Twitter Thread by Peter Foster

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BREAK: The UK drops all its 'law breaking' clauses - including plans for more in forthcoming taxation bill - after @michaelgove and @MarosSefcovic agree deal on terms of implementing Northern Irish Protocol. 1/

https://t.co/MdBbcI8vjd

> Following intensive and constructive work over the past weeks by the EU and the UK, the two co-chairs can now announce their agreement in principle on all issues, in particular with regard to the Protocol on Ireland and Northern Ireland.
>
> An agreement in principle has been found in the following areas, amongst others: Border Control Posts/Entry Points specifically for checks on animals, plants and derived products, export declarations, the supply of medicines, the supply of chilled meats, and other food products to supermarkets, and a clarification on the application of State aid under the terms of the Protocol.
>
> The parties have also reached an agreement in principle with respect to the decisions the Joint Committee has to take before 1 January 2021. In particular, this concerns the practical arrangements regarding the EU's presence in Northern Ireland when UK authorities implement checks and controls under the Protocol, determining criteria for goods to be considered "not at risk" of entering the EU when moving from Great Britain to Northern Ireland, the exemption of agricultural and fish subsidies from State aid rules, the finalisation of the list of chairpersons of the arbitration panel for the dispute settlement mechanism so that the arbitration panel can start operating as of next year, as well as the correction of errors and omissions in Annex 2 of the Protocol.
>
> In view of these mutually agreed solutions, the UK will withdraw clauses 44, 45 and 47 of the UK Internal Market Bill, and not introduce any similar provisions in the Taxation Bill.

@michaelgove @MarosSefcovic This is obviously very good news - recalling that it relates to the implementation of last autumn's deal to allow #Brexit to happen without returning a trade border to island of Ireland...but leaving one in the Irish Sea. /2

@michaelgove @MarosSefcovic The statement says that the two sides have determined "criteria for goods to be considered 'not at risk' of entering the EU" - though the extent to which goods pay tariffs UK-EU will depend on whether we get an FTA with the EU. (Even if we do, some still will) /3

@michaelgove @MarosSefcovic The two sides have also agreed on the 'reachback' of Article 10 or the "application of State aid under the terms of the Protocol" which the UK govt feared could be used to constrain UK govt subsidy decisions after January 1 /4

@michaelgove @MarosSefcovic This was because EU state aid law applied to UK in respect of NI Goods - so risk of 'catching' a UK decision to, say, give a bank a tax break if it had NI Clients...thereby blowing hole in @BorisJohnson 'sovereign' Brexit. An understanding has been reached here. /5

Article 10
State aid

1. The provisions of Union law listed in Annex 5 to this Protocol shall apply to the United Kingdom, including with regard to measures supporting the production of and trade in agricultural products in Northern Ireland, in respect of measures which affect that trade between Northern Ireland and the Union which is subject to this Protocol.

2. Notwithstanding paragraph 1, the provisions of Union law referred to in that paragraph shall not apply with respect to measures taken by the United Kingdom authorities to support the production of and trade in agricultural products in Northern Ireland up to a determined maximum overall annual level of support, and provided that a determined minimum percentage of that exempted support complies with the provisions of Annex 2 to the WTO Agreement on Agriculture. The determination of the maximum exempted overall annual level

@michaelgove @MarosSefcovic @BorisJohnson Other bits also seem to have been sorted - for example the 'chilled meats' question (EU rules say all exports to third countries of prepared meats must be frozen)...we'll see if that can be applied GB-EU if/when we get FTA /6

@michaelgove @MarosSefcovic @BorisJohnson It looks (we await details) as if there is a fix on export summary declarations for goods going NI-GB, which was subject of the other 'notwithstanding' clauses that UK is now dropping. /7

@michaelgove @MarosSefcovic @BorisJohnson Industry will now wait for full details of how the Irish Sea border is going to operate...and what it means for those not lucky enough to have authorised operator exemptions or fall under a supermarket scheme - wholesalers, parcel operators and small traders etc /8

@michaelgove @MarosSefcovic @BorisJohnson So then, the big question: Does this bring us closer to an FTA? Or even pave the way for a 'no deal' - given that this now puts something of a political floor under that eventuality, assuming the

pacts holds for NIP in event of an acrimonious 'no deal'. Can argue it both ways. /9

@michaelgove @MarosSefcovic @BorisJohnson But that is for the future - for now the implementation of the Protocol has (finally) been put on an agreed footing and a pretty damaging episode (in my view) for UK international credibility has a line drawn under it.

The devil now will be in the detail. /10

@michaelgove @MarosSefcovic @BorisJohnson Because as yesterday's thread explained, for a lot of businesses this clarity (and we hope information, tho we wait no tariffs) is coming just too late - in part, I suspect, because this whole deal was delayed by the lawbreaking gambit./11

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>
> As #brexit talks drift towards the rocks, trade groups say plans for Irish Sea trade border after Brexit are \u2018in a mess\u2019 via, my latest via @FT ...this is an issue coming deal or no deal. Stay with me 1/ https://t.co/DDWLfxkOv3
>
> — Peter Foster (@pmdfoster) December 7, 2020

@michaelgove @MarosSefcovic @BorisJohnson In any event, it is going to be a very testing January as the UK ingests the reality of a pretty full fat Irish Sea trade border that some will decry, particularly if we're in a no deal world and the trucks are backing up at Dover etc. /12

@michaelgove @MarosSefcovic @BorisJohnson The arguments advanced over the summer by hardcore Brexiters of @CentreBrexit asking for the end of the Withdrawal Agreement risk coming back, if all (four) sides don't make this work. ENDS

https://t.co/sNrokYZtjl