

# **2018**

# **Annual Activity Report**

Task Force for the  
Preparation and Conduct  
of the Negotiations with  
the United Kingdom  
under Article 50 of the  
TEU

## **Main objectives and challenges for Task Force 50**

Task Force 50 is in charge of the preparation and conduct of the negotiations with the United Kingdom under Article 50 of the Treaty on the European Union (TEU), following the European Council's decision to appoint the Commission as the Union negotiator<sup>1</sup>.

In 2018, under the authority of Michel Barnier, Chief Negotiator, Task Force 50 prepared recommendations to the European Council, implemented its guidelines for negotiations under Article 50 TEU and conducted the negotiations with the United Kingdom authorities with a view to adopt the Withdrawal Agreement with the United Kingdom. Based on the European Council (Article 50) guidelines<sup>2</sup> and negotiating directives<sup>3</sup>, the main objective of the Withdrawal Agreement is to ensure an orderly withdrawal of the United Kingdom from the European Union and from the European Atomic Energy Community.

The withdrawal of the United Kingdom from the European Union represents an unprecedented event with a myriad of legal, administrative, economic, financial, human, social and political challenges. Accordingly, the Council guidelines called for the negotiations to provide as much clarity and legal certainty as possible to citizens, businesses, stakeholders and international partners on the immediate effects of the United Kingdom's withdrawal from the Union, and settle the disentanglement of the United Kingdom from the Union and from all the rights and obligations the United Kingdom derives from commitments undertaken as Member State.

Throughout the negotiations, the Chief Negotiator and Task Force 50 have worked to ensure that the EU maintained its unity and acted as one. They maintained close contacts and held regular meetings with the European Council and the EU 27 Member States, as well as, with the European Parliament to ensure that its views and positions were duly taken into account. The negotiations were carried out with unprecedented transparency and in a spirit of openness and dialogue with stakeholders and civil society. In parallel, Task Force 50 has coordinated the European Commission's work on all strategic, operational, legal and financial issues related to negotiations with the United Kingdom, drawing on the policy support and expertise from all European Commission services<sup>4</sup>.

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<sup>1</sup> The Heads of State or Government invited the Council to nominate the Commission as Union negotiator in their Statement of 15 December 2016.

<sup>2</sup> <https://www.consilium.europa.eu/media/21763/29-euco-art50-guidelinesen.pdf>

<sup>3</sup> XT 21016/17, available at <https://www.consilium.europa.eu/media/21766/directives-for-the-negotiation-xt21016-ad01re02en17.pdf>

<sup>4</sup> Commission PV(2016) 2181 final

## Main facts and key results of the negotiations

On 29 January 2018 the Council (Article 50) adopted a decision<sup>5</sup> authorising negotiations on transitional arrangements and negotiating directives.<sup>6</sup>

On 6 February 2018 the Commission published its proposal on transitional arrangements.<sup>7</sup>

On 28 February 2018 the European Commission approved and authorised the Article 50 Task Force to forward the 'European Commission draft Withdrawal Agreement' to the Council (Article 50) and Parliament<sup>8</sup>. On the same day, this document was published on Task Force 50 website.<sup>9</sup>

On 19 March 2018, the EU and UK negotiators took another decisive step by reaching a partial agreement on the draft Withdrawal Agreement (agreement provisions highlighted in green)<sup>10</sup>, which translated the progress achieved during the first phase of negotiations into legal terms. It also included a legal text on the transition period.

On 23 March 2018 the European Council (Article 50) adopted guidelines on the framework for a future EU-UK relationship<sup>11</sup> and welcomed the progress on the negotiations on the draft Withdrawal Agreement.

On 19 June 2018 the negotiators of the EU and the UK published a joint statement<sup>12</sup>, outlining further progress in the negotiations on the Withdrawal Agreement.

The European Councils (Article 50) of 29 June<sup>13</sup> and 17 October 2018<sup>14</sup> reviewed the state of negotiations and reaffirmed the strong unity of the 27 Member States and the single negotiation structure that was in place.

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<sup>5</sup> <https://www.consilium.europa.eu/media/32507/xt21004en18.pdf>

<sup>6</sup> <https://www.consilium.europa.eu/media/32504/xt21004-ad01re02en18.pdf>

<sup>7</sup> [https://ec.europa.eu/commission/publications/position-paper-transitional-arrangements-withdrawal-agreement\\_en](https://ec.europa.eu/commission/publications/position-paper-transitional-arrangements-withdrawal-agreement_en)

<sup>8</sup> PV(2018)2245

<sup>9</sup> [https://ec.europa.eu/commission/publications/draft-withdrawal-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community\\_en](https://ec.europa.eu/commission/publications/draft-withdrawal-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community_en)

<sup>10</sup> [https://ec.europa.eu/commission/publications/draft-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community-0\\_en](https://ec.europa.eu/commission/publications/draft-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community-0_en)

<sup>11</sup> <https://www.consilium.europa.eu/en/press/press-releases/2018/03/23/european-council-art-50-guidelines-on-the-framework-for-the-future-eu-uk-relationship-23-march-2018/>

<sup>12</sup> [https://ec.europa.eu/commission/publications/joint-statement-negotiators-european-union-and-united-kingdom-government-progress-negotiations-under-article-50-teu-united-kingdoms-orderly-withdrawal-european-union\\_en](https://ec.europa.eu/commission/publications/joint-statement-negotiators-european-union-and-united-kingdom-government-progress-negotiations-under-article-50-teu-united-kingdoms-orderly-withdrawal-european-union_en)

<sup>13</sup> <https://www.consilium.europa.eu/media/35966/29-euco-art50-conclusions-en.pdf>

<sup>14</sup> <https://www.consilium.europa.eu/en/meetings/european-council/2018/10/17/art50/>

After 17 months of intensive negotiations, on 14 November 2018 the Commission and UK negotiators agreed on the Withdrawal Agreement on the terms of the UK's orderly withdrawal from the EU and on 22 November they agreed the Political Declaration setting out the framework for the future EU-UK relationship<sup>15</sup>.

On 25 November 2018 the European Council (Article 50)<sup>16</sup> formally endorsed the Withdrawal Agreement and approved the Political Declaration.

On 5 December 2018, the Commission sent the proposal for a Council decision on the withdrawal agreement. On this basis, on 11 January 2019, the Council adopted a decision on the signing<sup>17</sup> of the Withdrawal Agreement and approved a draft decision on the conclusion<sup>18</sup> of the Withdrawal Agreement that it forwarded to the European Parliament for its consent.

Throughout the process Michel Barnier, Chief Negotiator informed the President of the advancement of the negotiations, keeping the College regularly informed of the main developments of the negotiations.

The main elements of this report, including the assurance declaration, were brought by Michel Barnier, Chief Negotiator to the attention of Jean-Claude Juncker, President of the European Commission, during the regular meetings on management matters.

## **Financial Management**

Task Force 50 has delegated the management of its budget lines to the SG through a co-delegation type 2. SG establishes in close cooperation with the Task Force the needs and acts as central contact point towards DG BUDG. All transactions are validated within the existing SG workflows. SG is reporting on the implementation of the received appropriations towards the Task Force on a monthly basis.

In 2018, Task Force 50 received 221 824.63 EUR new administrative commitment appropriations. An additional amount of 105 000 EUR was transferred from SRSS. An amount of 41 328 EUR was transferred to the Interim Staff. On the remaining 285 496.63 EUR, 264 925 EUR have been committed.

Payments have been co-delegated to SG and PMO in accordance with the internal rule 2018 in relation with budget line 25 01 02 11.

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<sup>15</sup> [https://ec.europa.eu/commission/publications/withdrawal-agreement-and-political-declaration-official-journal-european-union-19-february-2019\\_en](https://ec.europa.eu/commission/publications/withdrawal-agreement-and-political-declaration-official-journal-european-union-19-february-2019_en)

<sup>16</sup> <https://www.consilium.europa.eu/en/press/press-releases/2018/11/25/european-council-art-50-conclusions-25-november-2018/>

<sup>17</sup> [https://ec.europa.eu/commission/publications/proposal-council-decision-signing-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community\\_en](https://ec.europa.eu/commission/publications/proposal-council-decision-signing-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community_en)

<sup>18</sup> [https://ec.europa.eu/commission/publications/proposal-council-decision-conclusion-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community\\_en](https://ec.europa.eu/commission/publications/proposal-council-decision-conclusion-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community_en)

## **Internal Controls**

### ***Risk Assessment***

#### **- POLITICAL RISK**

Even though Task Force Article 50 aims to reach a successful outcome of the negotiations with the adoption of the Withdrawal Agreement, it cannot be excluded that the outcome of the negotiations is not endorsed and the United Kingdom leaves the Union without an agreement. In order to minimise such a risk and its negative consequences, the Secretariat-General of the Commission has set-up a Brexit Preparedness Group that ensures the overall coordination of the preparedness activities in relation to the withdrawal of the United Kingdom from the European Union and a smooth preparation for the expected consequences of a no-deal in all policy areas.

#### **- TECHNICAL RISKS**

Technical risks (e.g. IT failure) could negatively affect the operation of the TF50, especially at critical instances of the negotiations. The Task Force works with the common infrastructure of the Commission (for specific security measures, please see point "safeguarding of information"), which includes regular back up of the systems.

### ***Risk management***

Task Force 50 has put risk management at the core of its functioning, given the sensitivity of its operation and the challenge of dealing with an extraordinary event, of large breadth and depth, characterised by the need to act under significant time pressure and of very high political importance.

In 2018, the main risk identified was linked to security of information, in view of possible inappropriate access or leaks. A number of exceptional mitigating measures were introduced, as described in the heading below. Task Force 50 has also looked at other risks linked to its operations. Given the breadth and depth of the exercise, involving all EU policy and requiring to act in a very short period of time, Task Force 50 has also established dedicated channels of communication with other services and DGs of the Commission, via the Brexit contact points. Business continuity was ensured based on the Commission's standards and requirements.

### ***Fraud prevention and safeguarding of information***

Since its creation, Task Force 50 developed and implemented its own security of information strategy, elaborated based on the advice and recommendation of DG HR (Security Directorate).

In particular, in order to minimise the risk of inappropriate access to information and leaks, in addition to the standard Commission measures, the physical space of the Task force was secured with secured doors with badge and finger print access.

From an IT perspective, a secured dedicated platform for exchange of briefings and related documents with the other DGs and services was set up (tailor made BASIS system). Task Force 50 made extensive use of SECEM mail for exchange of information. In addition, the secured application for the management of the EU restricted documents (RUE) was made available to staff as well as personal printers isolated from the network. Files are stored in an encrypted disk. Staff was also asked to pass security clearance and to follow security training courses.

As of April 2018, a Task Force 50 Security Monitoring Project has been implemented. DIGIT-S2 SOC (Security Operations Center), which is a Special IT team, monitored the use of all Task Force 50 NET1 accounts to check that credentials have not been stolen.

Negotiation meetings with UK's negotiators were held in rooms outside the Task Force offices, with participants having no access to mobile electronic devices. Stakeholders' visits were managed to minimise risks. This implied e.g. the pre-registration of visitors

On 25 May 2018, the General Data Protection Regulation (GDPR) entered into force. In this context, Task Force 50 contributed to Commission-wide initiatives on data protection, ensuring that the Commission leads by example in respecting data protection principles, while preparing for the new Regulation on Data Protection in the EU institutions (Reg. 2018/1725). This Regulation brought data protection rules for EU institutions in line with the standards imposed by the GDPR and entered into force on 11 December 2018.

In June 2018, to ensure compliance with new data protection standards, Task Force 50 appointed a data protection coordinator, with the task to assist Senior Management with all matters related to the protection of personal data and to identify and assist controllers in complying with their legal obligations.

Last but not least, in 2018, to fulfil its data protection obligations, Task Force 50:

- *Assessed its own compliance with the general principles, as laid down in Art. 4 of Reg. 2018/1725, in particular as regards lawfulness, data minimisation and storage limitation;*
- *Established an inventory of data processing operations, creating records for each of the two operations under the Task Force's control (the newsletter sent by email and the maintenance of the stakeholder's meetings database). Furthermore, information on both data processing operations was made publicly available through the corporate tool used for this purpose, maintained by the Commission's Data Protection Officer;*
- *Compiled complete and easy-to-read privacy statements making them available online and via email; Liaised with the European Commission's Data Protection Officer and the other DGs and services Data Protection Coordinators to ensure consistency in the application of data protection rules within the institution.*

Finally, financial fraud risks appeared to be limited and mitigated as the budget of Task Force 50 was closely monitored by the SG and DG BUDG.

Selected list of security measures for TF50

Mandatory for all staff

- Security clearance
- EUCI authorisation briefing delivered by DG HR/DS
- Specific security briefing delivered by DG HR/DS.3

Infrastructure

- Restricted zone: security doors with badge and finger print

Informatics

- Encrypted disk (LanEncrypt)
- Account RUE and SECEM, personal printer not connected to the network
- BASIS: specifically modified for the Task Force (deployed after DG HR/DS agreement Ares(2017)2973768)

Others

- Meetings with stakeholders registered in the Transparency Register, reports registered in EMT

# DECLARATION OF ASSURANCE

*I, the undersigned,*

*Chief Negotiator and Director-General of Task Force Article 50*

*In my capacity as authorising officer by delegation*

*Declare that the information contained in this report gives a true and fair view<sup>19</sup>.*

*State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

*This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment and ex-post controls.*

*Confirm that I am not aware of anything not reported here which could harm the interests of the institution.*

*Place Brussels, 12.04.2019*

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*[Signed]*

*Michel Barnier*

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<sup>19</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.