on security, defence and foreign policy to inform the internal preparatory discussions on a future relationship.	Framework for the UK- EU Security Partnership 9 May 2018	This presentation explains the UK Government's vision for the future UK-EU Security Partnership.
Slides on Police and Judicial Cooperation in criminal matters 24 January 2018	Presentation on police and judicial cooperation to inform the internal preparatory discussions on a future relationship.	Framework for the UK- EU partnership: Civil judicial cooperation	It focuses on the UK's proposals for continued civil judicial cooperation.
Council (Article 50) negotiating directives on the transition period 29 January 2018	Directives from the European Council setting out the guidelines for the Union's negotiator on a transition period with the UK	None	
Slides on a Level Playing Field	Presentation on a level playing field to inform the internal preparatory	None	

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

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
Slides on Transport 21 February 2018	Presentation on transport to inform the internal preparatory discussions on a future relationship.	Framework for the UK- EU Partnership: Transport 7 June 2018	Sets out the UK's vision for maintaining the road and aviation links between UK- EU post Brexit.
Slides on Mobility 21 February 2018	Presentation on mobility to inform the internal preparatory discussions on a future relationship.	None	
Slides on regulatory issues 21 February 2018	Presentation on regulatory issues to inform the internal preparatory discussions on a future relationship.	None	
Brexit preparedness document rail transport 27 February 2018	Information for citizens and businesses on the implications of the UK's withdrawal from the EU on rail transport.	None	
Brexit preparedness document consumer protection and passenger rights 27 February 2018	Information for citizens and businesses on the implications of the UK's withdrawal from the EU on consumer protection and passenger rights.	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
Brexit preparedness document animal health and welfare 27 February 2018	Information for citizens and businesses on the implications of the UK's withdrawal from the EU on animal health and welfare.	None	
Brexit preparedness document maritime transport 27 February 2018	Information for citizens and businesses on the implications of the UK's withdrawal from the EU on maritime transport.	None	
Draft legal text on the Withdrawal Agreement 28 February 2018	Draft articles and clauses for a legal text to implement the agreement reached between the EU and UK on Withdrawal.	None	
None		Frameworks analysis 9 March 2018	Breakdown of areas of EU law that intersect with devolved competence in Scotland, Wales and Northern Ireland.
None		Draft Withdrawal Agreement 19 March 2018	The draft Withdrawal Agreement of 19 March 2018 includes agreed legal text for the

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			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 finalise the entire Withdrawal Agreement by October.
European Council (Art. 50) guidelines on the framework for the future EU-UK relationship 23 March 2018	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.	The Prime Minister's letter to UK Businesses 23 March 2018	Explaining the substantial elements of the transition period.
Notice to Stakeholders relating to: the internal energy market, protection certificates for medicinal		Intellectual Property and Brexit Factsheet	An update factsheet on future of intellectual property laws following the decision that the UK will

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
and plant protection products, rules in the field of institutions for occupational retirement provision. 27 April 2018		26 April 2018	leave the EU. First published in August 2016.
None		Home Secretary letter to Guy Verhofstadt MEP 16 May 2018	Sajid Javid responds to a letter from Guy Verhofstadt, the Brexit coordinator for the European Parliament, about the application process for EU citizens living in the UK.
Slide on customs controls 22 May 2018	This slide highlights the checks and controls that need to be carried out on goods entering, transiting or leaving the EU customs territory.	None.	
None		Framework for the UK- EU Partnership Science, Research and Innovation 23 May 2018	It focuses on the UK's proposals for continued cooperation on science, research and innovation.

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
None		Framework for the UK- EU Partnership Data Protection 23 May 2018	It focuses on the UK's proposals for the free flow of personal data between the UK and the EU.
Slides on foreign, security and defence policy 15 June 2018	These slides provide a comparison with of the EU and UK positions on foreign, security and defence policy.	Technical note on consultation and cooperation on external security 24 May 2018	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.
Slides on police and judicial cooperation in criminal matters 18 June 2018	These slides provide a comparison of EU and UK positions on police and judicial cooperation in criminal matters.	Technical note on security, law enforcement and criminal justice 24 May 2018	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.

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
None		Framework for the UK- EU Economic Partnership 24 May 2018	This presentation explains the UK Government's vision for the future UK-EU Economic Partnership.
Slides on involvement in the EU's space-related activities 13 June 2018	These slides summarise the possibilities for involvement of third countries in EU space-related activities, including Galileo, and provide a comparison of EU and UK positions. They note that the UK will not have access to the higher level functions of Galileo.	Technical note on UK's participation in Galileo 24 May 2018	The note sets out the UK's position on participation in the Galileo programme.
None		Technical note on the exchange and protection of classified information 25 May 2018	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		EU exit preparations: DfT ministerial direction 29 May 2018	Correspondence requesting and confirming a ministerial direction relating to EU exit

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			preparations.
Notice to stakeholders on preferential origin of goods and the enforcement of intellectual property rights - 5 June		Technical note on Data Protection 7 June 2018	The note outlines options for future UK-EU cooperation on Data Protection.
Slides on UK technical note on temporary customs arrangement	These slides present an analysis of the UK's 'Technical Note: temporary customs arrangement'. It concludes the UK's model leaves 'key questions unanswered'.	Technical note on temporary customs arrangement, 7 June 2018	Which sets out the UK's proposal for the customs element of an arrangement to satisfy its commitments in relation to Northern Ireland.
None.		Framework for the UK- EU partnership: Company law (accounting and audit)	It focuses on the UK's proposals for a joint approach on company law (accounting and audit).
Joint statement from the negotiators of the European Union and the United Kingdom Government on progress		Joint statement from the negotiators of the European Union and the United Kingdom Government on progress	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
of negotiations under Article 50 TEU on the United Kingdom's orderly withdrawal from the European Union		of negotiations under Article 50 TEU on the United Kingdom's orderly withdrawal from the European Union	
19 June 2018		19 June 2018	
EU Council conclusions on the negotiations to date. 29 June 2018	The EU Council reached four conclusions, highlighting the need to increase the pace of negotiations to find a solution to the Ireland/Northern Ireland border issue and the territorial application of the Withdrawal Agreement, particularly in regards to Gibraltar	None	
European Parliament's Brexit Steering Group released a statement in response to the UK Government's statement of intent regarding the EU settlement scheme.	The statement noted: While we have taken note and welcomed the UK Government's statement of intentwe still have a number of outstanding concerns We urge the UK Government to provide as	Statement of intent related to settled status for EU citizens. 21 June 2018	The Home Office set out the proposals for the granting of settled and pre- settled for EU citizens currently based in the UK.

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
3 July 2018	soon as possible and in advance of the tabling of draft legislation details on the powers and responsibilities of Independent Monitoring Authority (IMA) for EU27 citizens in the UK.		

3. Key areas of interest to the External Affairs Committee

Preparation for Brexit

On 18 June, the Welsh Government **announced that**, through the Welsh Government's £50 million EU Transition Fund, £2.15 million will be provided to support the development of the red meat sector in Wales. Speaking ahead of his address to the Farmer's Union of Wales AGM in Aberystwyth, the First Minister stated:

Brexit presents a series of challenges and opportunities for our agriculture and fisheries industries. The funding I am announcing today from our EU Transition Fund will provide vitally needed support. As a Government we will do all we can to help these important industries prepare for a post-Brexit world.

Implications of Brexit for Wales

Airbus and the Welsh economy

On 21 June, European plane maker Airbus **published a risk assessment** outlining what the manufacture describes as 'the urgent risks to its business arising from the UK exiting the European Union without a withdrawal agreement'. The risk assessment states that:

The UK exiting the EU next year without a deal – therefore leaving both the single market and customs union immediately and without any agreed transition – would lead to severe disruption and interruption of UK production. This scenario would force Airbus to reconsider its investments in the UK, and its long-term footprint in the country, severely undermining UK efforts to keep a competitive and innovative aerospace industry, developing high value jobs and competences.

In response, on 26 June the Cabinet Secretary for Economy and Transport made a **statement on Airbus**. In the statement, the Cabinet Secretary called on the UK Government to rule out a 'no deal' scenario and relaunch the negotiations "on a basis that puts jobs and the economy first":

The stakes could not be higher. It is clear that the time for warm words and for meaningless platitudes is over. Clarity is now urgently required

from the UK Government. The detail the UK Government needs to come forward with needs to address the three key issues raised in the Airbus risk assessment: the movement of parts within an integrated supply chain, the movement of people, and future regulatory environment.

Airbus **reportedly employs more than** 6,000 people at its wing factory at Broughton in Flintshire and about 400 people at its base in Newport. On July 3 the Research Service published an article **What has Airbus said about Brexit, and does it matter?**

Intergovernmental relations

On 28 June, the House of Commons Exiting the European Union Committee **published its report** on parliamentary approval of the Withdrawal Agreement and the future relationship. In the subject of devolution, the reports concludes that:

The UK's future trade agreement with the EU and negotiations on trade with non-EU states will have significant impacts on devolved policy areas and interests. As we said in our First Report, there needs to be cooperative, participative mechanisms for joint working between the UK Government and the devolved administrations to ensure that devolved interests are properly considered when entering into and developing new international agreements. We also asked the Government to set out whether it is considering formal structures for inter-governmental relations, including any arbitration system for disputes, so that the views of the devolved governments can be heard. The Government should set out in detail the processes by which the views of the devolved governments and parliaments will be fed into the negotiations on the UK's future relationship with the EU and on future trade agreements with non-EU states. The Government should also commit to seeking the views of the devolved parliaments as part of the process of seeking approval for the Withdrawal Agreement and Political Declaration

Brexit and healthcare in Wales

On 26 June the Welsh NHS Confederation' Policy Forum **published a briefing** on the key issues for health and social care organisations as the UK prepares to leave

the European Union. The document outlined the Forum's desired outcomes from the Brexit process:

- A system that provides a continued domestic and international pipeline of high calibre professionals and trainees in health and social care and these workers' employment rights and patients' rights are protected.
- The continued recognition of professional qualifications trained in the EU27 and mechanisms to alert each other of health and social professionals who are prohibited or restricted to practice.
- That health and social care organisations across the UK will be able to continue to participate in EU collaborative programmes, networks and clinical trials.
- Continued regulatory alignment between the UK and EU for the benefit of patients and the public's health, so that UK patients continue to benefit from early access to the wide range of innovative health technologies available. The Forum argues that this require robust coordination mechanisms on public health and well-being and securing the same, or higher, level of safety is guaranteed through domestic standards and regulations.
- The preservation of reciprocal healthcare arrangements.
- For any loss of EU funds to be offset by alternative funding; and
- The continued engagement between the Welsh and UK Governments to ensure the interest of health and social care sector in Wales are safeguarded during the withdrawal process and beyond.

On 26 June, Cabinet Secretary for Health and Social Services, Vaughan Gething, made an **oral statement** on the risks posed by Brexit for the future of health and social care in Wales. The Cabinet Secretary warned that several areas including migration and trade and trade and customs arrangements need to be addressed urgently to avoid damaging the NHS in Wales. He also set out the benefits and needs for continued cooperation with Europe on diseases control, food safety standards and medical research.

EU students in Welsh Universities

On 2 July the **UK Government** and the **Welsh Government** announced that EU students will be continue to be treated as home students when applying for

courses starting in the 2019/2020 academic year. In Wales this means EU students will be eligible to pay the same tuition fees as Welsh students and will be eligible to receive loans and/or grants from Student Finance Wales. In the announcement, the Cabinet Secretary for Education, Kirsty Williams, is quoted as saying

This will provide some welcome clarity for our universities and colleges regarding future funding, but also assures prospective EU students that there will not be any disruption to their funding as the UK prepares to leave the EU.

4. Welsh Government Response

On 6 June the Welsh Government's 'continuity' Act, the **Law Derived from the European Union (Wales) Act 2018**, was given Royal Assent. The Act, which was treated as emergency legislation, was passed by the Assembly in March 2018 an alternative to the UK's EU Withdrawal Bill. Following the consensus on amendments, the Intergovernmental Agreement between the UK and Welsh Governments stated that steps would be taken to withdraw the Continuity Act.

On 7 June the Counsel General in a **written statement** announced that he has made an application to participate in the reference of the Scottish Continuity Bill to the Supreme Court. The Bill has been referred by the Advocate General for Scotland, the UK Government's Scottish Law Officer, to the Supreme Court for a decision on whether it is within the Scottish Parliament's legislative competence. The hearing is due to be heard on 24 and 25 July in London. According to the Counsel General because some issues "raise questions regarding all of the devolution settlements in the UK and are not limited to the Scottish Bill nor indeed the Scottish devolution settlement":

The Reference may raise questions about the legislative role of the devolved legislatures and the limits of their legislative competence. The court's decision could therefore have an impact on the National Assembly's legislative competence and the relationship between the National Assembly and the UK Parliament.

My decision to make the application does not have any implications for the Intergovernmental Agreement on the EU (Withdrawal) Bill, which was reached between the UK Government and the Welsh Government. My intention is simply to ensure the Supreme Court's analysis and reasoning in the Reference is fully informed, including any potential impact on the Welsh devolution settlement.

On 8 June the Welsh Government laid **draft regulations** for the purpose of repealing the Law Derived from the European Union (Wales) Act 2018. The regulations will need to be approved by the Assembly.

On 19 June the Cabinet Secretary for Finance wrote a letter to all Assembly

Members confirming the details of the Intergovernmental Agreement the Welsh

Government reached with the UK Government.

On 22 June the tenth Joint Ministerial Committee (EU negotiations) met in Guernsey. The First Minister attended on behalf of the Welsh Government. According to the **Communique** published after the meeting, updates were provided on the Future Framework White Paper and on negotiations.

On the same day, the First Minister and the Minister for Environment represented the Welsh Government at the thirtieth Summit of the British-Irish Council in Guernsey. The **written statement** issued by the First Minister states that Ministers:

...updated the Council on their activity in relation to the UK's exit from the European Union particularly in relation to economy and trade, free movement of goods and people, the Common Travel Area, and relations with the FU.

Ahead of the Summit, the First Minister and the Scottish First Minister, Nicola Sturgeon, issued a **joint statement** calling on the UK Government in its forthcoming White Paper on a Future Framework to commit to staying inside the Single Market and Customs Union.

Furthermore, it was reported by the **BBC** that Mike Russell, Scotland's Brexit Minister, said during the summit that he could not conceive of circumstances where Members of the Scottish Parliament would vote to give approval for further UK Legislation related to leaving the EU, such as trade, agriculture, and fisheries. According to Mr Russell:

...we need to have the interpretation of that written down in statute and made legally binding, because what we've presently got is a situation where the UK government makes the rules and then breaks them themselves, and there are no sanctions.

It was also **reported** that the First Minister, Carwyn Jones, told BBC Scotland that he backed the Scotlish government's position, stating that "it is fundamental to the operation of devolution that there should be consent."

Five days later (27 June) the second meeting of the Ministerial Forum (EU Negotiations) took place in **Whitehall, chaired by the UK Government's** Minister for the Constitution, Chloe Smith MP and the Parliamentary Under Secretary of State at the Department for Exiting the EU, Robin Walker MP. The attending Ministers from the Welsh Government was the Minister for Housing and Regeneration, Rebecca Evans AM. The two principal agenda items at the meeting were the Future Framework White Paper and the sequencing of future meetings.