

## UK-EU NEGOTIATIONS UPDATE – END OF JULY 2020

The sixth negotiating round concluded this morning. Statements have been issued by David Frost and Michel Barnier, the respective Chief Negotiators.

Informal discussions will continue in London next week.

The next (7th) negotiating round begins in the week of 15 August.

[Mr Frost's statement](#) indicates movement on governance. The UK Govt had proposed a series of different arrangements, which the EU criticised as resembling the Swiss bilaterals which it does not see as the foundation for future agreements. He indicated that in turn the EU had shifted on the role of the CJEU (has been indicated for last couple of months). He urged shifting of stances so that agreement could be reached in September. Most people believe it will go into October.

[M. Barnier's statement](#) indicates an expectation that the UK Govt must move first on fisheries and state aid. Unless they did was a likelihood of no agreement by mid-October. There has been some discussion on police and judicial co-operation, narrowing divergences on social security co-ordination and participation in EU programmes, and on governance of the agreement. On transport and energy, he said the UK was still seeking single market-like benefits.

A European Council summit is scheduled for October 15-16 at which Heads of Government could provide approval for any agreement from the EU side.

It is clear is that on fisheries and state aid (within the level playing field) matters have not moved on at all. These are the two issues which represent the highest risk of no agreement in October. Without agreement on these there will be no zero-tariff, zero-quotas deal.

Agreement must be reached by the middle of October in time for legal scrubbing and ratification by 1 January in the European Parliament (perhaps on 20 December) and through the CRAG processes at Westminster.

M. Barnier also reminded stakeholders there is no grace period for the proper application of the Protocol on Ireland/Northern Ireland – it comes into effect on 1 January.