

Written evidence submitted by the TechUK (FRE0138)

About techUK

techUK represents the companies and technologies that are defining today the world that we will live in tomorrow. The tech industry is creating jobs and growth across the UK. More than 850 companies are members of techUK. These companies range from leading FTSE 100 companies to new innovative start-ups. The majority of our members are small and medium sized businesses.

Introduction

techUK would like to thank the Chair of the House of Commons Committee on the Future Relationship with the European Union for inviting written evidence on the state of the negotiations and the value of the UK-EU future relationship, including a comprehensive free trade agreement (FTA), to the UK's digital and technology sector.

techUK represents the companies and technologies that are defining today and the world that we will live in tomorrow. Our members include more than 850 companies, these companies range from leading FTSE 100 companies to new innovative start-ups.

The UK has the largest and one of the most mature tech sectors in Europe, benefiting from a large amount of capital investment and maintaining a position as the third largest global destination for investment in tech, behind only the US and China.

This has allowed the tech sector to be a major contributor to the UK economy, in 2018 the digital sector added £149 billion to the UK economy, more than £400 million per day and accounting for 7.7 per cent of overall GVA.

The UK tech sector is principally made up of services, independent research commissioned by techUK showed that 81 per cent of digitally intensive industry exports were in services, with at least one third of these going to EU Member States.

Much like other sectors the tech sector is reliant on international supply chains to create their final products, on average 49 per cent of inputs for goods and services in production in our sector are imported, this is compared with 28 per cent for the wider economy.¹ Stable international rules and frameworks that allow its supply chains to operate effectively are therefore hugely important to the continued success of our sector.

¹ [The UK Digital Sectors After Brexit – techUK/ Frontier Economics 2017](#)

Access to the single market is a very important part of the success of the UK tech sector. While access to the Single Market is not the reason for the tech sector's success, ensuring that the UK tech sector can continue to achieve the benefits of access to the Single Market, continue collaboration with our nearest neighbors while also developing new linkages with other international partners will be a vital part of ensuring the tech sector continues to be the UK's modern success story.

We have broken down our response to Committee into the following three sections:

- I. Digital trade and wider services trade provisions under negotiation,
- II. Data and data adequacy,
- III. Business preparation and engagement.

I. Digital trade and wider services trade provisions under negotiation

Both parties have set out ambitions to deliver a level of liberalisation in trade in services beyond WTO levels using existing EU free trade agreements as a basis for discussion.

We have welcomed the UK Government's approach to the negotiations which for the most part has drawn on an existing EU precedent and then selectively focused negotiations on key areas where more ambitious asks can be made and time dedicated to negotiations.

The UK Government set out four principles in its Command Paper² on its approach to cross border trade in services, (1) no limits on market access, (2) reciprocal non-discriminatory national treatment, (3) limitation of mode 3 (the requirement for a national presence) and (4) most favoured nation application so the agreement can be updated over time to reflect any new EU FTAs which go beyond the provisions agreed in this negotiation.

These principles offer a good basis for approaching the services chapter, and in particular supports efforts to ensure durable and reciprocal application of the terms of the agreement.

techUK understands services negotiations have proceeded well and there is a clear landing zone for a comprehensive agreement on services that matches, and in some areas goes beyond, the agreements the EU has with Canada and Japan.

Some points of difference do remain however, for example:

- On the Mutual Recognition of Professional Qualifications (MRPQs) the UK has made advanced asks of EU that go beyond existing precedent. For the tech sector a flexible framework that maximises the number of qualifications that can be recognised by an UK-EU FTA is beneficial. However, due to mixed competencies at the EU, Member State and below Member State level any framework must also include scope for the bilateral

² [The Future Relationship with the EU; The UK's Approach to Negotiations](#) - HM Government command paper 2020

recognition of qualifications outside of any agreed framework. This will be important to the UK tech sector, due to the cross-cutting range of professions the sector serves and the need for this framework to be adaptable to the emergence of potential new professional qualifications, such as in cybersecurity.³

- techUK understands that the EU has concerns with the UK's proposals on mobile roaming. However, from our reading we believe that the UK text being proposed heavily mirrors existing provisions in the EU-Japan agreement. Therefore techUK does not see a reason why the EU and UK cannot reach a proposal based on the UK text which will provide transparency and support for competition within and between the respective markets.

The UK proposals for digital trade

Digital trade is defined as the cross-border transfer of data, products, or services by electronic means, usually the Internet.⁴ The Digital Trade Chapter in an FTA structures that market access provisions for the supply of digital services (note this separate to a data adequacy agreement which relates specifically to the transfer of personal data).

Digital trade spans a wide range of issues, including, e-commerce, data transfer and data protection, telecoms infrastructure, standards, intellectual property, and supporting global value changes and innovation networks.

Estimates produced by DIT show that globally the UK exported £190.3bn digitally delivered services (representing 67.1% of total UK services exports) and imported £91.1bn digitally delivered services (or 51.7% of total UK services imports) in 2018. As a result, the UK recorded a trade surplus of £99.2bn in digitally delivered services in 2018.⁵

In the UK-EU negotiations the legal text of UK's draft digital trade chapter is welcome, and is comparable to other high standard digital trade chapters that we see across the world.

The UK's proposal meets the majority of the 12 recommendations set out in techUK's A Vision for UK Digital trade report⁶, and provides a good basis for an ambitious agreement, with solid core principals based on reciprocity, non-discrimination and strong provisions against data localisation.

An agreement based on this text would have benefits for both consumers and businesses as it would facilitate continued UK access to the European market, while also providing firms and consumers based in the EU access to the products and services of UK's leading digital economy.

There are some notable positive commitments within the UK proposals:

³ techUK - A Vision for UK Digital Trade Policy - 2019

⁴ [techUK - A Vision for UK Digital Trade Policy - 2019](#)

⁵ [Understanding and measuring cross-border digital trade](#) – Department for International Trade 2020

⁶ techUK - A Vision for UK Digital Trade Policy - 2019

- **A dialogue on emerging technologies:** these are novel and welcome commitments which we believe will establish commitments to explore and understand the market implications of emerging technologies and help interoperable standards be maintained improving market access for both the UK and the EU. These proposals will also be important for future research collaboration.

The dialogue on emerging technologies text sets a new precedent for digital trade chapters, and we see the inclusion of similar provisions in future UK digital trade agreements as an important precedent for the UK to set in global digital trade.

- **Personal Information Protection:** the UK proposals note the EU's approach to personal data protection based on a separate adequacy and transfers process.

The UK's proposals recognise this and encourage the development of mechanisms to promote compatibility between the UK and the EU. This important to create dialogue and regulatory engagement between the UK and the EU. However, techUK would like to see the ambition increased to a commitment to strive for mutually recognised personal data transfer systems.

- **Electronic authentication and electronic trust services:** the inclusion of electronic authentication and electronic trust services has also been welcomed. techUK members see this as foundational step for enabling next generation commercial digital services to evolve and be utilised effectively in future trade.

Overall, there is a high degree of alignment between the UK and the EU on digital trade, showing a clear landing zone for an agreement.

However, there are differing approaches between the UK and the EU on data flows provisions.

The UK's approach to data flows is more similar to those found in the USMCA, US Japan Digital Trade Agreement and CPTPP than existing EU trade agreements such as EU Japan and CETA.

The UK's provisions include a positive obligation to allow cross-border data transfers for business purposes. This principal acknowledges that transfers may be made subject to additional regulatory requirements, but only where these are defined.

The EU, by contrast, takes a more precautionary approach with a much greater focus on personal data protection, and more extensive sectoral exemptions on service provision when it comes to prior authorisation for data transfers for business purposes.⁷

While this is a difference in approach, it does not in our view, prevent an agreement.

⁷ [Data flows across the Channel: The emerging UK-EU digital trade relationship – Atlantic Council](#)

The EU currently holds trade agreements and adequacy decisions with a wide range of third countries that include provisions for market access and prevent the localisation of data.

These agreements include a number of countries which, unlike the UK, do not implement the GDPR and have further digital trade agreements with other countries with approaches to data flows similar to the UK.

For example, Canada, Japan have EU FTAs and also digital trade agreements with the USA. New Zealand is currently negotiating an FTA with the EU but is also a member of CPTPP and also holds data adequacy.

Considering the flexible approach to digital trade the EU has taken there is therefore no reason why an agreement cannot be reached between the UK and the EU, particularly considering the UK and the EU's similar data protection systems based on the GDPR.

However, the UK must remember that commitments in one trade agreement can affect what you agree in another. Therefore, a balanced and considerate approach to agreements with the EU and other trading relationships the UK aspires to (for example an FTA with the USA and ascension to CPTTP) must be a central consideration.

This will require good communication between the Cabinet Office, DIT, DCMS and decision makers in No.10 so that political incentives to reach an agreement with one partner, do not compromise negotiations with another.

II. Data and Data Adequacy

Data adequacy is of vital importance to both the UK and the EU. A failure to agree adequacy would have significant ramifications across all business sectors, with particularly heavy impacts on research collaboration, security and financial services.

A positive adequacy assessment is the only proposed route to free-flowing personal data exchanges with the EU in a similar way as is the case today.

If this is not achieved, UK businesses and public organisations would need to put in place alternative transfer mechanisms such as standard contractual clauses (SCCs) and binding corporate rules (BCRs)⁸. While these mechanisms are legally enshrined in both the UK and the EU (and guidance is available through the ICO⁹), SCCs and other alternative transfer mechanisms can be costly to implement and, on the EU side, are legally vulnerable, as demonstrated by the Schrems II ruling.¹⁰

⁸ [Data, adequacy and the Future Relationship](#) – an explainer - techUK 2019

⁹ [Data Protection at the end of the Transition Period](#) – ICO 2020

¹⁰ [Europe's top court strikes down flagship EU-US data transfer mechanism](#) – tech crunch 2020

Achieving adequacy therefore should be a mutual goal of the both the UK and the EU and does not impinge on the objectives set out by either the European Council or UK Government in their respective negotiating objectives. There are a number of reasons for this:

- **Adequacy preserves the autonomy of both the UK and the EU;** the political declaration between the two sides notes that the UK will establish its own international transfer regime and that a positive adequacy decision, if reached, would not affect the UK and EU's autonomy over their respective personal data protection rules. The EU will conduct a review of the UK's adequacy status at least every four years, which will take into account all relevant developments, this does not limit the legislative ability of the UK or the EU. These points have been noted in the respective parties negotiating objectives.
- **A failure to achieve adequacy will create regulatory risk for companies based in the EEA;** in their preparations for a no deal outcome in October 2019, the UK Government passed legislation that recognised the EEA as adequate in the event of no deal and the UK falling out of the European Data Protection Board (EDPB) without an adequacy decision. The EU did not take similar actions. If this were to be the case in the event of no adequacy decision at the end of the transition, outbound transfers from the UK to the EU would not require additional appropriate safeguards beyond compliance with UK data protection rules, however inbound transmissions from the EEA to the UK would.

In this event EU companies would need to put in place an alternative transfer mechanism recognised by the EU. Failing to do so could result in fines on EEA located companies under the GDPR from their respective data protection authorities.

- **Adequacy does not prevent either party from negotiating digital trade chapters in future free trade agreements;** New Zealand holds an EU adequacy decision while also being a signatory of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTTP). Japan also holds an EU adequacy decision while being party to agreements and negotiations which cover digital trade, such as the CPTTP and the U.S.-Japan Digital Trade Agreement and the EU-Japan agreement.
- **A failure to obtain adequacy will disproportionately affect SMEs;** techUK's 2019 survey of members on the impact of no deal¹¹ highlighted that UK SMEs were significantly more likely to be impacted by a no deal outcome (including not achieving adequacy). More than half of small businesses (under 50 staff) and one third of medium-sized business (between 50 and 250 staff) had not taken active steps to prepare for no deal in August ahead of a presumed no deal exit on 31 October.

Anecdotal evidence suggests that levels of preparations within the UK have not increased much beyond this point, while among the EU 27 there is recognition that many companies are not aware of the adjustments, they would need to make to continue legal personal data transfers to the UK.

¹¹ [techUK members survey: How prepared are members for a no deal Brexit? - techUK](#)

Both the UK and the EC have made good progress in the adequacy process. In particular it was welcome to see the recent publication of the explanatory framework for adequacy discussions¹² by the UK Government, and the commitment given by the Secretary of State for Digital Culture Media and Sport to achieving an adequacy decision and continuing a UK approach to data protection based on world leading privacy standards¹³.

techUK understands that ongoing work between DCMS and the European Commission to fulfil the commitments set out in the Political Declaration is moving forward at pace.

There is every prospect an adequacy decision is granted by the end of the transition period; however, the timeline remains tight and political disruption spilling over from the main FTA negotiations or from the wider political sphere in the UK or the EU could mean reaching a decision is challenging.

To maximise success by 31 December 2020, we would encourage both sides to seek to use their best efforts to continue to keep separate data adequacy from the more contested components of the future relationship negotiations that will fall within the scope of a UK-EU free trade agreement negotiations.

There is a separate question around an agreement on sharing EU policing and security databases (e.g. SIS II and ECRIS). This process is separate to the adequacy and FTA requiring a separate agreement on law enforcement and judicial co-operation.

On some data bases such as Second generation Schengen Information System (SIS II) the European Commission has set out its view that it is not legally possible for a non-Schengen, third country to cooperate with the EU through the SIS II database,

UK access to other EU databases will be determined by what the UK deems as acceptable in terms of oversight from the Court of Justice of the European Union (CJEU).

Schrems II and data transfers:

The recent ruling in the Schrems II case has raised a number of questions around how EU mechanisms to transfer personal data will operate in future and their legal underpinnings.

While the ruling in the Schrems II case does not have a direct impact on the UK-EU adequacy assessment, it does create complications for how the UK would manage any onward transfers of data from the EU to other countries. This is likely an issue the UK will have to reassure the Commission on as a condition for receiving adequacy.

The case also highlights the legal instability of the EU's mechanisms for transferring personal data to countries without adequacy decisions.

¹² [Explanatory framework for adequacy discussions – gov.uk](#)

¹³ [Digital Secretary's closing speech to the UK Tech Cluster Group](#) – DCMS 2020

In the EU personal data protection is strongly connected to treaty rights on privacy, this means legal challenges are easy to mount, with Schrems I and Schrems II striking down two hugely valuable trading arrangements (Safe Harbor and Privacy Shield) in less than five years.

Schrems II also leaves the door open to legal challenges to SCCs casting further legal uncertainty over how personal data could be transferred outside the EU should a further legal challenge to SCCs strike them down.

SCCs are the most common mechanism for EU based companies to transfer data to third countries. If these were invalidated, without a replacement, EU firms would not be able to transfer data legally to third country partners, unless that country holds an adequacy decision, or the company implements BCRs. As BCRs are less common and just 13 countries have adequacy, the striking down of SCCs could have enormous impacts for EU firms' access to large markets, such as the US, China and India.

This embedded legal uncertainty is not desirable. The UK has an opportunity through its common law system to provide a more predictable and stable approach to data protection legislation and data transfer mechanisms. This does not mean reducing data protection standards, which would not be good for trust or innovation in the UK market.

In doing so the UK must also balance its future data transfer regime with any agreement between the US and EU on a successor to Privacy Shield, allowing UK businesses to operate between both the US and the EU. The UK achieved this before by negotiating a carve out within Privacy Shield that would have allowed UK companies to benefit from the system, even after the transition period.¹⁴

Achieving an interoperable, high standard and predictable system would bring enormous benefits to the UK. Trust in high standards, clarity and legal certainty on the foundations and trajectory of data protection laws will help improve market conditions, create a stable environment in which to innovate and provide a clearer and more predictable pathway for the development of emerging and transformative technologies such quantum computing and artificial intelligence.

III. Business preparations and engagement:

Achieving a free trade agreement between the UK and the EU is in the interests of both sides. The fallout from a no deal outcome is well documented and would have severe consequences for both the UK and the EU. COVID-19 and the economic damage that has resulted from the pandemic makes a no trade deal outcome even more risky.

A UK-EU FTA also has longer term benefits that the immediate one of removing liberalising trade relative to a no deal outcome. The FTA will set the basis for the longer-term future relationship, creating forums, committees and relationships between Governments, regulators,

¹⁴ [Privacy Shield and the UK FAQs](#) – Privacy Shield Programme 2020

non-governmental bodies and businesses which will allow for the paperwork and processes of trade to be smoothed and made more efficient over time.

However even where a deal is agreed both sides will still need to make significant preparations, as the prospective FTA outline in both UK and EU legal texts would still require a significant amount of preparation from businesses.

Further, due to commitments made by the Government in the Withdrawal Agreement, a no deal outcome on December 31 2020, is not the same as a no deal outcome pre-Withdrawal Agreement, this is particularly the case for businesses operating in, or who ship goods to Northern Ireland.

Government should therefore take a number of steps to help the tech sector prepare for the outcome of negotiations in the event of either a deal or no deal:

A focus on SMEs: in the run up to the previous 31 October 2019 deadline techUK surveyed our membership on levels of preparedness for a no deal exit on 31 October 2019.

The results showed a difference between level of preparedness between large businesses and SMEs, with SMEs significantly less likely to have taken steps to prepare when they were surveyed in late-August/ early September ahead of the deadline on 31 October.¹⁵

Due to the impacts of COVID-19 and continued uncertainty around exactly what steps will be needed in the event of a deal or no deal it is likely that preparation among SMEs remains lower than large businesses.

techUK welcomes the launch of the Government's "The UK's new start: let's get going" campaign. However, based on findings from our last survey, we would urge the Government to place an additional focus on SMEs to help them prepare for any outcome.

Provide flexibility for the implementation of a UK-EU deal: achieving a deal alone is not enough to prevent serious disruptions to business and the economy. Even when a deal is struck Government, business and individuals will need time to familiarise themselves with the new rules, create and issue guidance and adapt business functions and supply chains accordingly.

As, if is common in EU trade negotiations, a deal is not reached until the 11th hour there will only be a few short weeks for these changes to be made. In this event the impacts of moving suddenly from the status quo to the new negotiated outcome would be significant, creating large costs and disruption as businesses on in both the UK and EU sides move to adjust.

It is therefore crucial that UK and the EU work to build a timeframe that allows businesses to adapt to new trading arrangements, potentially by phasing in the new rules over a time limited

¹⁵ [techUK members survey: How prepared are members for a no deal Brexit?](#) – techUK 2019

period, once a deal has been reached. The Institute for Government has set out a variety of options for how this could be done.¹⁶

The UK has already shown flexibility in this regard with a new phased border planning arrangement for 2021.¹⁷ This is a welcome, and this kind of flexibility and pragmatism will help make any new agreement be brought in successfully.

Sunset the EU CE Mark: Most technology products are marked with a 'CE' symbol to show they comply with the relevant legislation. This mark is physically etched and tooled onto products, as well as being pasted on packaging and in supporting documents such as manuals.

The UK Government has proposed to create a new UKCA mark to replace the CE Mark and as we are 4.5 months away from exiting transition, it is not going to be possible for many manufacturers to comply with the new UKCA marking as neither guidance or the supporting standards and legislation have been finalised or communicated to business.

This is because manufacturing and labelling takes place months before sale, and compliance with regulation is done at the design stage, which can in some cases be years before final release.

Due to the challenges with updating lines and the flexibility granted by CE marked products many manufacturers will opt to delay sales in the UK while production lines are adjusted for the UKCA mark, diverting product to EU member state markets at a time when demand is high for many digital goods.

In addition, the draft UK legislation on UKCA marking foresees a crucial role for UK based notified bodies to carry 3rd party assessment of some products. Engagement with 3rd parties requires manufacturers to establish a business relationship, assess capabilities and capacities before signing contracts of confidentiality and service level agreement.

This is a complex process which can take some time to complete to the satisfaction of all parties. Yet, so far no such bodies have been appointed in the UK and there remains uncertainty about whether sufficient capacity even exists to support the volume of products that will require assessment before the ending of the transition period. This could mean product shortages and a loss of choice for UK consumers.

techUK has called on the Government to sunset the removal of the EU CE mark by allowing it to become a valid marking for putting product on the market after the end of the transition period. This will allow for a phased move to UK CA over a period of time.

This is a unilateral action the Government can take to help businesses transition, as the powers to do this sit with the UK Government and would not require agreement with the EU.

¹⁶ [Implementing Brexit: Securing more time](#) – Institute for Government 2020

¹⁷ [Government accelerates border planning for the end of the Transition Period](#) – gov.uk 2020

Provide timely guidance for businesses: As a result of the changes that will need to be made in the event of either a deal or no deal outcome business will require time and guidance to implement changes.

At the moment there is very limited guidance for business to act on, with much of the previous no deal guidance provided by Government in the run up to the 31 October no deal deadline rescinded or removed after the signing of the Revised Withdrawal Agreement.

New technical notices and Government guidance will need to be issued soon if business is to prepare within time. While many businesses could make a reasonable approximation of the preparation that is needed, to convince senior management to expend resources on additional preparation needs, country managers and Brexit planners need official guidance to back up their requests for funding.

This argument is even harder to make after the previous no deal false starts that resulted in significant financial loss, and at a time when resources and funds are stretched due to the ongoing pandemic.

The no deal guidance provided by Government last time was welcomed by the business community. However, without issuing new guidance soon, the Government could find that business struggles to make the preparations they need to in time for the end of the transition. Company lawyers are extremely reluctant to rely on promises of enforcement leniency in early 2021.

It is also important to note, that due to commitments made by the UK in the Withdrawal Agreement, no trade deal preparation is slightly different this time around.

The major example of this is the commitments the Government made in the Northern Ireland protocol. These legal and binding commitments made by the UK mean this round of no trade preparation is different than previous rounds, and the Government will need to set out where these differences are and what is required of businesses.

Improving the delivery of technical information and raising awareness of the coming changes deal of no deal will be vital to improving the preparation of the sector for the end of the transition period.

Engagement with the UK Government and European Commission: techUK has engaged closely with both the UK Government and the European Commission throughout this process.

Engagement with both the UK and the EU has typically taken place through regular updates after negotiating rounds, rather than via responding to consultations.

techUK has been in regular contact with the policy leads in relevant Government Departments and with the UK Mission to the EU on the progress of negotiations.

techUK has also been engaging with the Commission and other EU institutions through our European trade association, Digital Europe, where techUK's CEO holds the position of Vice President.

In collaboration with its members Digital Europe has produced its own [priorities for a free trade agreement between the United Kingdom and the European Union](#).¹⁸

As preparation activities increase in the run up to the end of the transition period techUK would welcome further Government engagement so we can assist the UK Government to prepare our sector for January 2021.

September 2020

¹⁸ [Priorities for a free trade agreement between the United Kingdom and the European Union](#) – Digital Europe 2020



Committee on the Future Relationship with the European Union

House of Commons, London, SW1A 0AA

Email: freucom@parliament.uk Website: www.parliament.uk/freucom

12 June 2020

Julian David
Chief Executive
TechUK

Dear Mr David,

The House of Commons Committee on the Future Relationship with the European Union is inquiring into the progress of the negotiations between the UK and the EU. Under normal circumstances, the Committee would hold regular oral evidence sessions in Westminster. However, measures to prevent the spread of the coronavirus make this difficult.

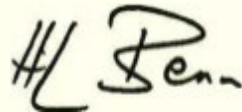
The Committee wishes to gather as much evidence as possible to inform its deliberations and I am writing to you to ask whether you would be willing to help us with our work by making a written submission. We welcome general responses to our [call for evidence](#), which was published on 4 March. We also hope that you would be willing to answer the more specific questions set out below on issues that fall within your area of expertise. Such submissions need not address every bullet point and can include other matters that you think are relevant to the negotiations and should be drawn to the attention of the Committee.

- To what extent do the Government's negotiating aims meet the needs of the digital sector? What would you have preferred to be different? In which areas do you believe it should prioritise reaching an agreement?
- Given the UK and the EU's starting positions, are there any areas of reported disagreement that are of concern? If so, what are they and why?
- How confident are you that the UK will receive a data adequacy decision from the EU by the end of the transition period? Do you see any obstacles to gaining one? To what extent is this unilateral EU process and the future relationship negotiations interdependent, if at all? What would be the utility of an adequacy decision in the absence of an overall trade agreement?
- The Data Protection section of the Political Declaration refers to "arrangements for appropriate cooperation between regulators". What would be your preferred arrangements for appropriate cooperation between regulators, and what factors might influence the nature of these arrangements?
- If an adequacy decision is not reached, what alternative arrangements could be put in place for enabling data flows between the UK and the EU for different sectors of the economy? What would be the benefits or drawbacks of such arrangements?
- At the end of the transition period how confident are you that the UK and the EU will reach an agreement on sharing EU policing and security databases (e.g. Schengen Information System)? What do you see as the obstacles to reaching such an agreement? What might alternative arrangements to sharing data for law enforcement look like?
- How confident are you that the UK will receive a separate data adequacy decision for law enforcement purposes by the end of transition period? Do you see any obstacles to gaining one? To what extent is this unilateral EU process and negotiations on internal security interdependent? What would be the utility of an adequacy decision in the absence of an agreement on internal security?
- What lessons should the UK take from the experience of the Schrems I case and the role of the CJEU in protecting EU citizens' data beyond the geographical boundaries of the Member States?
- The Government said it would "invite contributions about the economic implications of the future relationship from a wide range of stakeholders via a public consultation", and that this process would "begin later this spring". What are your views on this consultation? What was positive and negative about the Government's overall strategy to engage with business in advance of publishing its approach to the negotiations?

- Since the negotiations began, to what extent have you been kept abreast of developments? Have you found the updates from negotiation rounds helpful in assisting your sector to plan for the remainder of the Transition Period? If so, how?
- What steps are you taking to prepare for the end of the Transition Period? Do you have the necessary information and resources to prepare effectively? How long do you need once the final nature of any deal affecting your sector is known to prepare for new arrangements?
- Regarding research, why is an agreement enabling data sharing between the UK and the EU important for current levels of scientific and research collaboration?
- How confident are you that the UK and the EU will reach an agreement on sharing EU research and scientific databases by the end of the transition period? What do you see as the obstacles to reaching such an agreement? What might alternative arrangements to sharing information look like?
- How prepared is the digital sector for the possibility of leaving the Transition Period without a trade deal in place on 1 January 2021? What discussions are you having with EU business partners in order to make contingency plans?
- How much progress would you need to see at the high-level summit in June to give confidence that a deal will be done? If it appears in June that a trade deal looks unlikely, how do you expect this to affect business behaviour? How important is an FTA to your sector versus trading on WTO terms?
- How, if at all, are you seeking to influence the EU in these negotiations? What engagement have you had with the Commission, European Parliament or any other EU organisation?
- How has the COVID-19 crisis affected your ability to prepare for the end of the Transition Period? Have you learned any lessons for contingency planning and supply-chain preparedness from your experiences with COVID-19 that could be applied to preparations for the end of the Transition Period?
- Considering the Coronavirus pandemic, is your sector calling for an extension to the duration of the Transition Period? If so, why? If not, why not?

The Committee staff will be happy to discuss the inquiry, any issues raised, or the process for submitting written evidence. You can contact them at freucom@parliament.uk.

Yours sincerely,



Hilary Benn
Chair of the Committee