## leatherhead food research

## Great Britain's food and beverage regulations and the EU-UK Trade and Co-operation Agreement

Oliver Leedam - Regulatory Consultant

15 September 2021



## Agenda

- 1 The run up to the 31 December 2020
  - a) 24 December 2020
  - b) 31 December 2020
- 2 UK Regulatory changes since 1 January 2021
- 3 New paperwork requirements
- 4 Regulatory divergence
- 5 The Northern Ireland Protocol
- 6 Summary
- 7 What the future holds



## Section 1 The run up to 31 December 2020

#### leatherhead food research

## 23 June 2016 - The Referendum

### "The starting point"

In fact this was a little before the starting point, it was however where it became obvious that changes were going to have to be made and so planning began shortly afterwards, together with transposing EU legislation into the UK statute book, <u>www.legislation.gov.uk</u>



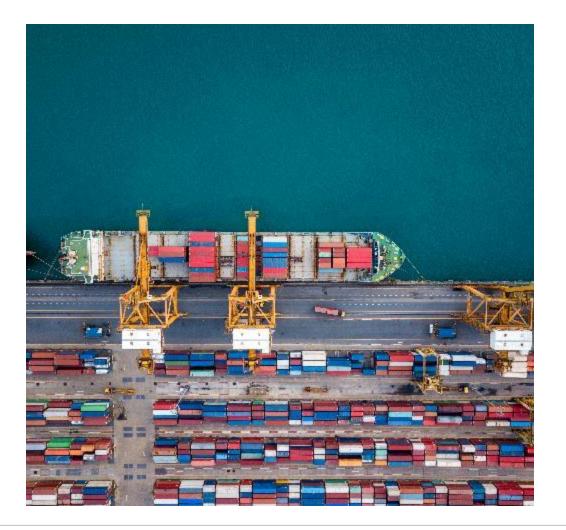
## The transition/implementation period

- The transition period started immediately after the UK left the EU on 31 January 2020 and lasted for the rest of the year until 31 December 2020
- This is when The Trade and Cooperation Agreement Between The European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, was negotiated
- It was finalised on the 24 December 2020



## What happened on 24 December 2020 - The Trade and Cooperation Agreement

- The UK Government announced on the 24 December 2020 that they had reached an agreement with the EU being both Tariff- and Quota-free
- So the agreement was free from tariff barriers and quotas, however it left in place the EU's rules on trading with third countries and introduced rules on determining the country of origin of products



## Rules of origin

- The Agreement establishes zero tariffs or quotas on trade between the UK and the EU, where goods meet the relevant rules of origin
- The UK and EU have agreed a rules of origin Chapter which contains modern and appropriate rules of origin ensuring that only 'originating' goods are able to benefit from the liberalised market access arrangements agreed in the TCA, while reflecting the requirements of UK and EU industry
- There are approximately 70 pages of origin rules in the <u>agreement</u>





## Section 2 UK Regulatory changes since 1 January 2021

#### leatherhead food research

## Midnight 31 December 2020

- The UK became a third country
- Defined by the EU as a country that is not a member of the European Union as well as a country or territory whose citizens do not enjoy the European Union <u>right to free</u> <u>movement</u>, as defined in Art. 2(5) of the <u>Regulation (EU) 2016/399 (Schengen</u> <u>Borders Code)</u>



## UK Regulatory changes since 1 January 2021

- The process of adopting new EU regulations into the UK statute booked ceased
- However all the EU legislation in force at midnight on the 31 December 2020 was imported into the UK statute book, accessible through <u>www.legislation.gov.uk</u> and the process of modifying them to make the operative outside the EU framework continues
- The amendments made so far number in the thousands, the majority of them being technical in nature rather than having a direct regulatory impact

## Databases imported into the UK statute book

- Great Britain nutrition and health claims (NHC) register
- <u>'On hold' health claims on foods</u>
- Novel Foods existing authorisations
- Protected geographical food and drink names: UK GI schemes
   Welsh Gower Lamb is the first new product entered on this, being granted the UK equivalent of PDO status
- <u>Recognition of natural mineral water inside and outside the UK</u>
- And others

leatherhead

food research





## Section 3 New paperwork requirements

#### leatherhead food research

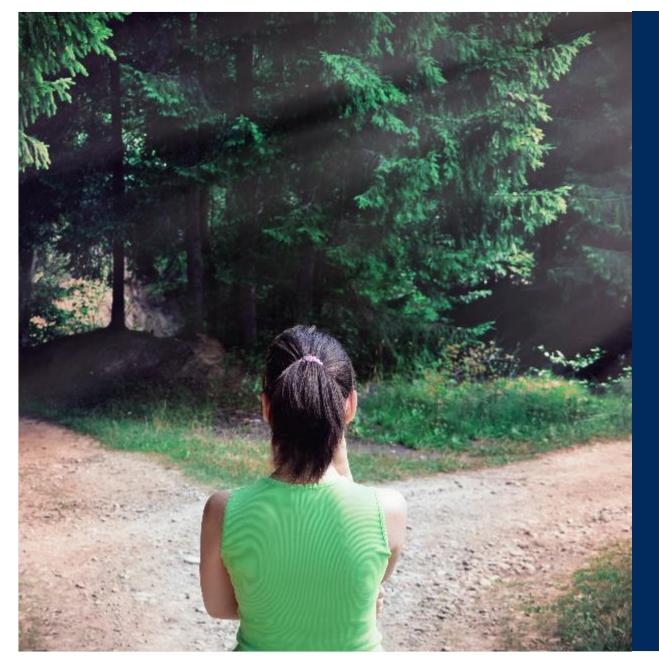
## New paperwork requirements

Not being an EU member state despite using legislation based on EU legislation UK/GB forms have to be used:

- 1. Importer details if the brand owner is not established in the destination market
- 2. You will need an EORI number if exporting
- 3. Customs Declarations
- 4. VAT
- 5. Fishery Catch Documentation
- 6. Export Health Certification (2049 in the database)
- 7. Self Attestations (not adopted by GB yet)
- 8. Phytosanitary certificates

One of the major problems beyond the volume of paperwork needed is how they are required by the individual EU member states





## Section 4 Regulatory divergence

#### leatherhead food research

## UK regulatory divergence

### The pressure of trade deals

- DEFRA has held a consultation into the use of CRISPR gene editing technology in the food industry in the UK
- This is seen as very beneficial in a possible trade deal with the USA
- CRISPR has however been judged by the ECJ as falling under the EU GM Materials regulations
- There is therefore a major clash here



## EU regulatory divergence

The EU has not stopped legislating and with Article 11 of EU Regulation 178/2002:

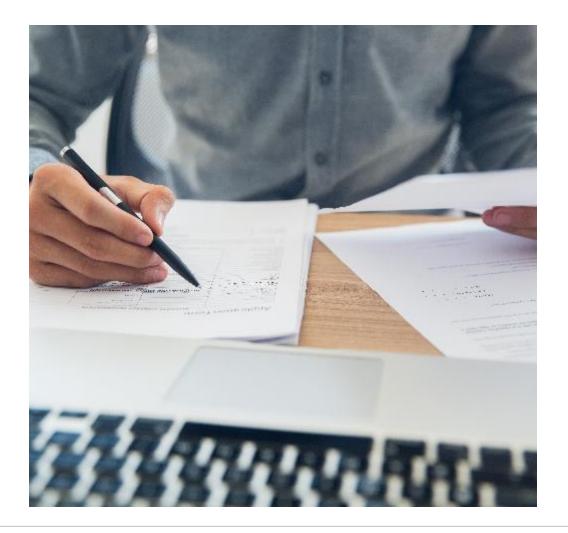
- Food and feed imported into the Community for placing on the market within the Community shall comply with the relevant requirements of food law or conditions recognised by the Community to be at least equivalent thereto or, where a specific agreement exists between the Community and the exporting country, with requirements contained therein
- Attention needs to be paid to existing and new legislation



## Divergence that you may have missed

### EU Regulation 2019/625

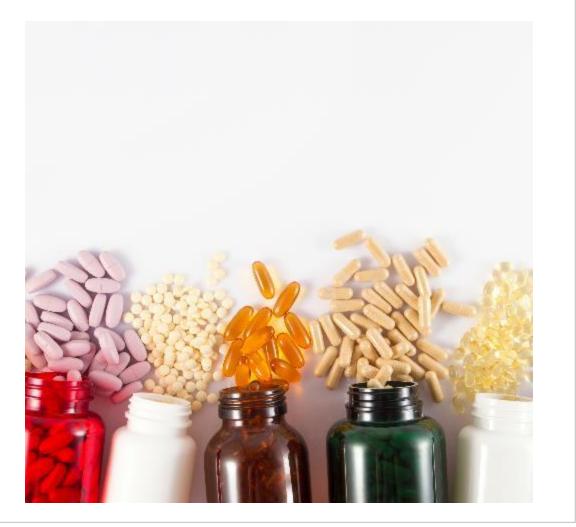
- Came into force on the 21 April 2021
- Introducing self attestation certificates for compound products not containing meat products other than gelatine, collagen or highly refined products referred to in Section XVI of Annex III to Regulation (EC) No 853/2004, and Article 12(2)(c) to the EU



## Highly refined products in Section XVI of Annex III to Regulation (EC) No 853/2004

- (a) Chondroitin sulphate
- (b) Hyaluronic acid
- (c) Other hydrolysed cartilage products
- (d) Chitosan
- (e) Glucosamine
- (f) Rennet
- (g) Isinglass

(h) Amino acids that are authorised as food additives in accordance with Regulation (EC) No 1333/2008





## Section 5 The Northern Ireland Protocol

leatherhead food research

## The Northern Ireland Protocol

- The Northern Ireland Protocol steps back to Good Friday 10 April 1998, when the agreement was signed that bought an end to the troubles in Northern Ireland which had lasted for almost 30 years
- Part of this agreement was that there would be no border between the Republic of Ireland and Northern Ireland
- This bought a problem with the advent of Brexit because the EU wanted/need to control their border to ensure that no non-EU standard goods enter the single market
- To achieve this it was agreed that Northern Ireland would continue to operate under EU legislation with checks in place on the Irish Sea crossing to ensure that goods making the crossing were not destined to travel South of the border



## The Northern Ireland Protocol

- The Prime Minister promised the Unionist parties in Northern Ireland that there would not be checks on the Irish Sea
- The EU and Republic of Ireland see this as the only solution to ensuring that the open north-south border doesn't result in non-EU standard goods entering the single market
- One of the solutions to "The Troubles" in "The Good Friday Agreement" was a border-free Ireland. No alternative solution was found to put in place as an alternative to the protocol



eatherheac

food research

## The Northern Ireland Protocol

### Possible alternative solutions

### **The Swiss Solution**

- Requires Switzerland to adopt all EU legislation in the area to remove any need for certification or checks
- Britain has made it clear it will not agree to anything which involves indefinite alignment of rules, so this approach is politically unworkable

### The EU and New Zealand Agreement

- Would not require any alignment of rules
- It seeks to acknowledge the other party's high SPS standards and allow for a reduction in the proportion of goods needing checks at the border
- Checks would still be required

eatherhead

tood research





# Section 6 Summary

#### leatherhead food research

## Summary so far

- The UK has imported all the EU regulations into the UK statute book amending them as necessary, Northern Ireland remaining under EU regulations due to the Northern Ireland Protocol
- In guidance and regulations you will notice reference to Great Britain and Northern Ireland separately. The most obvious occurrence of this being in the health and identification marks
- With the Trade and Co-operation Agreement being limited to a tariff and quota free agreement a lot of paperwork has become necessary to fulfil animal and plant health requirements
- The Northern Ireland Protocol is proving problematic mainly due to politics, the "Sausage Wars" appear to be mainly due to a lack of paperwork (the requisite EHC for the products concerned)



eatherhead

lood researc

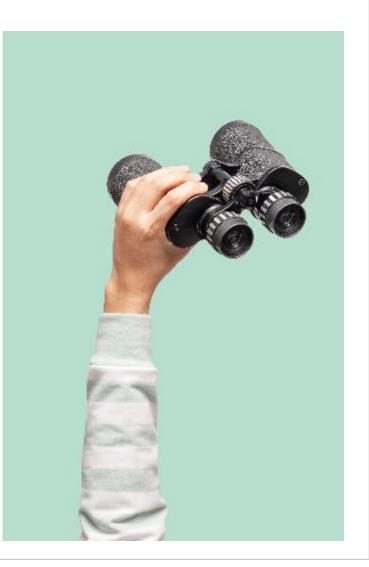


## Section 7 What the future holds

#### leatherhead food research

## What the future holds

- The future will entail ensuring that the products you are manufacturing match the requirements of the market you are aiming your products at
- Meat, fish and dairy plants: If exporting to the EU need to be approved, and EU regulations followed
- You will therefore need to keep an eye on regulatory changes as and when they occur, this is something that the self attestation certificates have demonstrated works in both directions
- The UK will diverge from the EU regulations, as it may well converge with others, the question is how will these changes affect your products and business



athorhoa

# Thank you

# Questions

# leatherhead food research

#### Epsom

Yew Tree Bottom Road Epsom KT18 5XT UK

Phone: +44 1372 376761 help@leatherheadfood.com

#### Sacramento

980 9th Street Suite 400 Sacramento CA 95814 USA

Phone: +1 202 828 8990 help@leatherheadfood.com

#### Disclaimer

Some parts of a report of this nature are inevitably subjective and/or based on information obtained in good faith from third party sources. Where opinions are expressed, they are the opinions of the individual author and/or the relevant third party source and not those of Leatherhead Food Research or its group. Furthermore, if new facts become available and/or the commercial or technological environment evolves, the relevance and applicability of opinions and conclusions in this report may be affected. Accordingly, while this report has been compiled in good faith, no representation or warranty, express or implied, is made by Leatherhead Food Research as to its completeness, accuracy or fairness. Except where limited by law, neither Leatherhead Food Research nor its group shall be responsible for any actions taken or not taken as a result of any opinions and conclusions provided in this report and you agree to indemnify Leatherhead Food Research, its group and/or personnel against any liability resulting from the same.