

UK-EU implementation review of the Trade and Cooperation Agreement

September 2025



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UK-EU implementation review of the Trade and Cooperation Agreement

September 2025

The following committees worked together to produce this report:

- Culture, Communications, Welsh Language, Sport, and International Relations Committee
- Economy, Trade, and Rural Affairs Committee
- Climate Change, Environment, and Infrastructure Committee
- Legislation, Justice and Constitution Committee



Culture, Communications, Welsh Language, Sport, and International Relations Committee

The Committee was established on 23 June 2021. Its remit can be found at: senedd.wales/SeneddCulture

Current Committee membership:



Committee Chair:
Delyth Jewell MS
Plaid Cymru



Mick Antoniw MS
Welsh Labour



Alun Davies MS
Welsh Labour



Gareth Davies MS
Welsh Conservatives



Heledd Fychan MS
Plaid Cymru



Lee Waters MS
Welsh Labour

Economy, Trade, and Rural Affairs Committee

The Committee was established on 23 June 2021. Its remit can be found at: senedd.wales/SeneddEconomy

Current Committee membership:



Committee Chair:
Andrew RT Davies MS
Welsh Conservatives



Hannah Blythyn MS
Welsh Labour



Luke Fletcher MS
Plaid Cymru



Samuel Kurtz MS
Welsh Conservatives



Jenny Rathbone MS
Welsh Labour

Hefin David MS was a Member of the Committee during this inquiry and sadly passed away on 12 August 2025.



Hefin David MS
Welsh Labour

Climate Change, Environment, and Infrastructure Committee

The Committee was established on 23 June 2021. Its remit can be found at: senedd.wales/SeneddClimate

Current Committee membership:



Committee Chair:
Llyr Gruffydd MS
Plaid Cymru



Janet Finch-Saunders MS
Welsh Conservatives



Delyth Jewell MS
Plaid Cymru



Julie Morgan MS
Welsh Labour



Carolyn Thomas MS
Welsh Labour



Joyce Watson MS
Welsh Labour

Legislation, Justice and Constitution Committee

The Committee was established on 26 May 2021. Its remit can be found at senedd.wales/SeneddLJC

Current Committee membership:



Committee Chair:
Mike Hedges MS
Welsh Labour



Alun Davies MS
Welsh Labour



Samuel Kurtz MS
Welsh Conservatives



Adam Price MS
Plaid Cymru

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Chairs' foreword

This report is the first of its kind for the Senedd. Never before have four committees issued a joint report as we are doing now.

But the implementation review of the UK-EU Trade and Cooperation Agreement (TCA) is far more than a review of a treaty's implementation. It presents an opportunity to take stock of the United Kingdom (UK) and European Union's (EU) most wide-ranging agreement - to take stock of its real-life effects and to identify pragmatic solutions to maximise its opportunities and minimise issues identified on the ground.

Although only the UK Government can conclude legally binding treaties on behalf of the four nations, UK-EU agreements like the EU-UK Withdrawal Agreement and the TCA contain important devolved policy areas. Responsibilities for the economy, fisheries, public health, biosecurity, and the environment fall to the devolved nations to deliver.

Each of our committees has closely followed the effects of the UK's withdrawal from the EU since 2021. We are grateful to those organisations, businesses and individuals who have shared their experiences time and again with us. Their willingness to share their personal experiences, which extended beyond the TCA to other post-Brexit arrangements, has been invaluable in drawing this report's conclusions.

And whilst our committees approached this work from their own perspectives, we could not escape the fact that common themes emerged that transcend our individual committees: - themes such as how the devolved nations' voices are heard and understood in UK-EU relations and the importance of our governments working effectively together.

Democratic parliamentary oversight should be a matter close to all our hearts. We will always advocate for a strong role for the Senedd where such consequential decisions as those described in this report are made.

As we neared the end of our deliberations, the UK and EU announced a new agreement, Common Understanding, that paves the way for further cooperation in some areas. We take its plans into account in our report.

Recommendations

Culture, Communications, Welsh Language, Sport, and International Relations Committee

Recommendation 1. The Welsh Government should continue to regularly review and update its EU priorities, closely monitoring developments for their potential impact on Wales.....Page 23

Recommendation 2. The Welsh Government should work to strengthen its relationships with EU institutions in order to advance Welsh interests and gain deeper insight into the EU's position and develop a dedicated EU Strategy.
.....Page 23

Recommendation 3. The Welsh Government should, in its response to this report, confirm whether it is:

- actively pursuing full participation rights at UK-EU meetings where it has observer status.
- requesting to attend UK-EU meetings that fall outside the TCA institutional framework.Page 26

Recommendation 4. The Welsh Government should update its review priorities to reflect its stated position, outlined by the Cabinet Secretary in response to the Culture shock report, of fully supporting the PPA's recommendation for a comprehensive solution for touring artists, covering both the movement of people and goods.....Page 31

Recommendation 5. The Welsh Government should make representations to the UK and the EU to ensure that the issue of touring artists remains a priority. This should include calling for the UK and EU to articulate plans for improvements.....Page 31

Recommendation 6. The Welsh Government should provide a comprehensive list of EU programmes that it would like to participate in and indicate the extent to which there is agreement between the four UK governments on participation.
.....Page 34

Recommendation 7. The Welsh Government should share its understanding of why UK association to additional EU programmes, including Creative Europe, was

not agreed in Common Understanding, and whether association to other programmes is still being pursued by the UK Government.....Page 35

Recommendation 8. The Welsh Government should clarify whether changes to the TCA are required to facilitate UK participation in additional EU programmes.
.....Page 35

Recommendation 9. The Welsh Government should confirm whether it has calculated the cost of participation in Erasmus+ and Creative Europe using the formula set out in the TCA, or whether it has been part of joint UK-wide exercise to do so.Page 35

Recommendation 10. The Welsh Government should produce a perspectives document on the Trade and Cooperation Agreement in line with its approach to other international trade agreements as a matter of urgency.....Page 44

Economy, Trade, and Rural Affairs Committee

Recommendation 11. The Welsh Government should report to the committees on the extent to which the Welsh and UK governments' implementation review priorities align on trade and what the implications are for Wales. Where the UK and Welsh governments' priorities do not align, the Welsh Government should outline how it is going to support the affected sectors.....Page 44

Recommendation 12. The Welsh Government should continue to call on the UK and EU to prioritise practical steps to address trade friction and should provide this Committee with quarterly updates on progress in the areas listed in this chapter.....Page 44

Recommendation 13. The Committee expects the Welsh Government to raise at intergovernmental meetings, practical steps to address trade barriers. It should provide detailed reports to this Committee on progress in its written statements and meeting notifications.....Page 44

Recommendation 14. The Welsh Government should ensure its business support for sectors are tailored to reflect the impacts the different treatment of goods and services are having on companies and sectors.Page 44

Recommendation 15. The Welsh Government should confirm if Common Understanding could require renegotiation of non-EU trade agreements.
.....Page 50

Recommendation 16. The Welsh Government should set out how it will ensure that Wales's unique position in post-Brexit trade flows is taken into account in discussions with the UK Government on a UK-EU SPS agreement.....Page 50

Recommendation 17. The Welsh Government should ascertain its role in the early consultation mechanism with the EU as part of an SPS agreement and inform the committees as soon as possible.Page 50

Recommendation 18. The Welsh Government should keep the implications of an SPS agreement on border control posts under review and provide the Committee with an update in its response to this report and on a quarterly basis thereafter.Page 50

Recommendation 19. In line with recommendations 12 and 13 of this chapter, the Welsh Government should provide the Committee with regular updates on the progress of UK-EU discussions, and discussions with the UK Government on the provision of services and the subsequent implications for Wales.Page 52

Recommendation 20. In its response to this report the Welsh Government should set out:

- why further improvements to MRAs on conformity assessments were not pursued in Common Understanding;
- confirm if this issue is still being pursued with the EU; and
- if it will form part of the implementation review.Page 54

Recommendation 21. The Welsh Government should provide an update and analysis of the historic and potential future effects of this issue on the shellfish farming sector and Welsh trade.Page 55

Recommendation 22. In its discussions with UK Government on its priorities for the implementation review, the Welsh Government should emphasise the importance of addressing issues related to rules of origin.....Page 57

Recommendation 23. In line with recommendations 12 and 13 of this chapter, the Welsh Government should provide the Committee with regular updates on progress relating to rules of origin.....Page 57

Recommendation 24. In its response to this report, the Welsh Government should set out what its priorities are for addressing animal welfare issues through both the implementation review and the UK-EU reset and set out how it will balance the benefits of both alignment and divergence in this area.....Page 58

Recommendation 25. In line with recommendations 12 and 13 of this chapter, the Welsh Government should provide regular updates to the committees on this matter, including on the animal welfare dimensions of an SPS agreement.

..... Page 59

Recommendation 26. The Welsh Government should explore with the other UK governments the development of a UK-wide mechanism to monitor alignment and divergence with the EU. Page 61

Recommendation 27. The Welsh Government should:

- set out how it feeds in Welsh assessments of alignment and divergence into UK intergovernmental discussions;
- clarify what discussions take place currently on alignment and divergence within the Welsh Government and its Trade Policy Advisory Group; and
- set out how it works with other stakeholders to seek their input on the effects of alignment and divergence.Page 62

Climate Change, Environment, and Infrastructure Committee

Recommendation 28. The Welsh Government should set out its position on whether the TCA meets the environment-related tests outlined in its 2024 approach to trade policy document..... Page 66

Recommendation 29. The Welsh Government should clarify whether it supports enhanced or additional UK-EU cooperation and/or agreements beyond the current provisions in the TCA. Page 67

Recommendation 30. The Welsh Government should clarify the Cabinet Secretary's comments, that closer alignment with the EU could lead to "a potential reduction in some of our standards or values around the environment", including examples of where this may be a concern..... Page 68

Recommendation 31. The Welsh Government should publish and share its views on the list of sectors that will be covered as a minimum by a future UK-EU ETS linking agreement, as set out in Common Understanding, Page 71

Recommendation 32. The Welsh Government should finalise a clear position on ETS linkage as a matter of priority..... Page 71

Recommendation 33. The Welsh Government should provide its view on the environmental and climate implications of the ETS linkage and CBAM exemptions envisaged by Common UnderstandingPage 71

Recommendation 34. The Welsh Government should explain how it is promoting the importance of UK-EU cooperation on energy infrastructure in Wales-adjacent seas, including in the Irish and Celtic seas.....Page 73

Recommendation 35. The Welsh Government should confirm whether the mechanisms being considered for the resumption of shellfish trade include the UK's dynamic alignment to EU rules on water quality.Page 74

Legislation, Justice and Constitution Committee

Recommendation 36. The Welsh Government should provide information on discussions between the UK and the EU and between the UK's governments with the aim of reducing complexity arising from current arrangements.....Page 77

Recommendation 37. The Welsh Government should set out the steps it is taking to simplify its own advice and guidance in respect of current UK-EU arrangements.....Page 77

Recommendation 38. The Welsh Government should develop its own guide to UK-EU arrangements, similar to that produced around the time of the UK's exit from the EU.....Page 77

Recommendation 39. The Welsh Government should call on the UK Government to outline its specific priorities for the implementation review and the scope of the review as a matter of urgency.....Page 80

Recommendation 40. The Welsh Government should keep its priorities under review, monitor developments to understand their implications for Wales, and should notify the four committees if or when changes are made.Page 80

Recommendation 41. As we have previously recommended, the Welsh Government should make representations to the UK Government for the Interministerial Group on UK-EU Relations to take place sufficiently in advance of Trade and Cooperation Agreement meetings and UK-EU negotiations.....Page 80

Recommendation 42. The Welsh Government should call for the terms of reference of the Interministerial Group on UK-EU relations to be updated to take into account arrangements emanating from the reset, such as Common

Understanding and the implementation review. This will make sure they remain fit for purpose for the next phase of UK-EU relations. Page 85

Recommendation 43. As we have previously recommended, the Welsh Government should call for a new memorandum of understanding on UK-EU relations to be agreed between the UK Government and the devolved governments. Page 85

Recommendation 44. The Welsh Government should ascertain how it will be involved in the early stage consultation mechanisms described in Common Understanding and should encourage the UK Government to reach an agreed position with the devolved governments. Page 85

Recommendation 45. The Welsh Government, in its response to this report, should provide an updated view on the compliance of border control arrangements with World Trade Organisation rules. Page 87

Recommendation 46. The Welsh Government should provide its view, in its response to this report, on whether the arrangements to be negotiated as part of Common Understanding could raise compliance issues with Wales's existing international obligations, including non-EU trade agreements. Page 87

Recommendation 47. Welsh Government should provide its assessment of the operation of the *European Union (Future Relationship) Act 2020*, and of its implications for the devolution settlement, in the context of concerns raised with Senedd committees. This should include specific commentary on section 29. Page 88

Recommendation 48. The Welsh Government should provide an update on discussions with the UK Government on the provision of financial support for UK Domestic Advisory Group participants. Page 91

Recommendation 49. The Welsh Government should set out how it engaged with the UK Government's 2024 review of the membership of the UK DAG, and should explain the steps it took to raise awareness amongst Welsh organisations of the UK Government's expressions of interest campaign. Page 92

Recommendation 50. The Welsh Government should clarify the link, if any, between the Welsh Government's Trade Policy Advisory Group and the TCA's civil society forums. Page 92

Recommendation 51. The Welsh Government should clarify how it monitors and engages with the work of the UK Domestic Advisory Group and the Civil Society Forum..... Page 92

Recommendation 52. The Welsh Government should confirm if the governments of the UK are developing a central mechanism to monitor changes to EU law for the purposes of monitoring alignment and divergence..... Page 97

Recommendation 53. The Welsh Government should set out how it has ascertained whether alignment and divergence has occurred between the UK and the EU, and between Wales and the EU, since the UK’s exit from the EU.
..... Page 97

Recommendation 54. The Welsh Government should seek clarity on how EU law will apply in the UK if it is to dynamically align to the EU. It should ensure this process respects the role of the devolved governments and legislatures.
..... Page 97

Recommendation 55. The Welsh Government should clarify what role common frameworks will play in decision-making about UK alignment to the EU.
..... Page 97

Introduction

Since 1 January 2021, the relationship between the United Kingdom (UK) and the European Union (EU) has been based on an agreement reached in December 2020, the Trade and Cooperation Agreement (TCA)¹. Under the terms of the TCA, the UK and the EU are required to review its implementation by 2026 (TCA review).

1. During 2024, the following four Senedd committees decided to undertake a joint inquiry in anticipation of this review:

- Culture, Communications, Welsh Language, Sport, and International Relations Committee (CCWLSIR)
- Economy, Trade, and Rural Affairs Committee (ETRA)
- Climate Change, Environment, and Infrastructure Committee (CCEI)
- Legislation, Justice and Constitution Committee (LJC)

2. Throughout the Sixth Senedd, each of our committees has made a range of observations and individual recommendations about the operation of the TCA, its governance structures and its effects on the people of Wales. Building on this work, we agreed to work together to gather evidence on how the agreement is working in Wales and consider in detail the Welsh Government's approach to the review.

Terms of reference

3. The terms of reference for this inquiry were published on 30 August 2024. We invited evidence on the following areas:

- experiences of the TCA since its entry into force;

¹ Trade and Cooperation Agreement, 30 December 2020

- areas of UK-EU cooperation covered by the TCA, and areas that are not covered;
- effectiveness of the TCA in practice, including being effected by implementation issues;
- areas of the TCA that are not fully implemented, such as participation in EU programmes or the mutual recognition of professional qualifications;
- experiences of unintended consequences arising from the TCA; and
- changes to the UK-UE relationship that stakeholders would like to see.

Background

4. A public consultation was undertaken from 30 August 2024 to 8 November 2024, supported by a stakeholder seminar in September 2024. 17 written responses to the consultation were received, reflecting a diverse range of perspectives across the portfolio areas covered by our committees.

5. In January 2025, the Welsh Government identified nine EU priorities in correspondence to the CCWLSIR Committee:

- the need for a sanitary and phytosanitary (SPS) agreement covering issues of animal and plant health and trade;
- addressing issues relating to mobility of workers and provision of services;
- the need for improved arrangements on the Mutual Recognition of Professional Qualifications;
- exploring options to re-join EU programmes such as Erasmus+ and Creative Europe;
- ensuring retention of EU Data Adequacy for Welsh businesses trading with the EU;
- seeking Mutual Recognition Agreements (MRAs), particularly on conformity assessments to reduce trade friction;
- addressing export issues around live bivalve molluscs (LBM);
- discussions around rules of origin to enable businesses to use increased supply chains and trade tariff free; and

- effective electricity trading arrangements.²

6. These priorities informed the conclusions drawn in this report. On 2 April 2025, we held an oral evidence session with the Cabinet Secretary for Economy, Energy and Planning, Rebecca Evans MS (the Cabinet Secretary). The UK Government Minister for the Cabinet Office (Minister for the Constitution and European Union Relations), Nick Thomas-Symonds MP, declined our invitation to give evidence.³

7. On 19 May 2025, the UK and EU announced their latest agreement, Common Understanding⁴, which provides for increased cooperation and the negotiation of additional UK-EU agreements in future. It is likely to shape the scope of the implementation review. We reflect on these developments and how they may impact issues identified in evidence throughout this report.

8. In July 2025, a representative group of Members from the participating committees undertook a visit to Brussels to engage in discussions with key EU institutions and stakeholders on the TCA implementation review and emerging findings from our inquiry.

9. The timing of our report is intended to ensure that a Welsh perspective informs both the TCA implementation review process and, subsequent to recent developments, the Common Understanding negotiations.

Common themes

10. This report presents evidence received covering a wide-range of policy areas. It covers touring artists, the UK's participation in EU programmes, Wales-EU trade, animal welfare, environment, climate and electricity trading. It also covers constitutional matters, such as Wales's international obligations and UK intergovernmental relations.

11. Throughout the committees' deliberations, common themes emerged.

12. The evidence was clear that the EU remains the largest priority export market for key industries in Wales. Organisations described post-Brexit trade rules as having led to increased bureaucracy, costs, time, disruption to supply chains and unintended, or unforeseen consequences.

² Letter from the First Minister: 28 January 2025

³ Letter from the Minister for the Cabinet Office: 10 April 2025

⁴ UK Government, UK-EU Summit – Common Understanding, 19 May 2025

- 13.** Despite the challenges, it was also clear that there is a willingness and desire to continue trading with the EU, and respondents suggested practical improvements, including simplifying processes and better guidance and support.
- 14.** There were also calls for more wide-ranging solutions, such as for the UK to rejoin the EU, for the UK to rejoin the EU's Single Market and customs union, and for the restoration of freedom of movement.
- 15.** Members regularly discussed the role of the devolved nations in UK-EU relations. The committees revisited their previous findings on domestic intergovernmental arrangements, in addition to Wales's representation at UK-EU meetings
- 16.** Members also discussed the role of the Senedd in this area – its oversight and scrutiny of these arrangements, in addition to UK and Welsh legislation to implement UK-EU obligations.
- 17.** For some time, concerns have been raised by Senedd committees about a lack of information and transparency around UK-EU matters, both at home and at a UK-EU level, and these were also considered.
- 18.** Finally, the committees considered the long-standing view of both the CCWLSIR and LJC Committees, that the absence of dedicated EU strategies at both a UK and Wales level presents additional challenges to scrutiny of EU priorities.

1. Culture, Communications, Welsh Language, Sport, and International Relations Committee

In this chapter, we set out whether and how the priorities that fall within this Committee's remit will be addressed through the Welsh Government's approach to the TCA implementation review, and which areas risk remaining unaddressed. We also revisit long-standing concerns about Wales's representation in UK-EU negotiations and the need for the Welsh Government to adopt a more strategic approach to EU relations.

19. In November 2024, we published our inquiry report, *Culture shock: Culture and the new relationship with the European Union*⁵ (Culture shock), examining the effects of Brexit on the culture sector and the challenges and opportunities emerging from the UK's new relationship with the EU.

20. Against this backdrop, the TCA implementation review offers a timely opportunity to further assess the impact of the UK's evolving relationship with the EU on Wales's culture sector. Many of the findings set out in our Culture shock report are echoed in the evidence received for this inquiry, and the issues raised span a range of both reserved and devolved matters, including trade, mobility, culture, and international relations.

UK-EU relations

21. There were calls in the written evidence for more wide-ranging changes in UK-EU relations. These included calls for the UK to rejoin the EU, for the UK to rejoin the EU's Single Market and customs union, for the restoration of freedom of movement, and increased cooperation in additional areas of defence, justice and crime.

⁵ Culture, Communications, Welsh Language, Sport, and International Relations Committee: *Culture shock: Culture and the new relationship with the European Union* – November 2024

22. The majority of respondents saw the review as an opportunity to negotiate improvements in UK-EU arrangements, either by changes made to the TCA or additional UK-EU agreements. Logistics UK urged the UK Government to seek early agreement with the EU on the scope of the review, including that it will be “an expansive rather than a limited, technical review”.⁶ This aligns with previous Welsh Government statements, that it would press for as wide a review as possible.

23. Universities Wales and Welsh Higher Education Brussels (UWWHEB) emphasised “the need for continuity and stability” as the most important aspect for the future.⁷

24. Wales for Europe welcomed the new UK Government’s aim to improve relations. It also welcomed aspects of the Welsh Government’s EU policy, including the role of its representative in Europe, statements made by First Ministers, Wales’s Memoranda of Understanding (MoUs) with European regions, and the Taith programme.⁸

25. The Association of British Travel Agents (ABTA) highlighted that the travel and tourism industries “play a strategically important role in the UK’s global trade and diplomatic relationships”. They warned that current arrangements, such as the lack of youth mobility provisions, risk damaging the UK’s soft power.⁹

26. The Association of the British Pharmaceutical Industry (ABPI) welcomed the committees’ efforts to keep these issues on the agenda.¹⁰

The Welsh Government’s view

The TCA’s effects in Wales

27. When asked about the effects of the TCA in Wales, the Cabinet Secretary told us:

“Well, ultimately, the TCA will never replace what was lost by exiting the European Union. Leaving was always going to result in barriers to trade and issues in relation to mobility ... But, nevertheless, it’s the deal that we now have, so we should be focusing on how we use those

⁶ TCA04 – Logistics UK, page 2

⁷ TCA06 – Universities Wales and Welsh Higher Education Brussels, page 6

⁸ TCA17 – Wales for Europe, page 3

⁹ TCA14 – Association of British Travel Agents, page 5

¹⁰ TCA13 – Association of British Pharmaceutical Industry, page 3

structures to the best benefit of Wales. At the moment, the considerations are how the TCA is being implemented, and then there is a separate piece of work in relation to that reset between the UK and the EU.”¹¹

28. The Cabinet Secretary later set out her view that:

“... by any measure, I don’t think that Brexit could be described as a success, particularly in relation to trade.”¹²

Preparations for the review

29. When asked about the Welsh Government’s preparations for the review, the Cabinet Secretary explained that:

- The Welsh Government has set out a series of future priorities where there is potential for progress around improvements to rules of origin, mobility arrangements, and other detailed technical positions.
- Welsh Government officials are holding fortnightly meetings with their UK Government counterparts, and weekly meetings specifically focused on a potential SPS Agreement.
- The Cabinet Secretary and the First Minister have met with Nick Thomas-Symonds MP to discuss the Welsh Government’s priorities.
- The Welsh Government has engaged with stakeholders, including its Trade Policy Advisory Group (TPAG), to discuss its priorities.
- The International Relations and Trade Team is co-ordinating cross-government work on the implementation review, ensuring that information from all parts of the Welsh Government is gathered to inform policy positions.¹³

30. An official accompanying the Cabinet Secretary confirmed that terms of reference for the implementation review have not yet been agreed. As a result:

¹¹ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 7

¹² Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 94

¹³ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraphs 10 and 11

“... it’s difficult to say which of those priorities we think will fall into work that you would traditionally say is TCA review work and then the broader EU reset work.”¹⁴

UK Government preparations for the review

31. When asked what discussions the Welsh Government are having with the UK Government about the implementation review, an official accompanying the Cabinet Secretary said:

“We haven’t seen an overarching document that says, ‘The UK Government wishes X, Y and Z with the EU’. I’m not aware if that exists or not, but we definitely have not seen that. In terms of positions, we are aware of some of the detail behind some of the specific issues that may be addressed, but we’ve not seen an overarching, ‘These are the top 10 asks of the UK Government’. We haven’t seen that yet, no.”¹⁵

32. An official accompanying the Cabinet Secretary also confirmed that the Welsh Government had not seen a scoping document from the UK Government.¹⁶

33. The Cabinet Secretary stated that she was not surprised by this situation and noted that further intergovernmental discussions are expected to take place at the Interministerial Group (IMG) meeting ahead of the UK-EU summit on 19 May 2025. However, she also confirmed that no date had been set for this meeting at the time, and the Welsh Government had not yet been informed whether it would be invited to the summit.¹⁷ The IMG meeting subsequently took place on 12 May 2025.

34. When asked if the Welsh Government had played any part in the development of a UK Government position, the Cabinet Secretary said that they had not, and added:

¹⁴ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 12

¹⁵ Record of proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 168

¹⁶ Record of proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 172

¹⁷ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 37

“The UK Government is developing its [sic] negotiating positions. Our concerns are that where devolved matters are part of those negotiating positions, then clearly we need to have involvement in agreeing those. Also, we’ve set out a list of priority areas that we want the UK Government to address as well.”¹⁸

35. An official accompanying the Cabinet Secretary confirmed that there is alignment on high-level EU priorities among the devolved governments. However, the official could not confirm the extent to which these priorities were shared with those of the UK Government.¹⁹

The Welsh Government’s approach to EU relations

36. On the overall approach to EU relations, the Cabinet Secretary acknowledged the UK Government’s red lines, namely no return to the EU’s Single Market, customs union, or freedom of movement, and stated:

“So, we don’t take a different view to the UK Government in terms of the overall approach ...”²⁰

37. In response to specific questions on the future, the Cabinet Secretary said:

“So, I think in terms of where we would like to be, it would be strengthening and deepening our relationship with the EU, both in terms of trade, but then also culturally in the other areas that have been raised by colleagues within the Chamber.”²¹

38. When asked about a more strategic approach, including the development of a dedicated EU strategy, an official accompanying the Cabinet Secretary acknowledged that, while the current International Strategy is not specifically focused on Europe, officials had received clear direction from the First Minister to avoid creating new strategies at this time. Instead, the focus remains on delivering

¹⁸ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 184

¹⁹ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraphs 198

²⁰ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 142

²¹ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 144

the objectives already outlined in the existing five-year International Strategy and its “implementation plan”.²²

39. The Cabinet Secretary added:

“I’m actually very attracted to what Alun’s [Alun Davies MS] setting out in terms of a more strategic approach and a kind of clarity of vision as to where we would want those relationships to be in future, so I’ll give it some further thought. I’m sure we’re on the same page ...”²³

40. The Cabinet Secretary agreed to provide our Committee with a written update covering three key areas:

- The Welsh Government’s engagement with EU institutions;
- The internal structures within the Welsh Government that manage its relationship with EU institutions; and
- Ongoing work across different Welsh Government departments, including contributions from the Deputy First Minister, and the Cabinet Secretary for Climate Change and Rural Affairs.

41. The Cabinet Secretary wrote to us on 18 June 2025, setting out the Welsh Government’s engagement with EU institutions.²⁴

Our view

42. The Committee’s ongoing scrutiny of UK-EU relations from a Welsh perspective has revealed persistent structural and strategic challenges.

43. We welcome that the Welsh Government has articulated its EU priorities and note that some of these are reflected in Common Understanding. Whilst the articulation of these EU priorities goes some way to address the Committee’s previous calls for a dedicated EU strategy, a list of priorities is no substitute for the comprehensive, long-term, overarching strategic approach we have consistently called for. The continued absence of dedicated strategies for UK-EU relations, at a

²² Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 152

²³ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 155

²⁴ Letter from the Cabinet Secretary for Economy, Energy and Planning: 18 June 2025

UK and Wales level, presents challenges when navigating, and providing effective scrutiny of the post-Brexit UK-EU relationship.

44. We reiterate our position calling for the Welsh Government to produce a dedicated EU strategy and to include the EU amongst its international relations priority relationships. We note that the Welsh Government has previously rejected these calls.

Recommendation 1. The Welsh Government should continue to regularly review and update its EU priorities, closely monitoring developments for their potential impact on Wales.

Recommendation 2. The Welsh Government should work to strengthen its relationships with EU institutions in order to advance Welsh interests and gain deeper insight into the EU's position and develop a dedicated EU Strategy.

How Wales is represented in UK-EU relations

45. Respondents to the consultation raised concerns about Wales's representation in UK-EU relations and domestic intergovernmental relations. However, these issues are not currently among the Welsh Government's review priorities.

46. In their joint response, academics Dr Claire Royles, Dr Carolyn Rowe, and Dr Rachel Minto called on the Partnership Council to elevate the status of devolved Ministers, and to strengthen its links with the UK-EU IMG. They also recommended a series of reforms designed to enhance recognition of the devolution settlement, increase devolved representation, and formalise intergovernmental mechanisms.²⁵

47. Other respondents, including Logistics UK and Teledwyr Annibynnol Cymru (TAC)²⁶, joined the academics' call for greater involvement of both industry and devolved representatives in shaping changes to the TCA, in broader UK-EU relations, and in post-Brexit domestic governance structures including advisory groups and the UK-EU IMG.

48. Research by Royles, Rowe and Minto²⁷ indicates that, whilst devolved government involvement in UK-EU relations has improved over time, participation from Scotland and Northern Ireland has been greater than that from Wales. These

²⁵ TCA07 - Dr Elin Royles, Dr Carolyn Rowe and Dr Rachel Minto, paragraphs 2.1-2.5

²⁶ TCA04 - Logistics UK, page 4; TCA11 - Teledwyr Annibynnol Cymru, paragraph 20

²⁷ TCA07 - Dr Elin Royles, Dr Carolyn Rowe and Dr Rachel Minto, paragraph 1.4

findings are consistent with early analysis by Senedd Research, which monitors attendance at UK-EU meetings and forums established by the TCA.²⁸

The Welsh Government's view

49. When asked about the Welsh Government's observer status at TCA meetings, a status that does not include voting or speaking rights, the Cabinet Secretary said:

*"Obviously, the observer status wasn't our preference but I think that, so far, it does appear to be working, and I think that the way in which the UK Government has engaged with us through our officials has been really helpful in that regard. So, we're able to propose agenda items, for example, and we're able to explore those debating lines, if you like, with the UK Government so that we have agreed positions that are being discussed. So, I think that's all been very positive in terms of those opportunities to engage and influence."*²⁹

50. In her written evidence, the Cabinet Secretary highlighted the role of civil society in shaping EU trade policy. She explained that formal stakeholder engagement now takes place through the TPAG, which includes representatives from business umbrella bodies, the third sector, public sector organisations, academics, and civil society.³⁰

51. The Cabinet Secretary noted that, during the last two TPAG meetings in October 2024 and March 2025, the Welsh Government sought stakeholders' views on:

- Possible changes within the existing TCA governance architecture, including the committees overseeing its implementation;
- Potential amendments as part of the upcoming TCA review; and
- The feasibility of an SPS agreement.³¹

²⁸ Senedd Research: [A seat at the table: representing Wales in the new UK-EU](#) - December 2021; Senedd Research: [The room where it happens: Wales in UK-EU relations](#) - May 2022

²⁹ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025](#), paragraph 33

³⁰ Welsh Government written evidence: [The UK-EU implementation Review of the Trade and Cooperation Agreement - 19 March 2025](#), paragraph 4.6

³¹ Welsh Government written evidence: [The UK-EU implementation Review of the Trade and Cooperation Agreement - 19 March 2025](#), paragraph 4.6

Our view

52. We acknowledge that observer status at TCA meetings was not the Welsh Government's preference and we are sympathetic to the Cabinet Secretary's efforts to make the best of a situation that is not of her choice.

53. However, the fact remains that evidence received by our Committee since 2021 has consistently demonstrated widespread support from stakeholders and experts for a stronger, more formalised role for the Welsh Government in UK-EU relations. We reiterate our long-standing position that observer status is unsatisfactory and that the Welsh Government should have full participation in UK-EU governance structures.

54. Domestic intergovernmental arrangements present further challenges. In our Culture shock report, we highlighted the adverse effect resulting from a lack of structured engagement between governments on the challenges facing the culture sector. The Cabinet Secretary's confirmation in her evidence, that the UK Government had not yet shared its EU priorities, does little to engender confidence that the situation has improved. This presents unique challenges for the devolved nations and limits the Committee's ability to scrutinise the direction of UK-EU relations effectively.

55. Stakeholder engagement also remains a concern. Despite the Welsh Government's efforts to consult through the TPAG and maintain dialogue with civil society, evidence suggests that opportunities for stakeholder input have diminished since Brexit. This decline threatens the visibility and influence of Welsh perspectives in shaping UK-EU relations—an issue that may worsen without targeted support. We anticipated this issue in our October 2022 response to the House of Lords European Affairs Committee's inquiry on the future UK-EU relationship. At that time, we warned that post-Brexit challenges were making it increasingly difficult for stakeholders to engage effectively, and that representation of Welsh interests risked declining further without intervention.³² It is disappointing to note that these concerns are not new to the Welsh Government, and yet they have not resulted in a more comprehensive plan of action to address them.

Recommendation 3. The Welsh Government should, in its response to this report, confirm whether it is:

³² Culture, Communications, Welsh Language, Sport, and International Relations Committee: [Response to House of Lords' European Affairs Committee inquiry - October 2022](#)

- actively pursuing full participation rights at UK-EU meetings where it has observer status.
- requesting to attend UK-EU meetings that fall outside the TCA institutional framework.

Culture and literature

56. Respondents to the consultation raised several issues relating to culture, creative workers and literature. Whilst the Welsh Government has indicated support for improving conditions for touring artists, cultural matters are not specifically listed among its review priorities.

57. The rules governing cross-border creative work between the UK and the EU have become increasingly complex in the post-Brexit landscape. This complexity stems from the absence of specific provisions in the TCA to address the needs of creative workers. Whilst some aspects of cross-border working are partially covered by the TCA's general trade provisions, many critical elements fall outside its scope, making the gaps in coverage as significant as the rules themselves. Other areas, such as audiovisual cooperation, are not covered by the TCA at all.

58. Although the Welsh Government has identified “Addressing issues relating to mobility of workers and provision of services”³³ as a review priority, it remains unclear which specific issues this refers to. In response to the Culture shock report, the Cabinet Secretary stated:

“I can provide reassurance that our high-level priorities include the mobility issues being experienced by a wide range of businesses and individuals. We are currently engaging with UK Government on these priorities.”³⁴

59. Several respondents to the consultation, including Wales for Europe, Farmer's Union of Wales (FUW), ABTA, Taith, Logistics UK, TAC, and Make UK described the loss of freedom of movement in negative or prohibitive terms.³⁵ Economic, cultural, education and mobility related issues were raised consistently across a range of sectors, including health, travel, logistics, agriculture, and higher

³³ Letter from the First Minister: 28 January 2025

³⁴ Welsh Government: Response to the Culture, Communications, Welsh Language, Sport, and International Relations Committee's 'Culture shock' report – December 2024

³⁵ TCA17 – Wales for Europe; TCA15 – Farmers' Union of Wales; TCA14 – Association of British Travel Agents; TCA05 – Taith; TCA04 – Logistics UK; TCA11 – Teledwyr Annibynnol Cymru ; TCA08 – Make UK

education. Many highlighted that younger people and early-career professionals are disproportionately affected.

60. Logistics UK described the TCA's arrangements for creative workers as "not a realistic or workable situation for the arts and music industry". It called for a dedicated cultural touring agreement that would exempt creative workers and HGV drivers from the Schengen 90/180 day-rule, carnets, and cabotage restrictions.³⁶

61. TAC and Wales for Europe both emphasised the effects on creative workers and welcomed the Culture shock report and its recommendations.³⁷ TAC called for the recommendations in the Culture shock report to be addressed and expressed regret that audiovisual cooperation is not included in the TCA. It said that closer cooperation with the EU would strengthen the position of Wales's audiovisual sector internationally.

62. Public Health Wales (PHW) noted that the current rules "stifle creative innovation in both the UK and the EU"³⁸, while ABTA emphasised the importance of cultural exchange, stating that "cultural benefits, though less tangible, are equally valuable".³⁹

63. Acanthophyllum Books submitted a case study of its experience selling antique books to EU customers. The issues outlined relate primarily to the UK's departure from the EU's customs union. Its call, to ensure that "books travel freely from country to country" could not be achieved by the fulfilment of the Welsh Government's current review priorities. The UK Government's position against rejoining the Single Market or customs union further limits potential solutions.⁴⁰

The Welsh Government's view

64. When questioned about the Culture shock report, the Cabinet Secretary sought to reassure us that:

"... we take every opportunity to refer to the issues raised within the report with the UK Government, and I know officials have specifically talked to UK Government counterparts about the report itself, but

³⁶ TCA04 – Logistics UK, page 4

³⁷ TCA11 – Teledwyr Annibynnol Cymru; TCA17 – Wales for Europe

³⁸ TCA10 – Public Health Wales, page 9

³⁹ TCA14 – Association of British Travel Agents, page 9

⁴⁰ TCA01 – Acanthophyllum Books, page 1

also the debate, so that UK Government is very clear that this is something that is of concern to the whole Senedd.

...

So, there's no progress, really, that we can demonstrate at this stage, because we're still at such an early stage in relation to that reset work and so on, and still don't have the terms of reference, for example, for the discussions in terms of the review. So, we can't demonstrate progress; all we can do is reassure that the points are being raised consistently."⁴¹

65. On the specific matters raised in the Culture shock report, the Cabinet Secretary identified haulage services and customs as key concerns. She acknowledged that “it’s difficult to see how changes could be made without some amendments to the TCA”.⁴² However, in her written evidence, the Cabinet Secretary also stated that changes to the TCA are “unlikely”.⁴³

66. Given these constraints, the Cabinet Secretary encouraged the UK Government to look to negotiate “side agreements” to address the findings of the Culture shock report. She noted the lengthy negotiation process involved in the agreement of the TCA and highlighted that UK-EU mobility agreements falling outside of EU competence would require a separate agreement for each of the 27 individual Member State at a domestic level.⁴⁴

67. When asked about improvements for touring artists, the Cabinet Secretary told us:

“I think the key point there, really, and particularly on business mobility, is that we can’t replicate what we had before we left the EU. So, the priority, really, is for the UK to seek significant changes in relation to mobility arrangements. So, those, really, would have to be negotiated, I think, beyond the TCA, just given the nature of those. And we would want to have to find a way, really, in which the artists

⁴¹ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraphs 78-80

⁴² Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 84

⁴³ Welsh Government written evidence: The UK-EU implementation Review of the Trade and Cooperation Agreement, 19 March 2025, paragraph 1.9

⁴⁴ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 85

wouldn't have to be dealing with 27 different sets of rules and regulations and bureaucracies and so on. We have to accept that things will never be as smooth as they were. This is a priority area, but, unfortunately, things are so early in these discussions that we can't demonstrate progress at the moment.”⁴⁵

Common Understanding

68. Common Understanding says only that the UK and EU “recognise the value of travel and cultural and artistic exchanges, including the activities of touring artists” and will continue supporting travel and cultural exchange.⁴⁶

69. The UK Government’s explanatory notes to the agreement state that:

“We are proud of the international reputation of our arts and creative industries. Along with the EU, we have jointly recognised the value of travel and cultural and artistic exchanges, including the activities of touring artists, and we will continue our efforts to support travel and cultural exchange.

The UK will explore how best to improve arrangements for touring across the European continent with the EU and EU Member States.”⁴⁷

70. Our Culture shock report presented evidence of lost opportunities, reduced activity, increased costs and lost income for touring artists and creative workers since Brexit.⁴⁸

71. On mobility, Common Understanding sets up dedicated dialogues on the TCA’s implementation provisions for the entry and temporary stay of natural persons for business purposes. These provisions do not cover cross-border creative workers.⁴⁹

⁴⁵ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025](#), paragraph 82

⁴⁶ UK Government: [UK-EU Summit – Common Understanding](#) - 19 May 2025, paragraph 15

⁴⁷ UK Government: [UK-EU Summit – Explainer](#) - 19 May 2025

⁴⁸ Culture, Communications, Welsh Language, Sport, and International Relations Committee: [Culture shock: Culture and the new relationship with the European Union](#) – November 2024

⁴⁹ UK Government: [UK-EU Summit – Common Understanding](#) - 19 May 2025, paragraph 46

Our view

72. Neither the issues raised by respondents to the consultation nor the issues documented in the Culture shock report would be resolved by the Welsh Government's review priorities alone.

73. The Welsh Government's general focus on improving mobility and for the provision of services does not specifically address the cross-border movement of creative workers. Furthermore, this is not resolved by Common Understanding nor set out in its future plans.

74. Cross-border cultural activity relies not only on the movement of people, but also on the movement of goods. Cultural workers and organisations frequently depend on the temporary transport of equipment, instruments, and cultural artefacts, as well as the sale of tour merchandise and books. Yet, these aspects remain unaddressed. Similarly, whilst improved rules of origin, as advocated for by the Welsh Government, could benefit some aspects of merchandise production, they would not resolve the customs and VAT issues that continue to affect the sector.

75. We welcome the Welsh Government's stated priority of re-associating to Creative Europe, which could help restore access to funding and networks.

76. We therefore conclude that the Welsh Government's approach to the review falls short of the more comprehensive solution for touring artists recommended by the Parliamentary Partnership Assembly (PPA). We, as a Committee, endorse the PPA's approach and note the Cabinet Secretary has previously stated that the Welsh Government "fully supports" the PPA's recommendation in response to the Culture shock report.

77. We are deeply disappointed and concerned that Common Understanding does not include improvements for creative workers. We agree with the UK and EU on the value of cultural and artistic exchanges, including the activities of touring artists, but cannot reconcile this statement with the absence of immediate improvements in Common Understanding, or the future potential thereof.

78. The absence of touring artists in the Welsh Government's review priorities, coupled with the lack of improvements in Common Understanding, have exacerbated our already serious concerns for the sector.

79. We are also concerned that the future UK-EU negotiations outlined in Common Understanding risks taking up significant bandwidth and we therefore reiterate the importance of keeping this issue on the table.

Recommendation 4. The Welsh Government should update its review priorities to reflect its stated position, outlined by the Cabinet Secretary in response to the Culture shock report, of fully supporting the PPA’s recommendation for a comprehensive solution for touring artists, covering both the movement of people and goods.

Recommendation 5. The Welsh Government should make representations to the UK and the EU to ensure that the issue of touring artists remains a priority. This should include calling for the UK and EU to articulate plans for improvements.

Participation in EU programmes

80. One of the Welsh Government’s stated review priorities is “exploring options to re-join EU programmes such as Erasmus+ and Creative Europe”.⁵⁰ This aligns with the views expressed by many respondents to the consultation, who also highlighted the value of additional programmes such as Interreg and Comenius+.

81. However, several respondents, including TAC and UWWHEB, expressed regret that the UK’s participation in more EU programmes is not being pursued.⁵¹

82. Respondents also highlighted concerns about the potential consequences of rejoining certain EU programmes without careful consideration of existing domestic alternatives. Taith recognised the importance of Erasmus+ to larger organisations like universities but warned that “a return to Erasmus+ and the loss of Taith would likely see a reduction in the number of organisations and individuals engaging with international exchange in Wales”.⁵²

83. UWWHEB warned that, if there are delays in associating with the next EU programme, the momentum and enthusiasm generated by efforts across the EU, the UK, and Wales to encourage UK-based researchers to participate and collaborate in Horizon Europe will be lost. UWWHEB also noted that association to

⁵⁰ Letter from the First Minister: 28 January 2025

⁵¹ TCA11 – Teledwyr Annibynnol Cymru, paragraphs 7-13; TCA06 – Universities Wales and Welsh Higher Education Brussels, page 6

⁵² TCA05 – Taith, page 2

Horizon Europe has prompted greater interest in Welsh research, including Welsh Government funding such as Agile Cymru.⁵³

The Welsh Government's view

Priority EU programmes

84. When asked which EU programmes the Welsh Government would want to participate in, the Cabinet Secretary said that Erasmus+ and Creative Europe “are the key ones that we would want to participate in”.⁵⁴

85. However, this position does not fully reflect previous statements made by the Welsh Government, which have indicated broader ambitions for re-engagement with a wider range of EU programmes.

86. In response to the Culture shock report, the Cabinet Secretary said:

“Our Ministers have been clear on the ambition for Wales to have the possibility to participate in a much broader range of EU programmes including ERASMUS, Territorial Co-operation, and Creative Europe.”⁵⁵

87. In December 2024, the First Minister said that:

“I think there are lots of programmes that we’d like to join. It was really good that we’re back in Horizon. It was crazy that we left, but that was part of what happened, but it’s good at least now that we’re back in, and that is making a big difference for our universities and researchers.”⁵⁶

88. We made a recommendation in our Culture shock report calling on the Welsh Government to champion UK association to Erasmus+ and Creative Europe at UK intergovernmental meetings and to report back to our Committee once a term to update on those discussions.⁵⁷ The Cabinet Secretary agreed to champion

⁵³ TCA06 – Universities Wales and Welsh Higher Education Brussels, page 7

⁵⁴ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 102

⁵⁵ Welsh Government: Response to the Culture, Communications, Welsh Language, Sport, and International Relations Committee’s ‘Culture shock’ report – December 2024, page 7

⁵⁶ Record of Proceedings: Committee for the Scrutiny of the First Minister – 13 December 2024, paragraph 123

⁵⁷ Culture, Communications, Welsh Language, Sport, and International Relations Committee: Culture shock: Culture and the new relationship with the European Union – November 2024, page 48

participation in the programmes, but would not commit to a reporting frequency.⁵⁸

89. In Common Understanding, the UK and EU agreed to work toward the UK's association to Erasmus+. ⁵⁹

Amendments to the TCA

90. In written evidence, the Cabinet Secretary said that the review “is unlikely to provide opportunities to change the agreement text”.⁶⁰

91. The Cabinet Secretary also told us:

“We would need to apply to the EU to rejoin Creative Europe. So, again, this is an area where amendments to the TCA wouldn't be required. A number of non-EU countries already participate, so I think there is significant hope for us to be able to do that.”⁶¹

92. Part Five of the TCA provides the legal basis for UK participation in EU programmes. It outlines the terms and conditions for such participation, including a formula to calculate the UK's financial contribution. The specific EU programmes that the UK is eligible to participate in are listed in Protocol I of Part Five. At present, it is unclear how the UK could engage in additional EU programmes beyond those listed, without amending Protocol I.⁶²

93. Further, the Cabinet Secretary's statement regarding other participating third countries does not appear to fully take into account the provisions of the TCA.

EU networks

94. In addition to seeking participation in EU programmes, the Cabinet Secretary told us that:

“... there are other coalitions and other groups that we're involved with, which I described in the debate as well, which are kind of pan-

⁵⁸ Welsh Government: [Response to the Culture, Communications, Welsh Language, Sport, and International Relations Committee's 'Culture shock' report – December 2024](#), page 7

⁵⁹ UK Government: [UK-EU Summit – Common Understanding](#) - 19 May 2025, paragraph 14

⁶⁰ Welsh Government written evidence: [The UK-EU implementation Review of the Trade and Cooperation Agreement, 19 March 2025](#), paragraph 4.1

⁶¹ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025](#), paragraph 87

⁶² [Trade and Cooperation Agreement, 30 December 2020](#)

European or global alliances and co-operations, which aren't specific to the EU but other bodies that we are aligned to that are helpful to us as well.”⁶³

95. This approach is consistent with the findings of the Culture shock report which details the effects on the creative sector of the UK's withdrawal from EU networks.

Youth mobility

96. Although youth mobility schemes are not currently among the Welsh Government's review priorities, the Cabinet Secretary told us that it would be supportive of a general youth mobility programme.⁶⁴ We have received evidence, both through this inquiry and in previous work, that young people and early-career professionals have been disproportionately affected by Brexit.

97. In Common Understanding, the UK and the EU agreed to work towards a new youth visa scheme to facilitate activities like work, study, au-pairing, volunteering and travel, with duration and numbers to be agreed.⁶⁵

Our view

98. In line with evidence received by this Committee during the Sixth Senedd, we welcome the commitment to work towards the UK's association to Erasmus+. We note the inconsistencies in the Welsh Government's position on the EU programmes it is seeking to participate in. Whilst the Welsh Government has expressed interest in rejoining certain programmes, it has not yet provided a comprehensive list. This makes it difficult to assess the scope of the Welsh Government's ambitions and to evaluate how well they align with UK policy.

99. The Cabinet Secretary's view that changes to the TCA are “unlikely” and participation in EU programmes is an area where amendments “wouldn't be required”, appears to be at odds with the requirements of the TCA.

Recommendation 6. The Welsh Government should provide a comprehensive list of EU programmes that it would like to participate in and indicate the extent to which there is agreement between the four UK governments on participation.

⁶³ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 102

⁶⁴ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 213

⁶⁵ UK Government: UK-EU Summit – Common Understanding - 19 May 2025, paragraph 13

Recommendation 7. The Welsh Government should share its understanding of why UK association to additional EU programmes, including Creative Europe, was not agreed in Common Understanding, and whether association to other programmes is still being pursued by the UK Government.

Recommendation 8. The Welsh Government should clarify whether changes to the TCA are required to facilitate UK participation in additional EU programmes.

Recommendation 9. The Welsh Government should confirm whether it has calculated the cost of participation in Erasmus+ and Creative Europe using the formula set out in the TCA, or whether it has been part of joint UK-wide exercise to do so.

EU data adequacy

100. Although data adequacy is not covered by the TCA and is governed by separate UK-EU arrangements, the Welsh Government has identified “Ensuring retention of EU Data Adequacy for Welsh businesses trading with the EU” as a review priority. This was also not raised as an issue by respondents to the consultation.

The UK Government’s view

101. In May 2025, the Minister for Data Protection and Telecoms, Sir Chris Bryant MP, wrote to our Committee to outline the UK Government’s efforts to support the renewal of the EU’s data adequacy decisions. He explained that the Data Use and Access Bill⁶⁶ was designed with EU adequacy in mind, including strong safeguards and changes to address EU concerns. He also noted the EU’s recent proposal to extend the UK’s adequacy status by six months, calling it a positive sign”.⁶⁷

The Welsh Government’s view

102. This priority was not raised in evidence for this inquiry by the Cabinet Secretary. However, we received evidence on this issue through our Committee’s scrutiny of the Data (Use and Access) Bill Legislative Consent Memorandum (LCM).

103. The Welsh Government has described the potential loss of the UK’s EU data adequacy decisions as “a major threat for Welsh exporting businesses whose main

⁶⁶ The Data (Use and Access) Bill, now the Data (Use and Access) Act 2025, received Royal Assent on 19 June 2025

⁶⁷ Letter from the Minister for Data Protection and Telecoms: 21 May 2025

overseas market continues to be the EU.” It has also warned that provisions in the Data (Use and Access) Bill could lead to regulatory divergence from the EU’s data protection regime. Such divergence could, in turn, jeopardise the UK’s adequacy status and undermine the broader UK-EU relationship.⁶⁸ This is particularly significant given that “a high level of personal data protection” is one of the eight principles underpinning UK-EU cooperation under the TCA.

Our view

104. We share the Welsh Government’s concerns about the potential loss of the UK’s EU adequacy decisions and the potential for the TCA to be undermined in future should the Data (Use and Access) Bill lead to UK-EU divergence. Through our report on the Data (Use and Access) Bill LCM, we have called for these concerns to be resolved as a matter of urgency.⁶⁹

⁶⁸ Welsh Government, Legislative Consent Memorandum: Data (Use and Access) Bill

⁶⁹ Culture, Communications, Welsh Language, Sport, and International Relations Committee: Report on the Legislative Consent Memoranda for the Data (Use and Access) Bill – May 2025, page 18

2. Economy, Trade and Rural Affairs Committee

It is clear from the evidence that the terms of the TCA and the UK's exit from the EU has led to significant changes in the trading relationship between Wales and the EU.

105. Evidence received covered all aspects of this Committee's remit and included sector specific and cross-cutting matters.

106. A picture is emerging of the combined effects of the different treatment afforded to goods and sectors in UK-EU agreements and in the UK Government's approach to EU alignment. The need to support businesses and organisations to adapt to this evolving environment is clear.

107. Both these general and specific themes are considered below.

Cross-sector issues

108. In written evidence to the Committee, organisations suggested that post-Brexit rules for trade have led to increased bureaucracy, costs, time, disruption to supply chains and unintended, or unforeseen, consequences.

109. Despite the challenges, it was also clear that there is a willingness and desire to continue trading with the EU, and respondents suggested practical improvements, including simplifying processes and better guidance and support.

Increased bureaucracy, costs, time, and disruption to supply chain

110. In their response to the consultation, the Scottish Parliament Constitution, Europe, External Affairs and Culture Committee (the Scottish Parliament's Committee) said non-tariff barriers mean that "businesses are experiencing significant challenges" in exporting to the EU.⁷⁰ This was supported by Make UK, whose research shows 90 per cent of businesses are still dealing with challenges (down from 96 per cent in 2021).⁷¹

⁷⁰ TCA02 – Constitution, Europe, External Affairs and Culture Committee – Scottish Parliament, paragraph 1

⁷¹ TCA08 - Make UK, page 2

111. Horticultural Trades Association (HTA) said that border arrangements have “resulted in extreme levels of cost, administration, complications and loss for traders, while infrastructure and operational aspects of the border has compounded all of those issues”.⁷²

112. Many highlighted the impact of increased costs on food security and prices, and border delays, including as a result of the UK’s new Border Trade Operating Model (BTOM) which FUW described as “hugely frustrating”.⁷³ HTA said that the UK Government’s estimates do “not reflect industry feedback or awareness of more hidden costs”.⁷⁴ PHW noted that the delays disrupt the availability of fresh produce, while Logistics UK said they have resulted in financial losses for traders of perishable goods.⁷⁵ Acanthophyllum Books described customs processes as causing “intense annoyance”.⁷⁶

113. Written evidence from organisations including Make UK, Logistics UK, FUW and RSPCA Cymru, pointed to the UK’s phased implementation of border controls and the EU’s immediate application of border controls as having created an uneven playing field, with EU traders at a competitive advantage, including in relation to Welsh lamb.⁷⁷ The Scottish Parliament’s Committee also said this “deepened” challenges. There were concerns this breaches World Trade Organisation rules.⁷⁸

114. FUW highlighted “substantial declines” in exports (up to 50 per cent for some meat products), an increase in illegal meat imports (85 tonnes of illegal meat being seized since September 2022) and increased biosecurity risks as a result of this and border delays. It said that there are delays in importing certain items and some items are no longer available.⁷⁹

115. Evidence suggested some EU suppliers will no longer trade with the UK and that some UK traders have withdrawn from the EU market. The UK’s importance as an EU trading partner has declined, according to Logistics UK.⁸⁰ Some, including HTA and the Scottish Parliament’s Committee said that smaller

⁷² TCA12 - Horticultural Trades Association, paragraph 54

⁷³ TCA15 - Farmers’ Union of Wales, page 4

⁷⁴ TCA12 - Horticultural Trades Association, paragraph 35

⁷⁵ TCA10 - Public Health Wales, page 5; TCA04 - Logistics UK, page 3

⁷⁶ TCA01 - Acanthophyllum Books, page 1

⁷⁷ UK-EU implementation review of the Trade and Cooperation Agreement – consultation responses

⁷⁸ TCA02 – Constitution, Europe, External Affairs and Culture Committee – Scottish Parliament, paragraph 5

⁷⁹ TCA15 - Farmers’ Union of Wales

⁸⁰ TCA04 - Logistics UK, page 3

businesses were most affected and are less able to absorb the additional costs and regulatory burdens.⁸¹ HTA highlighted reports that hauliers are reluctant to accept smaller SPS consignments because of the associated complexities and delays.⁸²

Unintended and/or unforeseen consequences

116. Antique book dealer, Acanthophyllum Books said customs charges sometimes exceeds the value of the book, “which is ludicrous” and that “the administrative cost of current arrangements must greatly exceed the revenue raised”. Charges are incurred for books sent to EU customers regardless of value, unlike to the US, whereby books up to \$700 in value do not incur customs charges.⁸³

117. PHW warned of changes to the detection and prevention of illicitly traded alcohol, tobacco and drugs. The UK no longer has access to several EU databases for identifying this activity and, while border checks can be advantageous for tackling illicit trade, “new international trade agreements and proposals for freeports in the UK and Wales, create new opportunities, which criminals may seek to exploit to smuggle illicit goods into Wales and the UK”.⁸⁴

118. HTA said that “GB [Great Britain] to NI [Northern Ireland] trade remains at an all-time low, with some businesses ceasing trade with NI all together because it is not commercially practical or viable”.⁸⁵

119. In spite of the difficulties summarised above, Make UK said that nearly three in four companies (74 per cent of Britain’s manufacturers) continue to favour trading with the EU, which remains the UK and Wales’s biggest market.⁸⁶

Specific TCA provisions

120. Some stakeholders welcomed specific provisions and definitions in the TCA. Examples include:

- the UK’s freedom to diverge (PHW);⁸⁷

⁸¹ [TCA12 – Horticultural Trades Association](#), paragraphs 38, 44; and 46; [TCA02 – Constitution, Europe, External Affairs and Culture Committee – Scottish Parliament](#), paragraph 4

⁸² [TCA12 – Horticultural Trades Association](#), paragraph 45

⁸³ [TCA01 – Acanthophyllum Books](#), page 1

⁸⁴ [TCA10 – Public Health Wales](#), page 6

⁸⁵ [TCA12 – Horticultural Trades Association](#), paragraph 29

⁸⁶ [TCA08 – Make UK](#), page 2

⁸⁷ [TCA10 – Public Health Wales](#), page 6

- the definition of ‘standard’ (British Standards Institution);⁸⁸
- FUW supported the TCA’s level playing field regime, which aims to maintain alignment in key areas, such as environmental protection and social and labour rights, and the TCA’s binding dispute settlement mechanism and remedial measures;⁸⁹ and
- ABPI said the TCA “provides a solid base” for medicines trade and welcomes that “medicines has always been treated as important by both sides”.⁹⁰

Suggested improvements to existing provisions

121. Evidence to the committees outlined several suggestions for improvements including more consistent implementation of existing provisions and better guidance on their operation.

122. Many respondents to the consultation support mutual recognition on conformity assessments, adjustments and simplifications to the rules of origin, customs and SPS regimes, amendments to specific trade provisions, and greater support in managing complexities through the development of clear UK-EU guidance with industry input.

123. Logistics UK, the Scottish Parliament’s Committee and others pointed to a lack of guidance and support.⁹¹ Make UK said it is no longer change that manufacturers long for but simplification of what is already there. 47 per cent of its members want more effective cooperation to simplify processes and reduce trade barriers.⁹² Logistics UK added that the TCA’s customs arrangements are either not being implemented, or are not being implemented consistently.⁹³

124. The British Standards Institution (BSI) believed that, even without changing the TCA, there are opportunities to enhance its current operation by:

- making better use of existing cooperation provisions; and

⁸⁸ TCA03 – British Standards Institution, section 2

⁸⁹ TCA15 – Farmers’ Union of Wales, page 5

⁹⁰ TCA13 – Association of the British Pharmaceutical Industry, page 3

⁹¹ TCA04 – Logistics UK; TCA02 – Constitution, Europe, External Affairs and Culture Committee – Scottish Parliament

⁹² TCA08 – Make UK, page 15

⁹³ TCA04 – Logistics UK, page 4

- increasing cooperation between regulators in the areas of the digital economy (such as AI), decarbonisation of industry (such as CBAMs) and supply chain due diligence reporting.⁹⁴

The Welsh Government's view

125. The Cabinet Secretary told us that the TCA “will never replace what was lost by exiting the European Union”. She said:

“Leaving was always going to result in barriers to trade and issues in relation to mobility ... But, nevertheless, it's the deal that we now have, so we should be focusing on how we use those structures to the best benefit of Wales.”⁹⁵

126. She also set out her view that:

“... by any measure, I don't think that Brexit could be described as a success, particularly in relation to trade.”⁹⁶

127. The Cabinet Secretary highlighted that the volume of Welsh exports to the EU fell by around 31 per cent between 2019 and 2024, while EU imports into Wales fell by 20 per cent.⁹⁷ She continued:

“But despite this, the EU is still our biggest trading partner, accounting for around 61 per cent of Welsh exports, as compared to 50 per cent of UK exports overall. So, I think that demonstrates that Wales is particularly impacted and is more reliant on trade with the EU than other parts of the UK. So, in that sense, it's been disproportionately impacted.

But then I would just also make the point that it's really hard to disentangle the impact of Brexit from other things that have happened in that intervening period, and particularly, of course, the pandemic. So, I think that there's still research going on in that space

⁹⁴ TCA03 - British Standards Institution, section 9

⁹⁵ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 7

⁹⁶ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 94

⁹⁷ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 8

to try and better understand what you can attribute to Brexit and what you can attribute to the pandemic.”⁹⁸

128. On steps taken by the Welsh Government to respond to the effects of Brexit on Welsh trade, the Cabinet Secretary pointed to its continued budget allocation for 2025-26 of £3.5 million for export support. She said this funding provides one-to-one support to businesses to develop export strategies, undertake market research overseas and identify new customers. This includes providing advice on local trading conditions, regulations and export procedures. She also highlighted the government’s export trade missions, two of which were recently held in Cardiff and Llandudno.⁹⁹

129. Commenting on outcomes from the review that the Welsh Government would like to see, the Cabinet Secretary said:

“There are definitely some specific things, potentially smaller things, that could be addressed through the review, such as guidance, the transparency on rules of origin, and also the alignment of digital systems with customs and the sharing of information on marketing and labelling. Those are things that could fundamentally improve the implementation of this TCA, but without changing the agreement itself, so relatively small but practical things that could be done.

And then there are wider things that could be addressed through a reset, for example—boosting trade through a sanitary and phytosanitary agreement, improvements around rules of origin, and potentially new agreements on mutual recognition of conformity assessment bodies, and, of course, the improved mobility arrangements as well. So, there are definitely specific things that we hope to see some progress on.”¹⁰⁰

⁹⁸ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 8

⁹⁹ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraphs 65 - 68

¹⁰⁰ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 70

130. The Cabinet Secretary confirmed during the session that the Welsh Government did not yet know what the UK Government's review priorities are and, as such, whether their priorities align.¹⁰¹

Our view

131. As Wales's largest export market, it is clear from the evidence that the EU remains critical to many sectors of the Welsh economy. Evidence describes how the terms of the new UK-EU relationship has resulted in increased trade barriers and unforeseen or unintended consequences in some cases. Small and medium-sized enterprises (SMEs) with less resource and capacity to adapt have been particularly affected.

132. The Committee notes the Welsh Government's own assessment, that Wales "has been disproportionately impacted". Whilst some called for more far-reaching solutions, it is clear that there are a range of practical, relatively small actions that could reduce barriers and better support those sectors reliant on EU trade in the short term. This could include drafting better guidance co-developed with the export sector and consistent implementation of existing provisions.

133. The Welsh Government's review priorities on trade broadly align with evidence received by the committees and some are included in the UK and EU's plans in Common Understanding.

134. The Committee was concerned, however, to hear that the Welsh Government did not know what the UK Government's priorities for the implementation review are and is therefore not in a position to assess if its priorities align.

135. The UK Government declined an invitation to provide oral evidence to the committees for this inquiry. It is vital that the Welsh Government puts pressure on the UK Government to articulate its review priorities and take account of the issues raised by sectors in Wales.

136. The Committee notes that the UK-EU Common Understanding agreement does not cover all sectors, nor fully addresses the issues raised in evidence. Furthermore, there are many uncertainties and unknown aspects to the future arrangements, such as the UK's financial contribution in relation to dynamic alignment.

¹⁰¹ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 168

137. Since the UK's withdrawal from the EU, different sectors and goods are, or will be, subject to different UK-EU and domestic arrangements. This differentiated treatment means that the impact across sectors is not uniform. This requires clear explanation and support should be tailored appropriately.

138. Whilst the Welsh Government has highlighted the significance of the EU to Welsh exporters, it is unclear how it is drilling down beyond high-level trade figures to assess this differentiated impact and ensuring that its future priorities and support are well informed and effective.

139. This Committee has welcomed the publication of 'perspective' documents by the Welsh Government on international trade agreements and their effects in Wales. This sector-specific analysis is important. The Welsh Government published an initial high-level assessment of the TCA in 2021 but has not published a comprehensive assessment since.

Recommendation 10. The Welsh Government should produce a perspectives document on the Trade and Cooperation Agreement in line with its approach to other international trade agreements as a matter of urgency.

Recommendation 11. The Welsh Government should report to the committees on the extent to which the Welsh and UK governments' implementation review priorities align on trade and what the implications are for Wales. Where the UK and Welsh governments' priorities do not align, the Welsh Government should outline how it is going to support the affected sectors.

Recommendation 12. The Welsh Government should continue to call on the UK and EU to prioritise practical steps to address trade friction and should provide this Committee with quarterly updates on progress in the areas listed in this chapter.

Recommendation 13. The Committee expects the Welsh Government to raise at intergovernmental meetings, practical steps to address trade barriers. It should provide detailed reports to this Committee on progress in its written statements and meeting notifications.

Recommendation 14. The Welsh Government should ensure its business support for sectors are tailored to reflect the impacts the different treatment of goods and services are having on companies and sectors.

Sanitary and phytosanitary agreement

140. In Common Understanding, the UK and EU announced their intention to negotiate a new SPS agreement which should remove certain requirements, such as export health certificates, and reverse bans on exporting products like shellfish and seed potatoes.

141. It should ensure the same rules apply at all times between the UK and the EU. To achieve this, the UK would dynamically align to EU rules. The UK will:

- be consulted on EU legislation and policy at “an early stage” by the European Commission; and
- must make “an appropriate financial contribution” to support the EU’s work.

142. “The need for a sanitary and phytosanitary agreement covering issues of animal and plant health and trade” is a Welsh Government review priority and received widespread support in written evidence. For example, RSPCA Cymru believes such an agreement would improve animal welfare standards and would go some way to address the fact that the TCA’s non-regression provisions do not apply to animal welfare.¹⁰²

143. Welsh Ministers are responsible for Wales’s biosecurity, food safety and SPS controls. SPS controls protect animal, plant and public health. Written evidence called for the devolved governments to be involved in the negotiation of an SPS agreement for this reason.

144. A UK-EU SPS agreement could significantly reduce the need for trade controls on agricultural and agri-food goods. Research collated by UK in a Changing Europe found it could lead to a 22.5 per cent increase in agri-food exports from the UK and a 5.6 per cent increase in imports from the EU, while also adding 0.22 per cent to the UK’s agricultural sector’s value added.¹⁰³

Border control posts

145. During general scrutiny in November 2024, Members asked the Cabinet Secretary whether an SPS agreement could reduce or even eliminate the need for trade controls to the extent that Wales’s three new Border Control Posts (BCPs), at

¹⁰² TCA09 - RSPCA Cymru, pages 3-4

¹⁰³ UK in a Changing Europe: Would a veterinary agreement be a boost for UK-EU agri-food exports? - June 2024

Fishguard, Pembroke Dock and Holyhead (with the latter currently under construction), may no longer be needed. In response, a Welsh Government official said:

*"It may take some time to negotiate. It's impossible to say right now, but it might not be as quick as perhaps we would hope, so there could well be a period in which we would need border controls before that agreement was to come into place ... But we still need to plan for the eventuality of having border controls, but, one day, hoping that there would be an agreement in place. ... If the agreement fulfilled our expectations, potentially, in the future, that might not be required, but there could well be a period in the interim where it would be."*¹⁰⁴

146. In January 2024, the Welsh Government said it expected further BCP costs not to exceed £70m. Its 2025-26 budget includes a UK Government contribution of £28.96m capital and £357k revenue for build costs. During draft budget scrutiny in January 2025, the Deputy First Minister told the Committee that a 36.5 per cent reduction to the Welsh Government's contribution to the BCP Budget Expenditure Line reflected need and was unrelated to any potential future UK-EU SPS agreement.¹⁰⁵

147. In its written evidence, HTA made detailed recommendations to improve infrastructure, technology and biosecurity at BCPs. It explained that:

"While the reasoning is understood behind the delays in appointing and building the required functioning Border Control Posts at Welsh ports, this has meant a 'Business As Usual' point has not yet been reached by traders, hauliers & carriers using the Irish Sea to carry goods. HTA strongly advocate for BCPs to be built around the needs for plants, trees, seeds and bulb shipments. These types of consignments are often seen as 'exceptional' ones e.g. larger, bulky, difficult to off load & reload, sensitive and perishable. However, for the trade these are commonplace traded goods and BCPs need to be built to the correct specifications to handle them, process them and test them speedily, smoothly and safely with minimal cost to all

¹⁰⁴ Record of Proceedings: Economy, Trade and Rural Affairs Committee – 14 November 2024, paragraph 317

¹⁰⁵ Record of Proceedings: Economy, Trade and Rural Affairs Committee – 15 January 2025, paragraph 162

involved. Learning from the mistakes made at EU facing BCPs is strongly advised.”¹⁰⁶

The Welsh Government’s view

148. On SPS discussions, the Cabinet Secretary told the Committee on 2 April that:

- officials from the Welsh Government’s international relations and trade team hold cross-government weekly meetings;
- Welsh Government officials discuss SPS with counterparts at DEFRA;
- discussions have taken place at the Welsh Government’s TPAG; and
- the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs leads on this work and attends the UK-wide IMG on environment, fisheries and rural affairs.¹⁰⁷

149. The latest communiqué from January’s IMG meeting shows that it was chaired by the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs, and the role and importance of involving the devolved governments on an SPS agreement was discussed.¹⁰⁸

150. Subsequently, the Cabinet Secretary confirmed that the IMG on UK-EU relations also discussed “a commitment to deliver a Common Sanitary and Phytosanitary area” on 12 May.¹⁰⁹

151. Commentators have questioned what impact an SPS agreement with the EU could have on both the UK’s existing trade agreements and negotiations, such as the UK-New Zealand Free Trade Agreement, UK’s Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) membership and its on-going negotiations with the US.¹¹⁰

¹⁰⁶ TCA12 - Horticultural Trades Association, paragraph 14

¹⁰⁷ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025, paragraphs 17, 21, 49; and 73

¹⁰⁸ Inter-Ministerial Group for Environment, Food and Rural Affairs (IMG EFRA) Communiqué – 27

¹⁰⁹ Letter from the Cabinet Secretary for Economy, Energy and Planning: 9 June 2025

¹¹⁰ David Hening, *What Next for the UK-EU Trade relationship?*, European Centre for International Political Economy, May 2025; Senedd Research: *Trade off: Exploring Wales-US trade* – February 2025

152. On how the Welsh Government is balancing its EU and US priorities, the Cabinet Secretary said that:

“... with the US, it really is about understanding now what Trump has in mind and what his plans are, and undertaking that analysis, really, to understand what the impacts are for us, engaging with stakeholders, where necessary, to understand what their priorities might be, and, of course, talking to the UK Government, then, about what a collective response might look like.

So, yes, as I said, there’s remarkably little information as to what might transpire, but as soon as we are able to say, or are able to have more information, we’ll be able to respond appropriately.”¹¹¹

153. On 19 May 2025, the Cabinet Secretary said of Common Understanding:

“The Welsh Government was clear that securing an agreement with the EU to reduce trade barriers in agriculture, food and drink was a priority. We welcome today’s announcement on Sanitary and Phytosanitary Standards. Such an agreement could significantly benefit our agricultural, food, and drink sectors.”¹¹²

154. On 24 June 2025, the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs, Huw Irranca-Davies MS, announced that, in anticipation of an SPS agreement:

“I have decided not to proceed with the final commissioning and staffing of the Holyhead BCP, and not to take forward construction of BCPs at Fishguard and Pembroke Dock. I will keep this decision under review until the final details of the agreement with the EU are known.”¹¹³

¹¹¹ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee, 2 April 2025, paragraph 216

¹¹² Welsh Government: Written Statement: EU-UK Summit – 19 May 2025

¹¹³ Welsh Government: Written Statement: Border controls on imports into Wales from Ireland – 24 June 2025

Our view

155. Depending on its contents, an SPS agreement could have significant implications for Wales-EU trade and Wales's new border controls posts.

156. The Committee notes:

- the parameters set out in Common Understanding for an SPS agreement, including that it will likely require the UK's dynamic alignment to EU rules;
- the Welsh Government's view, that an SPS agreement could benefit the agri-food sector; and
- the widespread support for an SPS agreement in the evidence it received.

157. SPS is a devolved matter and it is vital that devolved governments are fully involved in the negotiations and implementation of any SPS agreement with the EU. The Committee therefore welcomes the regularity of intergovernmental relations discussions on a possible SPS agreement.

158. It is important that the Welsh Government continues to ensure that it is involved in detailed discussions with the UK Government on an SPS agreement, including ensuring Welsh stakeholders are engaged in UK-wide discussions.

159. The Committee notes that Common Understanding says that the UK would be consulted on EU legislation and policy at "an early stage" by the European Commission. It is important that the Welsh Government ascertains how it would be involved in any consultation mechanisms developed.

160. It is also important that the Welsh Government clarifies the relationship with, and interdependencies between, a UK-EU SPS agreement and existing trade agreements.

161. The Committee welcomes that the Welsh Government recognises the need to be cognisant of the relationship between UK-EU and UK-US negotiations which may require trade-offs.

162. We would welcome the Welsh Government's view on whether Common Understanding raises compliance issues with Wales's international obligations which could require renegotiation of existing non-EU trade agreements. It is important that the Welsh Government assess the benefits, trade-offs and

implications of an SPS agreement across its trading relationships and keeps the cumulative effects under review.

Recommendation 15. The Welsh Government should confirm if Common Understanding could require renegotiation of non-EU trade agreements.

Recommendation 16. The Welsh Government should set out how it will ensure that Wales's unique position in post-Brexit trade flows is taken into account in discussions with the UK Government on a UK-EU SPS agreement.

Recommendation 17. The Welsh Government should ascertain its role in the early consultation mechanism with the EU as part of an SPS agreement and inform the committees as soon as possible.

Recommendation 18. The Welsh Government should keep the implications of an SPS agreement on border control posts under review and provide the Committee with an update in its response to this report and on a quarterly basis thereafter.

Mobility of workers and provision of services

163. The TCA contains limited provisions for the movement of people, including for short-term business visitors.

164. In Common Understanding, the UK and EU have agreed to establish:

"... dedicated dialogues on short term business mobility and the recognition of professional qualifications. This will create a forum for us to address mobility barriers faced by UK services providers in the EU."¹¹⁴

165. "Addressing issues relating to mobility of workers and provision of services" is a Welsh Government review priority, but it is unclear which specific issues this refers to.¹¹⁵ In response to the CCWLSIR Committee's Culture shock report, the Cabinet Secretary said:

"I can provide reassurance that our high-level priorities include the mobility issues being experienced by a wide range of businesses and

¹¹⁴ UK Government: UK-EU Summit – Common Understanding - 19 May 2025, paragraph 46

¹¹⁵ Letter from the First Minister: 28 January 2025

individuals. We are currently engaging with UK Government on these priorities.”¹¹⁶

166. Some written evidence described the loss of freedom of movement in negative or prohibitive terms, including Wales for Europe, FUW, ABTA, Taith, Logistics UK, TAC and Make UK. Economic, cultural and education mobility issues were repeatedly raised across different sectors, such as for health, travel, logistics, agriculture and higher education.¹¹⁷

167. PHW said it has had the potential to exacerbate existing staff shortages,¹¹⁸ and FUW said it’s hit the farming industry disproportionately, resulting in fewer vets at a time when additional veterinary checks are needed.¹¹⁹

168. ABTA said that the TCA’s labour mobility arrangements are “acting as a significant barrier to growth” and “an impediment” to the travel industry. It welcomed clarity provided on “key areas for travel” but raised concerns on restrictions placed on activities and roles carried out by UK nationals. For example, it said there is still a lack of clarity on whether the TCA covers teachers who continue to teach students during school trips in the EU. More broadly, ABTA said Schengen’s 90/180 day-rule is a “significant barrier” that “falls short” of covering essential roles in the tourism industry. Its research shows a 69 per cent decline in the number of UK nationals working in overseas roles since 2017.¹²⁰

169. Many, including ABTA and Taith, said that younger people and those who are in the early stages of their careers are most affected and face the greatest difficulties.¹²¹ ABTA said “many” UK companies had reduced activity or ceased operating.¹²²

Our view

170. The Committee welcomes the Welsh Government’s focus on mobility and provision of services and notes that this broadly aligns to evidence received by the committees.

¹¹⁶ Welsh Government: [Response to the Culture, Communications, Welsh Language, Sport, and International Relations Committee’s ‘Culture shock’ report](#) – December 2024

¹¹⁷ [UK-EU implementation review of the Trade and Cooperation Agreement – consultation responses](#)

¹¹⁸ [TCA10 – Public Health Wales](#), page 8

¹¹⁹ [TCA15 – Farmers’ Union of Wales](#), page 3

¹²⁰ [TCA14 – Association of British Travel Agents](#), page 3

¹²¹ [TCA14 – Association of British Travel Agents](#), page 3; [TCA05 – Taith](#), page 2

¹²² [TCA14 – Association of British Travel Agents](#), page 5

171. We agree that this should be a priority, and the Welsh Government should pursue this with the UK Government and provide updates on progress on discussions with the UK Government and subsequent implications for Wales.

Recommendation 19. In line with recommendations 12 and 13 of this chapter, the Welsh Government should provide the Committee with regular updates on the progress of UK-EU discussions, and discussions with the UK Government on the provision of services and the subsequent implications for Wales.

Mutual Recognition Agreements (MRAs)

172. As noted above, the UK and EU have agreed to establish dedicated dialogues on the TCA's implementation as regards entry and temporary stay of natural persons for business purposes, including the sponsorship scheme, and the recognition of professional qualifications. Other issues such as the issues of mutual recognition of conformity assessments were not addressed. In its CPTPP perspectives document, the Welsh Government noted that CPTPP "could set an unhelpful precedent" whereby trade partners seek to influence changes to the UK's post-Brexit approach, leading to "risks in product safety and divergence from the EU". This, it says, would increase trade barriers between Wales and the EU.¹²³

173. "Seeking Mutual Recognition Agreements (MRAs), particularly on conformity assessments to reduce trade friction" is a Welsh Government priority and aligns to evidence received via the consultation.¹²⁴

174. MRAs allow for the automatic recognition of goods and services without the need to recertify. Goods and services can therefore be certified domestically and be automatically recognised by the trading partners' certifier.

175. Respondents to the consultation were supportive of mutual recognition on conformity assessments, including PHW.¹²⁵

176. ABPI highlighted that an MRA on batch testing of medicines for safety and quality was not reached. The UK is currently unilaterally recognising EU tests, but this is not reciprocated. It has "urged the UK government to put this on the agenda with the EU, and would welcome any additional support that devolved administrations can bring to bear, particularly given the support that such an

¹²³ Welsh Government: [The UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership: A Welsh Government Perspective](#) - 2023

¹²⁴ Letter from the First Minister: [28 January 2025](#)

¹²⁵ [TCA10 – Public Health Wales](#), page 9; [TCA13 – Association of the British Pharmaceutical Industry](#), page 4

agreement could provide to Welsh medicines manufacturers and exporters”. ABPI believes an MRA would improve medicines supply to patients, save time and money (46 per cent of UK medicines and pharmaceutical products exports are to the EU) and diversify supply to like-minded partners in the EU.¹²⁶

177. ABTA and PHW also said the absence of mutual recognition of professional qualifications means UK professionals miss out.¹²⁷

178. The UK’s Domestic Advisory Group (UK DAG), the civil society body established by the TCA to advise the UK Government, has consistently called on progress to be made on mutual recognition. In a statement ahead of the UK-EU summit in May, UK DAG members called for the UK and EU “to advance the mutual recognition agenda in industrial sectors on conformity assessments and professional qualifications”.¹²⁸

Our view

179. The Committee notes that seeking MRAs is a priority for the Welsh Government. Further, that this reflects evidence received in consultation responses, including for simplified guidance.

180. Evidence to the committees emphasised the importance of MRAs on conformity assessments to key Welsh sectors and the need for swifter action to ensure the mutual recognition of professional qualifications across a wider range of sectors.

181. Conformity assessments is not addressed in Common Understanding despite there being clear support for progress on this issue.

182. As explained earlier in this report, it is important to understand the combined impact of existing trade agreements such as CPTPP with the potential arrangements negotiated as a result of Common Understanding.

Recommendation 20. In its response to this report the Welsh Government should set out:

- why further improvements to MRAs on conformity assessments were not pursued in Common Understanding;

¹²⁶ TCA13 – Association of the British Pharmaceutical Industry, pages 4 and 5

¹²⁷ TCA14 – Association of British Travel Agents, page 4; TCA10 – Public Health Wales

¹²⁸ The UK Domestic Advisory Group Statement ahead of the EU-UK Summit, May 2025

- confirm if this issue is still being pursued with the EU; and
- if it will form part of the implementation review.

Live Bivalve Molluscs (LBMs)

183. “Addressing export issues around Live Bivalve Molluscs (LBMs)”¹²⁹ is a Welsh Government review priority but was not raised in responses to the consultation.

184. LBMs from class A waters can continue to be exported to the EU post-Brexit. However, LBMs from class B waters cannot be exported to the EU as they require depuration or processing before human consumption. As explained by the former UK Government:

*“Exporters have previously exported class B shellfish to the EU where they were purified. Now that the UK is classed as a third country, the EU Commission have voiced concerns about the trade in uncleaned live bivalve molluscs, harvested from Class B waters.”*¹³⁰

185. LBM production grounds in England and Wales are mostly class B waters. In June 2021, the former UK Government advised that:

*“... a critical requirement for improvements in the classification status of harvesting areas is improvements in water quality. Changes in protocols are not expected to lead to major changes in classifications awarded for shellfish harvesting areas in England and Wales until water quality improves.”*¹³¹

186. In July 2021, the former Minister for Rural Affairs, North Wales and Trefnydd, Lesley Griffiths MS, wrote to the CCEI Committee in response to a letter from its Fifth Senedd predecessor committee explaining that the reclassification of two of the beds in the Menai Straits had allowed some exporting to resume.¹³²

187. Common Understanding is silent on shellfish and LBMs, however, the UK Government says in its explanatory guidance that:

¹²⁹ Letter from the First Minister: [28 January 2025](#)

¹³⁰ [Defra in the media: Exporting live bivalve molluscs to the European Union](#) – 2 February 2021

¹³¹ [Seafood and meat exports to the EU: Government Response to the Committee’s Eighth Report of Session 2019-21](#) – 29 June 2021

¹³² Letter from the Minister for Rural Affairs, North Wales and Trefnydd: [19 July 2021](#)

“British products that were banned, such as fresh sausages and burgers, certain shellfish from domestic waters, and seed potatoes will be able to resume trade to the EU, increasing markets for these goods”¹³³

188. Later in the guidance, reference to this matter differs. It says that:

“... reopening shellfish trade: shellfish from certain types of GB domestic waters currently banned in the EU will be able to be exported again.”¹³⁴

189. It is therefore not clear if LBMs from Welsh waters will definitely be covered.

190. In its statement on 19 May 2025, the Welsh Government says:

“We will continue to push the UK Government to ensure the final agreement allows Live Bivalve Molluscs from Welsh waters to resume trade to the EU.”¹³⁵

Our view

191. The Committee welcomes the Welsh Government’s intention to ensure that the negotiated SPS agreement provides for the resumption of trade in LBMs to the EU.

192. Whilst the Committee understands this has been a longstanding issue between the UK and the EU, the Welsh Government has not provided an update or analysis of the impact on the shellfish farming sector in Wales which would assist the Committee in firstly, determining the appropriateness of this priority and secondly, our monitoring of Wales-EU trade post-Brexit.

Recommendation 21. The Welsh Government should provide an update and analysis of the historic and potential future effects of this issue on the shellfish farming sector and Welsh trade.

¹³³ UK Government: [UK-EU Summit – Explainer](#) - 19 May 2025

¹³⁴ UK Government: [UK-EU Summit – Explainer](#) - 19 May 2025

¹³⁵ Welsh Government: [Written Statement: EU-UK Summit](#) - 19 May 2025

Rules of origin

193. “Discussions around rules of origin to enable businesses to use increased supply chains and trade tariff free” is a Welsh Government review priority and aligns to evidence received via the consultation.¹³⁶

194. To qualify for tariff-free trade, traders must meet rules of origin (RoO) requirements which require a certain percentage of a product to comprise of parts made locally. Traders may opt to pay a tariff instead if they consider the RoO to be more arbitrary than the cost of the tariff.

195. RoO are a type of non-tariff barrier which are often cited as a significant barrier to trading with the EU post-Brexit, including in evidence to this inquiry. For example, BSI said the TCA “does not help solve the main cause of regulatory friction” which results in non-tariff barriers.¹³⁷

196. Common Understanding makes no mention of measures related to RoO. Issues related to better guidance on their application and on the adjustments of RoO for specific sectors could be addressed however through the TCA implementation review. Amendments to the TCA’s provisions on RoO for specific products have already been agreed for electric accumulators and electrified vehicles.¹³⁸

The Welsh Government’s view

197. At the 2 April session, both the Cabinet Secretary and an accompanying official spoke of two aspects of this priority: first, as a general area for improvement through UK-EU negotiations and second, as a technical area where transparency could be improved via existing implementation and simplified guidance.¹³⁹

Our view

198. The Committee notes the focus on RoO and that this broadly aligns to evidence received by the committees.

¹³⁶ Letter from the First Minister: [28 January 2025](#)

¹³⁷ [TCA03 - British Standards Institution](#), page 6

¹³⁸ Foreign, Commonwealth and Development Office: [Trade and Cooperation Agreements Partnership Council Decision 1 for 2023](#) - 21 December 2023

¹³⁹ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025](#), paragraphs 10-12

199. It is right that this should be a priority, and the Welsh Government should pursue this with the UK Government and provide updates on discussions with the UK Government and subsequent implications for Wales.

Recommendation 22. In its discussions with UK Government on its priorities for the implementation review, the Welsh Government should emphasise the importance of addressing issues related to rules of origin.

Recommendation 23. In line with recommendations 12 and 13 of this chapter, the Welsh Government should provide the Committee with regular updates on progress relating to rules of origin.

Animal welfare

200. Animal welfare issues were raised in evidence but have not been identified by the Welsh Government as a review priority.

201. RSPCA Cymru said implementation “has so far proved inefficient in protecting and enhancing animal welfare” and that “the potential benefits of the TCA in terms of improving animal welfare have not materialised as of yet”. It spoke of the need for balance in areas where there are clear advantages for more border controls (i.e. for disease prevention, combatting illegal trade in live animals) and advantages of fewer controls (i.e. animal welfare).¹⁴⁰

202. Both RSPCA Cymru and FUW highlighted that long wait times and delays at the border compromise animal welfare and animal health. RSPCA Cymru described “prolonging transport stress and exposure to confined conditions,”¹⁴¹ while FUW said the failure to prepare the UK’s border processes makes “a mockery of the exceptionally high animal health and welfare standards we work to”.¹⁴²

203. RSPCA Cymru also advised that there are cases where live animals are “re-dispatched to their country of origin, placed into quarantine, or destroyed entirely” as a result of incorrect paperwork.¹⁴³ As noted in the SPS section of this chapter, the RSPCA hopes an SPS agreement may address some of these issues.

¹⁴⁰ TCA09 - RSPCA Cymru, page 4

¹⁴¹ TCA09 - RSPCA Cymru, page 3

¹⁴² TCA15 – Farmers’ Union of Wales, page 5

¹⁴³ TCA09 - RSPCA Cymru, page 3

The Welsh Government's view

204. Speaking about how the review might address the animal welfare issues raised in evidence, the Cabinet Secretary said that:

“... the TCA does allow the Welsh Government, and the UK more generally, to pursue our own standards on animal welfare, and ensures a right to regulate on this and other issues. The TCA doesn't inhibit our ability to pursue higher standards on animal welfare issues. And while the review can consider how some aspects of the process of exporting are implemented, including border issues, which, again, is something that Huw [Huw Irranca-Davies MS - Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs] leads on, it can't amend the requirements of the agreement. So, if there are any issues with the existing requirements, a new SPS agreement could address some of those issues.”¹⁴⁴

Our view

205. The Committee notes that animal welfare is not a review priority for the Welsh Government. The Committee is of the view that animal welfare should not stop at the farm gate, and has raised concerns about the need to support the welfare of animals being transported for export and/or slaughter previously.¹⁴⁵

206. The Welsh Government should set out what its priorities are for addressing animal welfare issues both through the TCA implementation review and in the wider UK-EU reset. In doing so, it should assess how it will balance both the benefits of greater alignment on animal health issues and the UK's higher welfare standards, such as on the live export of animals since the UK left the EU.

Recommendation 24. In its response to this report, the Welsh Government should set out what its priorities are for addressing animal welfare issues through both the implementation review and the UK-EU reset and set out how it will balance the benefits of both alignment and divergence in this area.

¹⁴⁴ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee, 2 April 2025, paragraph 75

¹⁴⁵ Legislative consent: Animal Welfare (Livestock Exports) Bill

Recommendation 25. In line with recommendations 12 and 13 of this chapter, the Welsh Government should provide regular updates to the committees on this matter, including on the animal welfare dimensions of an SPS agreement.

Alignment and divergence

207. Common Understanding sets out the UK and EU's intention for the UK to dynamically align to EU rules for SPS, Emissions Trading System (ETS) linkage and the EU's single electricity market.¹⁴⁶ This would require the UK to follow current and future EU rules in these areas and to make a financial contribution to support the EU's work in this regard.

208. Written evidence suggested a preference for closer alignment to the EU.

209. BSI stated that:

"Without the UK rejoining the EU's Customs Union or Single Market, the most effective way of reducing trade friction in line with the growth priorities of the current UK government, is through addressing regulatory barriers to market access."¹⁴⁷

210. Logistics UK agreed, saying:

"Enhanced regulatory cooperation provides the biggest opportunity to improve bilateral trade relations. While the EU and UK pursue their respective regulatory agendas, divergence poses a significant and live threat to the free flow of goods and services."¹⁴⁸

211. FUW also welcomes any moves to level the playing field between the UK and EU. It says that, as Wales's largest market, "it is critically important for... agriculture that this market is maintained and developed" and that unfettered access is prioritised over non-EU trade deals.¹⁴⁹

212. Increasing regulatory divergence between the UK and the EU presents challenges and could increasingly act as a barrier to trade in future, according to the Scottish Parliament's Committee. Its findings concluded "there is a need to

¹⁴⁶ UK Government: UK-EU Summit – Common Understanding - 19 May 2025, paragraphs 21, 30; and 44

¹⁴⁷ TCA03 - British Standards Institution, page 7

¹⁴⁸ TCA04 - Logistics UK, page 5

¹⁴⁹ TCA15 – Farmers' Union of Wales, page 5

seek closer regulatory alignment with the EU in order to address trade barriers". The extent to which those barriers are reduced, it says, will depend on how much the UK Government is willing to commit to during negotiations.¹⁵⁰

213. The Scottish Parliament's Committee called for a UK-wide mechanism to monitor relevant changes to EU law to track divergence that should be made publicly available.¹⁵¹

214. In 2024, the then First Minister, Mark Drakeford MS, told the LJC Committee that:

*"As the UK is no longer a Member State of the EU, the Welsh Government does not systematically monitor EU policy and legislative developments in the way that it used to given the direct impact on Wales is much less significant."*¹⁵²

The Welsh Government's view

215. When asked if the Welsh Government supports closer alignment with the EU, the Cabinet Secretary said:

"I think there's definitely a case for alignment and benefits to be seen in alignment, but I think it would depend almost on a case-by-case basis as to what the specific details of that alignment might look like. There could be a case for it in terms of reducing barriers to trade—a clear case there.

But, equally, we wouldn't want to be in a position where we were moving towards alignment in areas where we would see then a potential reduction in some of our standards or values around the environment, for example.

So, I think you'd have to take it on a case-by-case basis as to what specifically was being looked at through the agreement. But there's

¹⁵⁰ TCA02 Constitution, Europe, External Affairs and Culture Committee - Scottish Parliament, paragraph 9

¹⁵¹ TCA02 Constitution, Europe, External Affairs and Culture Committee - Scottish Parliament, paragraph 15

¹⁵² Letter from the First Minister: 14 February 2024

*certainly a case for it, and business makes quite a strong case for it in terms of reducing the barriers to trade as well.*¹⁵³

Our view

216. Our report on the LCM on the Product Regulation and Metrology Bill raised challenges of alignment, and particularly divergence, as the UK nation most reliant on exporting to the EU.¹⁵⁴

217. Whilst the Committee agrees with the Cabinet Secretary and recognises that there are benefits of both diverging from, and aligning to, the EU, the issue requires active decision making on a case-by-case basis, to avoid the consequences of passive divergence.

218. Closer alignment to the EU can take many forms which could result in simplified or fewer trade controls, or their removal. The Committee notes that the approach chosen by the UK Government is to dynamically align to the EU, meaning following current and future rules in the areas set out above. The Committee believes that monitoring alignment and divergence is essential in order to maximise the benefits of aligning or diverging from the EU. Without monitoring, the Welsh Government cannot make the best decisions for Wales and Welsh trade.

219. However, the Welsh Government should not work alone on this issue, and we are of the view that a UK-wide mechanism to monitor alignment and divergence with the EU could be to the benefit of all UK governments. The Welsh Government should therefore provide its view on the need for a UK-wide mechanism to monitor alignment and divergence with the EU and confirm whether intergovernmental discussions are taking place on this issue. If the Welsh Government is of the view that a UK-wide mechanism would be beneficial, it should explore the development of such a mechanism with other UK governments at pace.

Recommendation 26. The Welsh Government should explore with the other UK governments the development of a UK-wide mechanism to monitor alignment and divergence with the EU.

¹⁵³ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025](#), paragraph 59

¹⁵⁴ [Economy, Trade and Rural Affairs Committee: Report on the Legislative Consent Memorandum for the Product Regulation and Metrology Bill](#), January 2025

Recommendation 27. The Welsh Government should:

- set out how it feeds in Welsh assessments of alignment and divergence into UK intergovernmental discussions;
- clarify what discussions take place currently on alignment and divergence within the Welsh Government and its Trade Policy Advisory Group; and
- set out how it works with other stakeholders to seek their input on the effects of alignment and divergence.

EU data adequacy

220. “Ensuring retention of EU Data Adequacy for Welsh businesses trading with the EU” is a Welsh Government priority but was not raised by respondents to the consultation.¹⁵⁵ Data adequacy is not part of the TCA and is a separate UK-EU arrangement.

The Welsh Government’s view

221. While this priority was not discussed at the 2 April session, the Welsh Government’s view was highlighted during the Committee’s scrutiny of the Data (Use and Access) Bill LCM.¹⁵⁶ The Welsh Government described the loss of the UK’s EU data adequacy decisions as “a major threat for Welsh exporting businesses whose main overseas market continues to be the EU”. It also warned that the Bill’s provisions could signal divergence from the EU’s data protection regime which in turn could undermine the TCA in future.¹⁵⁷ “A high level of personal data protection” is one of eight basis for UK-EU cooperation in the TCA.

Our view

222. As already highlighted in our report on the Data (Use and Access) Bill LCM, we share the concerns of the Welsh Government about the UK’s EU data adequacy decisions, and that data protection cooperation could be undermined in the future.¹⁵⁸ We therefore repeat our call for the Welsh Government to keep us

¹⁵⁵ Letter from the First Minister: [28 January 2025](#)

¹⁵⁶ [Legislative consent: Data \(Use and Access\) Bill](#)

¹⁵⁷ [Welsh Government: Legislative Consent Memorandum on the Data \(Use and Access\) Bill](#) – January 2023, paragraph 43

¹⁵⁸ [Economy, Trade and Rural Affairs Committee: Report on the Legislative Consent Memoranda for the Data \(Use and Access\) Bill](#) – May 2025

updated about discussions between the Welsh and UK Governments on this important issue.

3. Climate Change, Environment and Infrastructure Committee

This Committee is responsible for environment and climate matters which are not Welsh Government review priorities but were raised in evidence by respondents. We have considered this evidence and recent UK-EU developments in the context of the TCA implementation review.

Wales's environmental governance gap

223. This Committee has repeatedly raised concerns that Wales has an environmental governance gap since Brexit, and has called for a Welsh Bill to establish a fully functioning governance body as a matter of priority for several years. In June, the Welsh Government introduced the Environment (Governance, Principles and Biodiversity Targets) (Wales) Bill. Its Explanatory Memorandum includes a section on the TCA.

224. The TCA represents a significant shift in UK-EU environmental governance and cooperation. While climate change forms one of the basis for all UK-EU cooperation, there is no dedicated chapter on environment and climate cooperation. The most comprehensive provisions can be found in the TCA's trade sections, including the level playing field regime. This shifts UK-EU environmental cooperation on to an economic footing.

225. Trade and the environment were raised by several contributors. PHW said that a focus on the UK's withdrawal from the EU and the resulting trade agreements may have led to a reduced focus on climate change as a policy priority. It also pointed to the environmental and health costs of increased trade with non-EU countries, including increases in Wales's carbon footprint and worsened air pollution which is "a major contributor to stroke, chronic respiratory disease and others".¹⁵⁹

¹⁵⁹ TCA10 – Public Health Wales, page 8

226. HTA said that evidence shows an increase in smaller trade consignments, “impacting the environment and raising costs all round”.¹⁶⁰

227. Logistics UK called for UK-EU alignment in legislation on deforestation and trade, and for the UK Government to consider proposing a new agreement on trade in critical minerals.¹⁶¹

228. In Common Understanding, plans are outlined to increase cooperation on emissions trading and carbon border taxes, on electricity, and on new energy technologies such as hydrogen, carbon capture, utilisation and storage and biomethane. This will involve the future negotiation of multiple new UK-EU agreements.

The Welsh Government’s view

229. When asked on 2 April why environment and climate are not included on the Welsh Government’s list of priorities, the Cabinet Secretary responded:

“... the reason for that is that the environment and climate provisions within the TCA already do set a high level of ambition. They are areas where we think that the TCA actually is more than sufficient, really, for us in terms of delivering ambitions. That’s, essentially, the long and the short of it.”¹⁶²

230. The Welsh Government’s 2024 approach to trade policy document lists three ways in which trade agreements could contribute to a resilient Wales.¹⁶³ An official accompanying the Cabinet Secretary said:

“... it should be clear [from the Welsh Government’s 2024 approach to trade policy document] that environment and environmental co-operation underpins everything we do for trade policy. So, it is extremely important to us, and it is an important part of the TCA. I

¹⁶⁰ TCA12 – Horticultural Trades Association, paragraph 45

¹⁶¹ TCA04 – Logistics UK, page 2

¹⁶² Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025, paragraph 108

¹⁶³ Welsh Government: The Welsh Government’s approach to trade policy – 11 July 2024

*think it's simply that the issues that you're talking about we wouldn't see as an issue that needs to be addressed through the review."*¹⁶⁴

231. In response to concerns about the potential for regression in error, the Cabinet Secretary advised:

*"... environment and climate provisions are covered by commitments in terms of that level playing field to which you referred, and that does require that neither party can reduce or weaken their levels of environmental protection below those that were there at the end of 2020."*¹⁶⁵

232. An official added:

*"... if we weren't meeting our obligations because we'd messed up on the non-regression clause, that would be a problem and that would be a concern to us; it's just the review itself wouldn't be a priority way to resolve that."*¹⁶⁶

Our view

233. We note that the TCA has fundamentally altered the nature of UK-EU environmental cooperation, moving away from a shared governance framework to one underpinned primarily by economic interests. Although the TCA includes some high level environmental provisions, these largely reflect existing international commitments such as the Paris Agreement. Furthermore, the TCA's level playing field provisions and non-regression commitments do not replace environmental cooperation as was experienced under EU membership.

Recommendation 28. The Welsh Government should set out its position on whether the TCA meets the environment-related tests outlined in its 2024 approach to trade policy document.

¹⁶⁴ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025, paragraph 119

¹⁶⁵ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025, paragraph 110

¹⁶⁶ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025, paragraph 119

Recommendation 29. The Welsh Government should clarify whether it supports enhanced or additional UK-EU cooperation and/or agreements beyond the current provisions in the TCA.

Alignment and divergence

234. EU alignment and divergence are not explicitly part of the Welsh Government review priorities, but were raised in evidence by respondents, with several referring to the benefits of the UK aligning to the EU in general.

235. Common Understanding envisages the UK's alignment to EU rules in specific areas, including on emissions trading and electricity (discussed later in this chapter).

236. On environment and climate, PHW and FUW welcomed and supported the TCA's level playing field regime, which aims to manage alignment and maintain equivalence in key areas, such as environmental protection and social and labour rights. PHW also welcomed its non-regression provisions and noted that the TCA provides opportunities for the UK to "go further ... by continuing [to] advocate for high environmental Standards".¹⁶⁷

The Welsh Government's view

237. When asked if the Welsh Government supports closer alignment with the EU, the Cabinet Secretary advised Members that:

"I think there's definitely a case for alignment and benefits to be seen in alignment, but I think it would depend almost on a case-by-case basis as to what the specific details of that alignment might look like. There could be a case for it in terms of reducing barriers to trade—a clear case there.

*But, equally, we wouldn't want to be in a position where we were moving towards alignment in areas where we would see then a potential reduction in some of our standards or values around the environment, for example."*¹⁶⁸

¹⁶⁷ TCA10 – Public Health Wales, page 7; TCA15 – Farmers' Union of Wales, page 5

¹⁶⁸ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025, paragraph 59

Our view

238. We note that alignment and divergence are not explicit priorities for the Welsh Government. Whilst the Cabinet Secretary acknowledged potential benefits of alignment on a case-by-case basis, there remains a lack of clarity around the Welsh Government’s overarching approach.

239. We note the Cabinet Secretary’s suggestion, that closer alignment with the EU might result in “a potential reduction in some of our standards or values around the environment”. We would be grateful for clarification of the Cabinet Secretary’s comments on this matter.

Recommendation 30. The Welsh Government should clarify the Cabinet Secretary’s comments, that closer alignment with the EU could lead to “a potential reduction in some of our standards or values around the environment”, including examples of where this may be a concern.

Emissions trading and carbon border taxes

240. Emissions trading and carbon border taxes were raised in written evidence. Stakeholders called for alignment on decarbonisation in light of the UK and EU’s introduction of separate carbon border taxes, known as Carbon Border Adjustment Mechanisms (CBAMs).

241. CBAMs apply charges to imports based on the amount of emissions attributed to their production. Charges will be based on the UK and EU’s respective ETS pricing. Current plans leave a one-year gap between the introduction of the EU’s CBAM charges in 2026, and the UK’s in 2027.

242. The TCA commits the UK and EU to consider linking their ETSs, which could potentially avoid CBAM charges on UK-EU imports and exports.

243. There were calls amongst respondents for linkage to be expedited. For example, Logistics UK said CBAM alignment and ETS linkage would “reduce the burden on businesses”.¹⁶⁹ BSI said increasing cooperation between regulators, including the decarbonisation of industry (such as via CBAMs) is an area where the TCA’s current operation could be enhanced.¹⁷⁰

244. Common Understanding includes a commitment to work towards an agreement to link the UK and EU’s respective ETSs, with a list of the following

¹⁶⁹ TCA04 – Logistics UK, page 4

¹⁷⁰ TCA03 – British Standards Institution, page 7

sectors to be covered as a minimum: electricity generation, industrial heat generation (excluding the individual heating of houses), industry, domestic and international maritime transport and domestic and international aviation.

245. Paragraph 37 of Common Understanding states that the linking agreement:

“... should create the conditions for goods originating in our jurisdictions to benefit from mutual exemptions from the respective European Union and United Kingdom Carbon Border Adjustment Mechanisms.”¹⁷¹

246. The linking agreement should provide for the dynamic alignment of the UK to EU, meaning that the UK would follow EU rules on ETS linkage. The UK will be involved at an early stage in the EU’s law making process and be consulted at an early stage on EU policy.

247. Common Understanding confirms that the UK’s cap and reduction pathway will be guided by its Climate Change Act obligations and Nationally Determined Contributions, which “should be at least as ambitious” as the EU’s cap and reduction pathway.

248. Common Understanding also provides that the:

- UK must make a financial contribution to the EU’s work in this area;
- linking agreement will be subject to a joint governance mechanism; and that the
- agreement will be subject to a dispute resolution mechanism with an independent arbitration panel that ensures the Court of Justice of the European Union (CJEU) is the ultimate authority for all questions on EU law.¹⁷²

The Welsh Government’s view

249. The Cabinet Secretary advised Members on 2 April that the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs, Huw Irranca-Davies MS, leads on this work, and that:

¹⁷¹ UK Government: [UK-EU Summit – Common Understanding](#) - 19 May 2025, paragraph 37

¹⁷² UK Government: [UK-EU Summit – Common Understanding](#) - 19 May 2025, paragraphs 34-45

“Officials and economists have conducted an initial analysis of the EU CBAM on Welsh exports.”¹⁷³

250. An official accompanying the Cabinet Secretary later described this as “internal research” and advised that the Welsh Government was engaging with Welsh exporters to explain the EU’s CBAM and its potential impact.¹⁷⁴

251. Emissions trading and carbon border taxes are not Welsh Government review priorities. On why this is the case, the official said:

“So, it’s not a priority, not because we don’t care about it—we’re very interested; there are definite discussions going on it—it’s simply that it’s very, very complicated, so we didn’t want to include it as an outright, ‘Yes, we think this is a great idea’, at this stage. We’ve still got a lot of work to do internally to work out what our final position on it would be.”¹⁷⁵

Our view

252. We are pleased that the Welsh Government has undertaken an initial internal analysis on the potential implications of the EU’s CBAM for Welsh exports. However, we regret that limited information on this work is currently available, particularly with respect to the environmental and climate impacts of such mechanisms. This is particularly urgent in light of Common Understanding.

253. Given the TCA includes provision for potential ETS linkage, and in light of consistent calls from stakeholders for strategic alignment between the UK and EU systems, it is concerning that emissions trading and carbon border taxes are not currently prioritised in the Welsh Government’s review agenda. We urge the Welsh Government to finalise and share its position on the relevant provisions of Common Understanding as a matter of urgency.

¹⁷³ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025](#), paragraph 132

¹⁷⁴ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025](#), paragraph 134

¹⁷⁵ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025](#), paragraph 128

Recommendation 31. The Welsh Government should publish and share its views on the list of sectors that will be covered as a minimum by a future UK-EU ETS linking agreement, as set out in Common Understanding,

Recommendation 32. The Welsh Government should finalise a clear position on ETS linkage as a matter of priority.

Recommendation 33. The Welsh Government should provide its view on the environmental and climate implications of the ETS linkage and CBAM exemptions envisaged by Common Understanding.

Effective electricity trading arrangements

254. Effective electricity trading arrangements are one of the Welsh Government's priorities for the TCA implementation review, but were not raised in evidence by any of the respondents.¹⁷⁶

255. Common Understanding commits the UK and EU to explore the UK's participation in the EU's single electricity market, including its trading platforms.

256. An electricity agreement should ensure the dynamic alignment of the UK to the EU, meaning the UK would follow current and future EU rules.

257. The agreement should respect the role of the CJEU within an arbitration-based dispute resolution mechanism and allow for the UK to contribute to decision-making.

258. Any agreement should also be "based on a balance of rights and obligations and ensure a level playing field"¹⁷⁷ and should define the relationship between the UK and EU rules on the electricity market, state aid, the promotion of renewables and the protection of the environment (in so far as they relate to the electricity sector).

The Welsh Government's view

259. During evidence on 2 April, the Committee discussed with the Cabinet Secretary how Wales is a net exporter of electricity (unlike the UK as a whole). The Cabinet Secretary explained that:

¹⁷⁶ Letter from the First Minister: 28 January 2025

¹⁷⁷ UK Government: UK-EU Summit – Common Understanding - 19 May 2025, paragraph 20;

"... we are a net exporter, but we are still a small component really of the overall Great Britain market.

So, the GB electricity market relies on imports all year long, and particularly so during winter. And in recent years, we've seen these trading arrangements functioning on short-term contracts, relying on good co-operation really between partners, and particularly in terms of responding to the energy issues after the invasion of Ukraine, for example.

So, what we really want to see is more agreement on that kind of longer term approach. I think the TCA does recognise and encourage deeper co-operation and improved efficiency, which is something that we would clearly be supportive of.

In terms of particular areas where we would see potential for discussion in future, they might be around the development of energy infrastructure in the north sea, so, particular areas where I think it would be beneficial for both partners to work in co-operation in that space. So, I think that there's significant opportunity for further working and just to give that energy security through those longer term arrangements would be very helpful."¹⁷⁸

260. On 20 May 2025, the First Minister said of Common Understanding:

"... on energy, there's real potential now for us to work with an EU energy market that may help to bring down bills in this country."¹⁷⁹

Our view

261. We support the Welsh Government's focus on securing more effective and longer-term electricity trading arrangements as part of the TCA implementation review. We agree that moving towards more structured trading mechanisms would increase resilience and improve energy security.

262. We were interested to hear the Cabinet Secretary refer to opportunities for cooperation on energy infrastructure development in the North Sea but are

¹⁷⁸ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025](#), paragraphs 122 and 123

¹⁷⁹ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee - 2 April 2025](#), paragraph 15

unclear how opportunities in Wales-adjacent seas, including the Irish and Celtic seas, are being pursued.

Recommendation 34. The Welsh Government should explain how it is promoting the importance of UK-EU cooperation on energy infrastructure in Wales-adjacent seas, including in the Irish and Celtic seas.

Live Bivalve Molluscs and water quality

263. Addressing export issues around LBMs is a Welsh Government review priority but was not raised by respondents to the consultation.¹⁸⁰

264. LBMs from Class A waters can continue to be exported to the EU post-Brexit. However, LBMs from Class B waters cannot be exported to the EU as they require depuration or processing before human consumption.

265. LBM production grounds in England and Wales are mostly class B waters.

266. In July 2021, the former Minister for Rural Affairs, North Wales and Trefnydd, Lesley Griffiths MS, wrote to the CCEI Committee in response to a letter from its Fifth Senedd predecessor committee explaining that the reclassification of two of the beds in the Menai Straits had allowed some exporting to resume.¹⁸¹

267. Also in 2021, the former UK Government advised that it did not expect “major changes in classifications awarded for shellfish harvesting areas in England and Wales until water quality improves”.¹⁸²

268. This remained an unresolved issue between the UK and EU until Common Understanding. The agreement paves the way for a new SPS agreement which would remove trade control requirements for certain products and reverse bans on the exports of others.

269. While shellfish are not explicitly referenced in Common Understanding, the UK Government’s explanatory notes say that:

“... shellfish from certain types of GB domestic waters currently banned in the EU will be able to be exported again.”¹⁸³

¹⁸⁰ Letter from the First Minister: [28 January 2025](#)

¹⁸¹ Letter from the Minister for Rural Affairs, North Wales and Trefnydd: [19 July 2021](#)

¹⁸² [Seafood and meat exports to the EU: Government Response to the Committee’s Eighth Report of Session 2019-21](#) – 29 June 2021

¹⁸³ UK Government: [UK-EU Summit – Explainer](#) - 19 May 2025

Our view

270. There is insufficient information on the reopening of shellfish trade for us to ascertain that it applies specifically to LBMs from Welsh Class B waters. Nor is there sufficient information on the mechanism to be used to achieve this. For example, it could mean that the EU exempts the UK from its third country rules on imports from Class B waters.

271. However, it is clear from the UK Government's notes that the resumption of trade, if negotiated, would fall under a new UK-EU SPS agreement which requires the dynamic alignment of the UK to EU rules. That the UK could be required to follow EU water quality rules is therefore a possibility and would have important implications for the Welsh marine zone.

272. As such, we would welcome clarification from the Welsh Government on these matters.

Recommendation 35. The Welsh Government should confirm whether the mechanisms being considered for the resumption of shellfish trade include the UK's dynamic alignment to EU rules on water quality.

4. Legislation, Justice and Constitution Committee

The Legislation, Justice and Constitution Committee is responsible for considering matters in relation to the constitution, external affairs, and intergovernmental relations. It has considered these elements of the implementation review.

273. In 2023, we held an inquiry on UK-EU governance and subsequently made recommendations to: the Welsh Government; to the governments of the UK; and also to the Senedd Commission.¹⁸⁴

274. Throughout the Sixth Senedd, we have also drawn conclusions on the observation and implementation of international obligations, including those between the UK and EU.

275. This work serves as a basis for some of the recommendations we make in this report.

276. On 19 May, the UK and EU announced Common Understanding, an agreement to increase their cooperation and for UK's future alignment to the EU.¹⁸⁵ Whilst the sector specific proposals set out in the agreement do not fall within the Committee's remit, how any new agreements are governed and implemented, the role afforded to devolved institutions, the complexity and accessibility of arrangements, and their constitutional implications, are matters for this Committee.

The UK-EU landscape

277. The post-Brexit UK-EU relationship is governed by multiple international treaties. Together, they form layers of responsibilities, obligations and duties spanning several policy areas. They establish over 30 joint forums where discussions take place and decisions are made. Most are governed by the TCA's

¹⁸⁴ Legislation, Justice and Constitution Committee, [Inquiry into UK-EU governance](#) – November 2023

¹⁸⁵ UK Government, [Common Understanding](#), 19 May 2025

institutional framework, which applies to all UK-EU agreements that come after it. Senedd committees have often referred to the complexities of these arrangements and the results they produce.

278. This was highlighted during this inquiry, where relevant issues were raised, including on domestic implementation and the inconsistent application of rules. Many stakeholders suggested improvements such as greater clarity and certainty, clear timelines, improved support and guidance, and the importance of collaboration to bring forward such improvements.¹⁸⁶

279. In her oral evidence on 2 April, the Cabinet Secretary outlined priorities to simplify rules and improve guidance and also encouraged the UK Government to look to negotiate further “side agreements” with the EU.¹⁸⁷

Our view

280. We note the concerns raised by stakeholders in respect of the complexity of current UK-EU arrangements. We believe in the importance of ensuring that such arrangements are clear and accessible.

281. We note the conclusion of Common Understanding and its design to produce additional UK-EU agreements.

282. Whilst supplementary agreements could provide a useful means of expediting improvements in specific areas, the UK and EU must ensure that they do not create additional complexity. All efforts must be made to avoid compounding the complexity of current arrangements, as described to us in evidence.

283. In our view, the Welsh Government should confirm what discussions are taking place between the governments of the UK in respect of the complexity of post-Brexit agreements, and of steps being taken to explain them. This includes simplified guidance issued to relevant stakeholders.

284. We also believe that the Welsh Government should consider developing its own guidance, similar to that produced in the lead up to the UK’s exit from the EU, both ahead of the TCA implementation review, and following its completion.

¹⁸⁶ TCA03 – British Standards Institution, section 9; TCA04 – Logistics UK; TCA07 – Dr Elin Royles, Dr Carolyn Rowe and Dr Rachel Minto, section 2; TCA08 – Make UK, pages 2–3

¹⁸⁷ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 85

Recommendation 36. The Welsh Government should provide information on discussions between the UK and the EU and between the UK's governments with the aim of reducing complexity arising from current arrangements.

Recommendation 37. The Welsh Government should set out the steps it is taking to simplify its own advice and guidance in respect of current UK-EU arrangements.

Recommendation 38. The Welsh Government should develop its own guide to UK-EU arrangements, similar to that produced around the time of the UK's exit from the EU.

Scope of the review and government priorities

285. Respondents to the committees' consultation saw the implementation review as an opportunity to negotiate improvements in UK-EU arrangements, either by changes made to the TCA, or to additional UK-EU agreements. For example, Logistics UK urged the UK Government to press for early agreement with the EU on the scope of the review, including that it will be "an expansive rather than a limited, technical review".¹⁸⁸

286. In respect of the preparations for the review, the Cabinet Secretary said at the evidence session on 2 April:

*"At the moment, the considerations are how the TCA is being implemented, and then there is a separate piece of work in relation to that reset between the UK and the EU."*¹⁸⁹

287. The Cabinet Secretary also stated that the Welsh Government has "set out a series of priorities for the future, particular areas where we think that there is potential for movement and for further agreement". She said that regular official-level meetings were being held with the UK Government, and that the Cabinet Secretary and the First Minister, Eluned Morgan MS, have met with the UK Government's Minister for EU Relations, Nick Thomas-Symonds MP, to discuss the Welsh Government's priorities.¹⁹⁰

¹⁸⁸ TCA04 – Logistics UK, page 2

¹⁸⁹ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 7

¹⁹⁰ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraphs 10 and 11

288. An official accompanying the Cabinet Secretary confirmed that the terms of reference for the review are yet to be agreed, and as a result it was “difficult to say” which of the Welsh Government’s priorities would fall into work that would “traditionally” be described as work relating to the implementation review, and which would fall into the “broader EU reset” work.¹⁹¹

289. The Welsh Government confirmed it had not seen the UK Government’s final negotiating document for the implementation review. An official accompanying the Cabinet Secretary explained:

“We haven’t seen an overarching document that says, ‘The UK Government wishes X, Y and Z with the EU’. ... In terms of positions, we are aware of some of the detail behind some of the specific issues that may be addressed, but we’ve not seen an overarching, ‘These are the top 10 asks of the UK Government’.”¹⁹²

290. The Cabinet Secretary stated that further intergovernmental discussions would be taking place at the IMG meeting prior to the UK-EU summit on 19 May, although she also confirmed that no date had been finalised for the meeting.¹⁹³ This meeting was eventually held on 12 May 2025, with the Welsh Government in attendance.¹⁹⁴

291. The committees asked if the Welsh Government had played any part in the development of a UK Government position. In response, the Cabinet Secretary said:

“The UK Government is developing its negotiating positions. Our concerns are that where devolved matters are part of those negotiating positions, then clearly we need to have involvement in agreeing those. Also, we’ve set out a list of priority areas that we want the UK Government to address as well.”¹⁹⁵

¹⁹¹ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 12

¹⁹² Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 168

¹⁹³ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraphs 37–39

¹⁹⁴ Letter from the Cabinet Secretary for Economy, Energy and Planning: 9 June 2025

¹⁹⁵ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 184

292. An official accompanying the Cabinet Secretary confirmed that official-level discussions with the Scottish Government and the Northern Ireland Executive were being held “frequently” on EU priorities, and that there is alignment on high-level EU priorities.¹⁹⁶ The Cabinet Secretary said that she was unable to say whether the priorities of Welsh Government aligned with those of the UK Government “in the absence of the UK Government having set out any more detail”.¹⁹⁷

293. The First Minister has indicated that she wished the Welsh Government had been further involved in discussions on the fisheries arrangements agreed in Common Understanding.¹⁹⁸ On engagement in other areas, the First Minister said in Plenary on 20 May:

“We were engaged the whole way through with the debates. I am so pleased that the priorities that we set out—things like making sure that the sanitary and phytosanitary issue was in there, making sure that we have defence opportunities, making sure that issues in relation to steel and youth and exchange and energy—all of these things that we asked for, I am very pleased that they were there. We simply weren’t there at the very end of the process because that’s how Government works.”¹⁹⁹

Our view

294. We note the Welsh Government’s approach to the review, and that it set out its priorities in respect of the EU, as we called for following our inquiry on UK-EU governance.

295. In our report on UK-EU governance, we said that, in order to enable meaningful engagement to take place via the Inter-ministerial Group on UK-EU relations, meetings should take place sufficiently in advance of UK-EU meetings.²⁰⁰ We consider that this would enable the UK negotiating position to be discussed and, where possible, agreed between the four governments.

¹⁹⁶ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025](#), paragraphs 196–198

¹⁹⁷ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025](#), paragraphs 207–208

¹⁹⁸ BBC News, [FM wanted ‘more discussion’ on EU fishing rights](#), 9 May 2025

¹⁹⁹ [Record of Proceedings: Plenary – 20 May 2025](#), paragraph 19

²⁰⁰ Legislation, Justice and Constitution Committee, [Inquiry into UK-EU governance](#) – November 2023, recommendation 6

296. In this respect we note that a meeting of the interministerial group was held a week ahead of the summit, on 12 May 2025. It is disappointing that this meeting was not held at an earlier date, and similarly disappointing that Senedd committees received very little notice of this meeting being held.

297. We welcome that the Welsh Government was engaged throughout the negotiating process for Common Understanding, though not in the final stages.

298. Nonetheless, we are concerned at the absence of UK Government priorities in respect of the implementation review, and the apparent lack of information made available by the UK Government to the devolved governments.

299. The UK Government declined an invite to provide formal oral evidence to Senedd committees as part of this inquiry. Senedd committees will share a copy of this report with relevant UK Ministers.

300. We therefore make the following recommendations.

Recommendation 39. The Welsh Government should call on the UK Government to outline its specific priorities for the implementation review and the scope of the review as a matter of urgency.

Recommendation 40. The Welsh Government should keep its priorities under review, monitor developments to understand their implications for Wales, and should notify the four committees if or when changes are made.

Recommendation 41. As we have previously recommended, the Welsh Government should make representations to the UK Government for the Interministerial Group on UK-EU Relations to take place sufficiently in advance of Trade and Cooperation Agreement meetings and UK-EU negotiations.

Wales's representation in EU relations

Trade and Cooperation Agreement

301. There are over 30 UK-EU forums for the implementation of the TCA and the Withdrawal Agreement. The Welsh Government only has observer status at these forums.

302. Dr Royles, Dr Rowe and Dr Minto highlighted a 2021 letter from former Brexit negotiator, Lord David Frost, which stated that when “items of devolved competence are on the agenda” of a meeting, the UK Government “expect to facilitate attendance by Devolved Administrations at the appropriate level”. Dr Royles, Dr Rowe and Dr Minto cite evidence which shows that attendance by the

Scottish Government and the Northern Ireland Executive “points to their engagement in a broader range of committees than those attended by the Welsh Government”, although they acknowledge that this likely reflects the “enhanced devolved competences” of their Scottish and Northern Irish counterparts.²⁰¹

303. Dr Royles, Dr Rowe and Dr Minto also stated:

“The Partnership Committee forms an important part of TCA governance and there is scope to increase the status of devolved government ministers within this forum and also to ensure stronger integration between this UK-EU Partnership Council structure and the UK-EU IMG.”²⁰²

304. In the same vein, they make the following recommendations:

“There is a need to address the lack of clarity regarding the relative status of various intergovernmental statements in determining way in which IGR functions in the context of the TCA structures. For instance, does the Frost letter remain the basis for the operation of domestic intergovernmental relations in relation to the TCA structures? To what extent are these arrangements informed by the five principles of the review of intergovernmental relations beyond now being embedded in the ToR [Terms of Reference] of the UK-EU IMG?

It would also be beneficial to ensure that there is sufficient recognition of the impact of areas covered by TCA structures on devolved competences, even if the specific focus of a TCA committee / working group is a reserved area. It is encouraging in this respect to see Welsh Government involvement in working groups in areas covered by the TCA that tend to be more associated with powers reserved to the UK Government but have a high impact on Wales

...

²⁰¹ TCA07 - Dr Elin Royles, Dr Carolyn Rowe and Dr Rachel Minto, paragraphs 1.2-1.4

²⁰² TCA07 - Dr Elin Royles, Dr Carolyn Rowe and Dr Rachel Minto, paragraph 2.1

Intergovernmental [structures] would also benefit from greater formalisation of currently informal structures of multilateral engagement between officials in the context of the TCA structures.”²⁰³

305. In respect of the devolved governments’ observer status, the Cabinet Secretary said during the evidence session on 2 April:

“Obviously, the observer status wasn’t our preference but I think that, so far, it does appear to be working, and I think that the way in which the UK Government has engaged with us through our officials has been really helpful in that regard.

So, we’re able to propose agenda items, for example, and we’re able to explore those debating lines, if you like, with the UK Government so that we have agreed positions that are being discussed. So, I think that’s all been very positive in terms of those opportunities to engage and influence.”²⁰⁴

Common Understanding

306. Common Understanding²⁰⁵ provides the basis for the negotiation of UK-EU agreements, some of which fall in key areas of devolved competence and interest. Some provisions clearly set out the UK and EU’s intention to establish more joint governance mechanisms and dispute resolution processes. It is not yet confirmed which UK-EU and domestic intergovernmental structures will be used as fora for these negotiations.

307. In areas where the UK intends to dynamically align to the EU’s SPS rules and emissions trading linkage, the agreement states that the UK:

- will be consulted on EU legislation and policy at “an early stage” by the European Commission; and
- must make “an appropriate financial contribution” to support the EU’s work.²⁰⁶

²⁰³ TCA07 - Dr Elin Royles, Dr Carolyn Rowe and Dr Rachel Minto, paragraphs 2.2-2.5

²⁰⁴ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 33

²⁰⁵ UK Government, UK-EU Summit – Common Understanding, 19 May 2025

²⁰⁶ UK Government, UK-EU Summit – Common Understanding, 19 May 2025, paragraphs 30-32

308. For both areas, a joint governance mechanism and arbitration process for disputes will be established with the Court of Justice of the European Union as the “ultimate authority” on EU law.

309. Governance arrangements differ for the UK’s future participation in the EU’s single electricity market. While the UK and EU’s intention is for the UK to dynamically align to EU rules, Common Understanding provides only for the UK to contribute to decision-making and a requirement that the UK should “respect the role of the Court of Justice of the European Union within an arbitration-based dispute resolution mechanism”. The establishment of a joint governance mechanism is not mentioned, nor is there a requirement for the UK to make a financial contribution to the EU.

310. In our report on UK-EU governance, this Committee set out its view that “there is a compelling case to be made” for the further inclusion of devolved institutions in the UK-EU governance structures.²⁰⁷

311. We note that the UK’s DAG has called for the continued consultation of devolved administrations in negotiations to implement Common Understanding commitments.²⁰⁸

Domestic intergovernmental arrangements for UK-EU relations

312. When asked if any progress was being made towards the development of a memorandum of understanding between the Welsh Government and the UK Government on UK-EU relations, as previously recommended by this Committee²⁰⁹, the Cabinet Secretary said during the session on 2 April:

“At the moment, our focus is on the implementation of the TCA, or the review of it, and the wider reset work. So, our focus isn’t on the MOU. It might be that, after May, we would be in a position to start thinking about an MOU.”²¹⁰

313. The Cabinet Secretary, however, described how the development of new UK Government guidance on its engagement with the devolved governments was

²⁰⁷ Legislation, Justice and Constitution Committee, [Inquiry into UK-EU governance](#) – November 2023, conclusion 5

²⁰⁸ UK Domestic Advisory Group, [Statement following the UK-EU Summit](#), May 2025

²⁰⁹ Legislation, Justice and Constitution Committee, [Inquiry into UK-EU governance](#) – November 2023, recommendation 5

²¹⁰ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025](#), paragraph 52

“an important step forward”²¹¹, and that it was “really positive” that the guidance has been co-developed with the devolved governments, as this “sets out how that relationship will work as we move forward”.²¹²

314. Since the Committee published its report in November 2023, terms of reference for the Interministerial Group on UK-EU relations have been published. They state that the group “will facilitate meaningful ministerial engagement on the TCA and the Withdrawal Agreement” in areas of devolved competence related to implementation of the agreements.²¹³ The terms of reference say that they will be reviewed every 24 months.

Our view

315. We note the evidence received from stakeholders and the Cabinet Secretary in respect of the current operation of domestic intergovernmental relations on UK-EU relations and Wales’s representation in UK-EU governance structures.

316. We have previously called for a greater role for the devolved nations in the Partnership Council²¹⁴ and note that evidence submitted by stakeholders to this inquiry and previous inquiries undertaken by Senedd committees shows widespread support for a stronger role for the devolved nations.

317. We therefore reiterate our previous statements, that the four nations should be engaged and represented in UK-EU relations and that this can be best achieved through full participation rights at the Partnership Council.

318. As such, we continue to be of the view that there is a compelling case to be made for the further inclusion of devolved institutions in the UK-EU governance structures.

319. In this regard we do not believe that the Cabinet Secretary’s comments, in relation to the Welsh Government’s observer status, inspire the Committee with confidence that Welsh concerns and interests can be fully addressed through this approach.

²¹¹ [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025](#), paragraph 52

²¹² [Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025](#), paragraph 191

²¹³ UK Government, [Interministerial Group on UK-EU Relations: terms of reference](#), 17 February 2025

²¹⁴ Legislation, Justice and Constitution Committee, [Inquiry into UK-EU governance](#) – November 2023, recommendation 3

320. We welcome the publication of terms of reference for the Interministerial Group on UK-EU relations. We believe that it is important that the Welsh Government ensures that these terms of reference remain fit for purpose given that they do not currently encompass the wider ‘reset’ negotiations.

321. We are encouraged by the development of internal guidance by the UK Government to explain how devolution needs to be taken into account within the wider UK-EU reset. However, we do not believe that internal guidance is a substitute for a new memorandum of understanding on the role of devolved Ministers in UK-EU relations.

322. The conclusion of Common Understanding brings a new urgency to the need for a memorandum of understanding. Were negotiations in areas of devolved competence to proceed without devolved involvement, it could further entrench the existing deficit in representation and reduce the advancement of Welsh interests.

323. It is critical that the Welsh Government ascertains how it will be involved in the early stage consultation mechanisms described in Common Understanding.

324. In its previous report, the Committee also called for improvements in the transparency of decisions taken in UK-EU governance structures. As the UK and EU take significant steps to change or develop their relationship, so too should legislatures in the UK be afforded improved opportunities to scrutinise.

Recommendation 42. The Welsh Government should call for the terms of reference of the Interministerial Group on UK-EU relations to be updated to take into account arrangements emanating from the reset, such as Common Understanding and the implementation review. This will make sure they remain fit for purpose for the next phase of UK-EU relations.

Recommendation 43. As we have previously recommended, the Welsh Government should call for a new memorandum of understanding on UK-EU relations to be agreed between the UK Government and the devolved governments.

Recommendation 44. The Welsh Government should ascertain how it will be involved in the early stage consultation mechanisms described in Common Understanding and should encourage the UK Government to reach an agreed position with the devolved governments.

Implementation

Compliance with international law

325. Those who responded to the committees' consultation raised issues relating to compliance with the TCA and other international obligations.

326. While the FUW recognised the need for standards, mechanisms and measures within a trade agreement, it expressed "major concerns regarding the degree to which the UK Government has been shown to be willing to push the boundaries of international law and trigger disputes and remedial actions by the EU and its member states".²¹⁵

327. The Scottish Parliament's Committee, Make UK, Logistics UK and RSPCA Cymru expressed similar concerns about the "uneven playing field" caused by the UK's phased approach to the implementation of border controls and the EU's immediate application of border controls.²¹⁶

328. The FUW also highlighted that the UK was at risk of being in breach of World Trade Organisation rules "by appearing to give EU exporters preferential treatment by not applying the same border controls that apply to non-EU exporters".²¹⁷

329. It is not yet clear if arrangements to be negotiated as part of Common Understanding could also raise compliance issues with non-EU international obligations and agreements. For example, commentators have questioned whether the arrangements could breach the terms of some of the UK's non-EU international trade agreements.

Our view

330. We have previously expressed concerns²¹⁸ about whether some of the UK Government's decisions are compliant with international law, and the associated risks for the Welsh Government from those decisions.

²¹⁵ [TCA15 – Farmers' Union of Wales](#), page 4

²¹⁶ [TCA02 – Constitution, Europe, External Affairs and Culture Committee – Scottish Parliament](#), paragraph 5; [TCA08 – Make UK](#), pages 2–3; [TCA04 – Logistics UK](#), page 3; [TCA09 – RSPCA Cymru](#), page 3

²¹⁷ [TCA15 – Farmers' Union of Wales](#), page 2

²¹⁸ See, for example, paragraphs 31–38 and conclusions 2 and 3 of the [Committee's report on the Welsh Government's Legislative Consent Memorandum on the Economic Activity of Public Bodies \(Overseas Matters\) Bill](#) (November 2023) and paragraphs 28–47 and conclusions 6 and 7 of the [Committee's report on the Welsh Government's Legislative Consent Memorandum on the Northern Ireland Protocol Bill](#) (November 2022).

331. In response to concerns we raised in respect of the Welsh Government's decision to consent to the UK Government making regulations in relation to border control measures which "raised questions" of compatibility with World Trade Organisation rules and the TCA, the former Minister for Rural Affairs and North Wales, and Trefnydd, Lesley Griffiths MS, told us that the relevant regulations were "temporary in nature", and "necessary and proportionate".²¹⁹

332. We note that the arrangements, referred to by the former Minister as temporary, remain in place.

333. It is unclear the extent to which any arrangements to be negotiated as part of Common Understanding could raise compliance issues with non-EU international obligations. The Welsh Government should keep this issues under review as the negotiations proceed.

Recommendation 45. The Welsh Government, in its response to this report, should provide an updated view on the compliance of border control arrangements with World Trade Organisation rules.

Recommendation 46. Page The Welsh Government should provide its view, in its response to this report, on whether the arrangements to be negotiated as part of Common Understanding could raise compliance issues with Wales's existing international obligations, including non-EU trade agreements.

Operation of the European Union (Future Relationship) Act 2020

334. To provide for its implementation, the TCA was incorporated into UK law by section 29 of the *European Union (Future Relationship) Act 2020* (the 2020 Act) which requires legislation to be read in accordance with the TCA retrospectively.

335. In evidence to the committees' consultation, Dr Richard Lang detailed apparent "controversies" surrounding section 29 of the 2020 Act, specifically in respect of its subsection (1) which states:

"Existing domestic law has effect on and after the relevant day with such modifications as are required for the purposes of implementing in that law the Trade and Cooperation Agreement... so far as such implementation is necessary for the purposes of complying with the

²¹⁹ Letter from the Minister for Rural Affairs and North Wales, and Trefnydd: 3 February 2022

international obligations of the United Kingdom under the agreement.”²²⁰

336. Dr Lang states that it could be argued that this provision “amounts to an abdication of responsibility to properly implement the TCA”, “poses real risks to legal certainty”, and “insofar as it allows judges to add to the statute book, endangers both due process and, arguably, democracy”. In order to respond to this risk, Dr Lang calls for the amendment of the 2020 Act to ensure the protection of the devolution settlement.²²¹

Our view

337. We note the concerns raised by Dr Lang in respect of the 2020 Act, and believe that in response to such concerns, the Welsh Government should provide its assessment of the operation of the Act, and of its implications for the devolution settlement.

Recommendation 47. Welsh Government should provide its assessment of the operation of the *European Union (Future Relationship) Act 2020*, and of its implications for the devolution settlement, in the context of concerns raised with Senedd committees. This should include specific commentary on section 29.

Stakeholder involvement

338. The TCA provides opportunities for civil society and business involvement, through the UK DAG and the UK-EU Civil Society Forum. However the Wales Council for Voluntary Action (WCVA) is the only Wales-specific representative on both the DAG and the Forum. The WCVA does not receive financial support to participate in these structures.

339. In our report on UK-EU governance, we called on the Welsh Government to request assurances from the UK Government for the provision of appropriate financial support to organisations participating in the DAG. We recommended that, in the absence of UK Government funding, the Welsh Government should provide financial assistance instead.²²² In response to our report, the Welsh

²²⁰ TCA16 – Dr Richard Lang, paragraph 2.2

²²¹ TCA16 – Dr Richard Lang, paragraph 2.2, 2.10, and 2.11

²²² Legislation, Justice and Constitution Committee, *Inquiry into UK-EU governance* – November 2023, recommendations 21 and 22

Government said that the UK Government had not committed to providing such funding, although it would pursue the issue further.²²³

340. The UK Government undertook a review of the membership of the DAG in 2024, in which it called for expressions of interest from “new suitably qualified and independent civil society organisations”.²²⁴

341. In our report on UK-EU governance, we also called on the Welsh Government to convene a new advisory group, following the dissolution of its European Advisory Group in May 2021.²²⁵ In response, the former First Minister, Mark Drakeford MS, said that he did not intend to progress this issue as a priority, and that it would be a matter “for the incoming First Minister to consider in the context of the evolving UK-EU relationship from the latter part of 2024 onwards”.²²⁶ The Culture, Communications, Welsh Language, Sport, and International Relations Committee later supported our recommendation²²⁷, and in response, the Cabinet Secretary said that a representative from the culture and/or creative sector would be invited to join its TPAG as part of a review of its terms of reference.²²⁸

342. Respondents to the committees’ consultation called for greater involvement of industry and/or devolved representatives in any changes made to the TCA, in UK-EU relations more generally and in post-Brexit domestic arrangements, such as advisory groups and the UK-EU Interministerial Group. Logistics UK, for example, called for the “direct involvement of businesses” in any change of terms in the TCA.²²⁹

343. In its evidence, the Association of the British Pharmaceutical Industry described the UK-EU Medicinal Products Working Group as a “key channel”, and as a member of the DAG, it noted positive collaboration with the UK Government and the Welsh Government.²³⁰

²²³ Letter from the First Minister: 14 February 2024, response to recommendations 21 and 22

²²⁴ UK Government, Call for expressions of interest for membership of the UK’s Domestic Advisory Group, October 2024

²²⁵ Legislation, Justice and Constitution Committee, Inquiry into UK-EU governance – November 2023, recommendation 19

²²⁶ Letter from the First Minister: 14 February 2024, response to recommendation 19

²²⁷ Culture, Communications, Welsh Language, Sport, and International Relations Committee, Culture shock: Culture and the new relationship with the European Union – November 2024, recommendation 11

²²⁸ Welsh Government, Response to the Culture, Communications, Welsh Language, Sport, and International Relations Committee’s ‘Culture Shock’ report, December 2024, response to recommendation 11

²²⁹ TCA04 – Logistics UK, page 4

²³⁰ TCA13 – Association of the British Pharmaceutical Industry, page 4

344. In previous evidence submitted to us as a Committee, the WCVA called for better coordination of Welsh activity in the different governance structures of the TCA.²³¹

345. The Cabinet Secretary, in her written evidence to the committees ahead of the oral evidence session held on 2 April, said that formal stakeholder engagement on EU trade now takes place through the TPAG. She explained:

“The group includes business umbrella bodies, third sector and public sector organisations, academics and civil society. During the last two TPAG meetings, held in October 2024 and March 2025, we have sought stakeholders’ views on the changes that could be made through the existing TCA governance architecture, such as the existing committees that govern the implementation of the TCA; changes that could be made as part of the future review of the TCA; and the potential for a Sanitary and Phyto-Sanitary agreement.”²³²

346. In respect of the WCVA’s continued participation on the DAG and the UK-EU Civil Society Forum, the Cabinet Secretary told committees on 2 April:

“We support the WCVA through discussions and through regular meetings with them concerning the TCA, so that they’re fully able to discuss their concerns with us. ... another forum for those discussions would be the trade policy advisory group, which I chair ... [that] is a really useful forum, and brings together some quite diverse perspectives.”²³³

347. The WCVA wrote to the Committee in July 2025 clarifying its engagement and contact with the Welsh Government, including that:

²³¹ Record of Proceedings: Legislation, Justice and Constitution Committee – 26 June 2023, paragraphs 29–30

²³² Welsh Government, Written evidence: The UK-EU implementation Review of the Trade and Cooperation Agreement, 19 March 2025, paragraph 4.6

²³³ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 43

“... while we have maintained ongoing contact with Welsh Government on various matters, we have not had formal, regular engagement specifically on the TCA.”²³⁴

348. The WCVA welcomes steps taken by the Welsh Government “very recently to re-engage on this agenda”.²³⁵

Stakeholder engagement with Senedd committees

349. In our report on UK-EU governance, we called for more regular engagement between the Senedd and civil society organisations in Wales on UK-EU relations, and for the Senedd Commission’s support to achieve this.²³⁶ In response, the Senedd Commission agreed to work with relevant Senedd committees to progress this matter.²³⁷

350. In September 2024, and in response to this recommendation, the four Senedd committees taking part in this inquiry facilitated a stakeholder engagement session to inform their consideration of the review.²³⁸

Our view

351. We support the greater involvement of stakeholders in UK-EU relations, as supported in evidence to the committees.

352. We note the UK Government has declined the Welsh Government’s requests for funding to support organisations taking part in the DAG. Given the importance of ensuring Welsh organisations’ participation in the structures of the TCA, we believe it is appropriate for the Welsh Government to provide an update on this matter.

Recommendation 48. The Welsh Government should provide an update on discussions with the UK Government on the provision of financial support for UK Domestic Advisory Group participants.

²³⁴ WCVA: Submission to the Senedd Legislation, Justice and Constitution, and Culture and International Relations Committees, July 2025, page 2

²³⁵ WCVA: Submission to the Senedd Legislation, Justice and Constitution, and Culture and International Relations Committees, July 2025, page 2

²³⁶ Legislation, Justice and Constitution Committee, Inquiry into UK-EU governance – November 2023, recommendation 20

²³⁷ Letter from the Llywydd and Chair of the Senedd Commission: 6 February 2024, response to recommendation 20

²³⁸ Event: TCA Implementation Review Committee inquiry stakeholder event, 25 September 2024

353. We believe that the Welsh Government should also provide further information about its engagement with the UK Government's 2024 review of the membership of the DAG, and should set out the steps it took to raise awareness of the review's expressions of interest campaign amongst Welsh organisations.

Recommendation 49. The Welsh Government should set out how it engaged with the UK Government's 2024 review of the membership of the UK DAG, and should explain the steps it took to raise awareness amongst Welsh organisations of the UK Government's expressions of interest campaign.

354. We note the Cabinet Secretary's evidence in respect of the Welsh Government's TPAG, which she chairs. However we would welcome some clarity as to the link – if any – between this group and the TCA's civil society forums.

355. If the TPAG is to be the key avenue through which the Welsh Government engages with stakeholders on UK-EU negotiations, we believe it should keep the membership of that group under regular review to ensure it is fully representative of all sectors and organisations that could be affected.

Recommendation 50. The Welsh Government should clarify the link, if any, between the Welsh Government's Trade Policy Advisory Group and the TCA's civil society forums.

356. We also believe that clarity should be provided around the Welsh Government's mechanisms for monitoring and engaging with the work of the DAG and the Civil Society Forum, given the key role of these forums in advising in the implementation of the TCA and as serving as a conduit for the views of civil society in respect of the agreement itself.

Recommendation 51. The Welsh Government should clarify how it monitors and engages with the work of the UK Domestic Advisory Group and the Civil Society Forum.

357. Finally, we would like to thank those who attended the committees' stakeholder engagement session, and believe that stakeholder engagement should form a key part of any future work undertaken by committees in respect of UK-EU relations.

Alignment and divergence

358. While the question of whether to diverge from or align with EU law, policy and standards is not an explicit part of the Welsh Government's priorities in

respect of the review, the issue was nonetheless raised by those who responded to the committees' consultation.

359. UWWHEB stated that any divergence in research policy should be “by design and not by accident or through the unintended consequences of domestic policy changes”.²³⁹

360. The Scottish Parliament's Committee called for the UK Government to explore, in collaboration with devolved governments, establishing and publishing a formal mechanism to monitor relevant changes to EU law and track the emerging and increasing divergence in policy or technical standards between the EU and the UK.²⁴⁰ The Committee noted that its stakeholders highlighted that:

“... there is a need to seek closer regulatory alignment with the EU in order to address trade barriers. ... supplementary agreements or adjustments to the TCA which the UK Government may wish to seek to reduce non-tariff barriers to trade will likely necessitate greater regulatory alignment for the UK with the EU. The reduction of such barriers will therefore depend on the extent of alignment the new UK Government is prepared to commit to in negotiations with the EU.”²⁴¹

361. Similarly, the BSI stated:

“Without the UK rejoining the EU's Customs Union or Single Market, the most effective way however of reducing trade friction, in line with the growth priorities of the current UK government, is through addressing regulatory barriers to market access.”²⁴²

362. Logistics UK was of the same view, stating:

“... enhanced regulatory cooperation provides the biggest opportunity to improve bilateral trade relations. While the EU and UK pursue their

²³⁹ TCA06 – Universities Wales and Welsh Higher Education Brussels, page 6

²⁴⁰ TCA02 – Constitution, Europe, External Affairs and Culture Committee – Scottish Parliament, paragraph 15

²⁴¹ TCA02 – Constitution, Europe, External Affairs and Culture Committee – Scottish Parliament, paragraph 9

²⁴² TCA03 – British Standards Institution, section 9

respective regulatory agendas, divergence poses a significant and live threat to the free flow of goods and services.”²⁴³

363. When writing to us in February 2024, the former First Minister Mark Drakeford MS said that, as the UK is no longer a Member State of the EU, the Welsh Government does not systematically monitor EU policy and legislative developments “in the way that it used to given the direct impact on Wales is much less significant”.²⁴⁴

364. When asked in the evidence session on 2 April whether the Welsh Government supports closer alignment with the EU, the Cabinet Secretary said:

“... there’s definitely a case for alignment and benefits to be seen in alignment, but I think it would depend almost on a case-by-case basis as to what the specific details of that alignment might look like.

...

But, equally, we wouldn’t want to be in a position where we were moving towards alignment in areas where we would see then a potential reduction in some of our standards or values around the environment, for example.”²⁴⁵

365. Common Understanding sets out that the UK will seek to align to the EU in three areas that fall within devolved competence. The UK’s dynamic alignment to the EU could require EU rules to be transposed into domestic law, and details on how this will be done, and what powers and responsibilities the Welsh Ministers will have, have not been confirmed.

366. As a Committee we are responsible for the scrutiny of the common frameworks programme. Common frameworks are agreements between the UK and devolved governments, on how to manage divergence in certain policy areas formerly governed by EU law.

367. Many of the areas in which the UK intends to dynamically align with the EU will fall within areas governed by common frameworks.

²⁴³ TCA04 – Logistics UK, page 4

²⁴⁴ Letter from the First Minister: 14 February 2024, response to recommendation 2

²⁴⁵ Record of Proceedings: Culture, Communications, Welsh Language, Sport, and International Relations Committee – 2 April 2025, paragraph 59

368. Completion of the individual frameworks has been repeatedly delayed. In evidence to this Committee on 9 June 2025, the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs, Huw Irranca-Davies MS, stated that the Welsh Government remained committed to the common frameworks programme, and said:

“We think that the effective use of common frameworks could be that foundation of strong inter-government relations, so we are hopeful in our engagement with the UK Government—you’ll notice I use that term; I’m not saying I am confident, I’m not saying I can guarantee, but I am hopeful, and you can read between the lines on that—that common frameworks can be lifted up once again to the position they should occupy within inter-governmental relations. We’re having those discussions with the UK Government at the moment. I think there’s more of a recognition now by this UK Government that common frameworks should be back in the game.”²⁴⁶

369. When asked when he was expecting the frameworks to be finalised, the Deputy First Minister said that this issue was “tied up” with the review of the UK Internal Market Act, and that:

“... the sooner we can tie up the UKIMA review, which is in the control of the UK Government but we understand that that will not be long now, then we can get on to actually signing off on the common frameworks as well in their entirety.”²⁴⁷

370. The Product Regulation and Metrology Bill, if enacted, will also provide broad discretion to UK Ministers to unilaterally align with EU standards in some areas for some products.

Our view

371. We note the evidence received from stakeholders and the Cabinet Secretary on the issue of alignment and divergence with the EU.

²⁴⁶ Record of Proceedings: Legislation, Justice and Constitution Committee – 9 April 2025, paragraph 140

²⁴⁷ Record of Proceedings: Legislation, Justice and Constitution Committee – 9 April 2025, paragraph 151

372. We also note the Cabinet Secretary's preferred approach to making decisions on whether to align or diverge on a case-by-case basis. In order to do so, it will be imperative for the Welsh Government to actively monitor alignment and divergence with the EU.

373. We support the recommendation of the Scottish Parliament's Committee, that the governments of the UK should work together to develop a central mechanism to monitor changes to EU law for the purposes of monitoring alignment and divergence, and its associated recommendation that such a platform should be made publicly available.

374. We believe that Common Understanding marks an unprecedented development in alignment and divergence between the UK and the EU. It is unclear what implications this has for the implementation review.

375. If the intention set out in Common Understanding materialises, and the UK does dynamically align with the EU, consideration must be given to how EU law will apply in devolved areas.

376. Consideration must also be given to what oversight the legislatures of the UK will have in this process.

377. This Committee has continually stressed the importance of the common frameworks programme for managing alignment and divergence in the UK post-Brexit. As the UK seeks to realign with EU rules in areas of devolved competence, it is vital that the frameworks are finalised without further delay and that the role they will play in managing decisions taken on alignment with the EU is clarified.

378. This Committee has also expressed concerns about the powers provided to UK Ministers by the Product Regulation and Metrology Bill to unilaterally align with EU standards in areas of devolved competence. In Plenary on 3 June 2025, the Chair of the Committee, Mike Hedges MS, said:

*"In light of the recent Common Understanding agreement between the UK and the EU, which sets the basis for the first alignment between the two in areas of devolved competence, it is important that the Bill is not used as a precedent for how relevant EU rules and regulations are transposed in future into UK and Welsh law."*²⁴⁸

²⁴⁸ Record of Proceedings: Plenary 3 June 2026, paragraph 480

Recommendation 52. The Welsh Government should confirm if the governments of the UK are developing a central mechanism to monitor changes to EU law for the purposes of monitoring alignment and divergence.

379. Whilst we note that the Welsh Government does not systematically monitor EU policy and legislative developments in the way that it used to when the UK was a Member State, we believe it should provide clarity as to how it has ascertained whether alignment and divergence has occurred between the UK and the EU, and between Wales and the EU, since the UK's exit from the EU.

Recommendation 53. The Welsh Government should set out how it has ascertained whether alignment and divergence has occurred between the UK and the EU, and between Wales and the EU, since the UK's exit from the EU.

Recommendation 54. The Welsh Government should seek clarity on how EU law will apply in the UK if it is to dynamically align to the EU. It should ensure this process respects the role of the devolved governments and legislatures.

380. The Welsh Government should also reiterate to the UK Government the vital importance of finalising common frameworks without further delay.

Recommendation 55. The Welsh Government should clarify what role common frameworks will play in decision-making about UK alignment to the EU.

EU data adequacy

381. As part of our consideration of the Welsh Government's LCM on the Data (Use and Access) Bill, we noted and shared the Welsh Government's concerns that the Bill poses a risk to the UK's data adequacy decision.²⁴⁹

382. We noted at the time the Welsh Government's view that the loss of the UK's EU data adequacy decisions was "a major threat for Welsh exporting businesses whose main overseas market continues to be the EU"²⁵⁰, and that the Bill could signal the beginning of the UK's divergence from the data protection regime currently in place across the EU by diluting the protections provided by UK legislation.²⁵¹

²⁴⁹ Legislation, Justice and Constitution Committee, [The Welsh Government's Legislative Consent Memorandum on the Data \(Use and Access\) Bill](#) – March 2025, conclusion 7

²⁵⁰ Letter from the Cabinet Secretary for Economy, Energy and Planning: [5 February 2025](#), paragraph 7

²⁵¹ Letter from the Cabinet Secretary for Economy, Energy and Planning: [5 February 2025](#), paragraph 3

383. Whilst the Welsh Government provided assurances to the Committee that the Bill “will not have a direct or immediate impact” on the UK’s compliance with the TCA²⁵², we however noted that cooperation on personal data protection is one of eight bases of cooperation on which the TCA operates.²⁵³

384. The Welsh Government requested that the UK Government shares a copy of its risk assessment on the potential impact of the Bill on EU data adequacy. However, the Welsh Government informed us that the UK Government did “not consider it appropriate to share their assessment”, citing the importance of discretion while the European Commission’s review was underway to enable the adequacy decision process to be undertaken objectively and independently by the European Commission.²⁵⁴

385. At the time of agreeing this report, the Bill had reached the final stages of its passage through the UK Parliament, having received the Senedd’s consent²⁵⁵ to the Bill’s inclusion of devolved provision on 6 May 2025.

Our view

386. We would like to take this opportunity to highlight the findings of our reports on the Welsh Government’s LCM on the Data (Use and Access) Bill in the context of the review.

387. As stated above, although we note that the Welsh Government does not believe that the Bill will have an impact on the UK’s compliance with the TCA, we share the Welsh Government’s concerns that the Bill poses a risk to the UK’s data adequacy decisions.

²⁵² Letter from the Cabinet Secretary for Economy, Energy and Planning: 5 February 2025, paragraph 1

²⁵³ Legislation, Justice and Constitution Committee, The Welsh Government’s Legislative Consent Memorandum on the Data (Use and Access) Bill – March 2025, paragraph 116

²⁵⁴ Letter from the Cabinet Secretary for Economy, Energy and Planning: 24 April 2025, page 7

²⁵⁵ Record of Proceedings: Plenary – 6 May 2025, item 5

Annex 1 List of oral evidence sessions.

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the [Committee's website](#).

Date	Name and Organisation
02 April 2025	Rebecca Evans MS , Cabinet Secretary for Economy, Energy and Planning Andrew Gwatkin , Welsh Government David Warren , Welsh Government Emily Hole , Welsh Government

Annex 2 List of written evidence

The following people and organisations provided written evidence to the Committee. All Consultation responses and additional written information can be viewed on the [Committee's website](#).

Reference	Organisation
TCA 01	Acanthophyllum Books
TCA 02	Constitution, Europe, External Affairs and Culture Committee, Scottish Parliament
TCA 03	British Standards Institution
TCA 04	Logistics UK
TCA 05	Taith
TCA 06	Universities Wales and Welsh Higher Education Brussels
TCA 07	Dr Elin Royles, Dr Carolyn Rowe and Dr Rachel Minto
TCA 08	Make UK
TCA 09	RSPCA Cymru
TCA 10	Public Health Wales
TCA 11	Teledwyr Annibynnol Cymru
TCA 12	Horticultural Trades Association
TCA 13	Association of the British Pharmaceutical Industry
TCA 14	Association of British Travel Agents
TCA 15	Farmers' Union of Wales
TCA 16	Dr Richard Lang
TCA 17	Wales for Europe

Additional Information

Title	Date
Welsh Government written evidence: The UK-EU implementation Review of the Trade and Cooperation Agreement, 19 March 2025	19 March 2025