

# Negotiations on the UK's withdrawal from the EU

## Monitoring Report

10 December 2020



The Senedd and

BREXIT

The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the Senedd's website:  
**[www.senedd.wales](http://www.senedd.wales)**

Copies of this document can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

**Welsh Parliament**  
**Cardiff Bay**  
**CF99 1SN**

Tel: **0300 200 7571**  
Email: **[lucy.valsamidis@senedd.wales](mailto:lucy.valsamidis@senedd.wales)**  
Twitter: **[@SeneddResearch](https://twitter.com/SeneddResearch)**  
Blog: **[SeneddResearch.blog](http://SeneddResearch.blog)**

---

© Senedd Commission Copyright 2020

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading or derogatory context. The material must be acknowledged as copyright of the Senedd Commission and the title of the document specified.

# **Negotiations on the UK's withdrawal from the EU**

## Monitoring Report

10 December 2020

---

**Authors:**

Lucy Valsamidis, Sara Moran and Rhun Davies



# Contents

<b>1. Introduction .....</b>	<b>1</b>
1.1 Summary of developments.....	1
<b>2. UK-EU developments.....</b>	<b>3</b>
2. 1. EU27 Member States.....	3
2. 2. EU Commission President: latest statements .....	4
2. 3. Withdrawal Agreement implementation .....	4
<b>3. Developments at UK level .....</b>	<b>7</b>
3. 1. UK Internal Market Bill and Taxation (Post Transition Arrangements) Bill.....	7
3. 2. Other legislation .....	7
3. 3. Intergovernmental relations and common frameworks	8
3. 4. Preparedness.....	9
3. 5. International trade negotiations.....	10
3. 6. Funding.....	11
3. 7. EU settlement scheme.....	11

---

**4. Developments in Wales.....12**

4. 1. UK Internal Market Bill .....12

4. 2. EU negotiations .....12

4. 3. International trade negotiations .....12

4. 4. Preparedness .....13

4. 5. Funding .....15

4. 6. Legislation .....15

# 1. Introduction

## 1.1. Summary of developments

**The UK-EU future relationship** negotiations are believed to be in their final stages, with an outcome expected in the coming days. Three persistent areas of divergence remain - the level playing field, fisheries and governance, described as 'critical' by the Prime Minister and EU Commission President, Ursula von der Leyen. Following a series of discussions between the two leaders, including a face-to-face meeting in Brussels on 9 December, both agreed that their respective positions 'remain far apart.' They also agreed that negotiations should continue until the end of the weekend of 12-13 December, when they will come to a decision. The positions and priorities of individual EU Member States have also emerged in recent weeks, summarised in this report. Meanwhile, the implementation of the Withdrawal Agreement continues, with a meeting between the co-chairs of the UK-EU Joint Committee, also on 7 December. The parties have reached agreement in principle on all issues, including the Ireland-Northern Ireland Protocol, following the launch of infringement proceedings against the UK by the EU.

**At UK level,** the House of Commons voted to reinsert contentious clauses on devolution into the Internal Market Bill and ping pong continued. The UK Government agreed to remove contentious clauses on the Ireland and Northern Ireland Protocol. The UK Government was reported to be considering a future relationship Bill to implement any agreement with the EU. Brexit legislation continued to progress through Parliament, with the Fisheries Bill granted Royal Assent. Two more provisional common frameworks were provided for scrutiny. The UK Government announced plans for its Shared Prosperity Fund in the spending review and said more detail would follow in the spring. The Public Accounts Committee raised concerns that borders and businesses were not ready for the end of the transition period. The Government published guidance on trade to and from Northern Ireland for the end of the transition period, but not all guidance was finalised. The UK Government continued to roll over trade agreements for the end of the transition period and announced transparency and scrutiny plans for future free trade agreements.

**In Wales,** the Welsh Government recommended that the Senedd not consent to the Internal Market Bill and the Senedd voted to refuse consent. The Minister for European Transition said he continued to call for a UK-EU agreement. The Minister for Economy and Transport set out plans for managing disruption at the port of Holyhead in January. Sites at Warrington and Birmingham were considered for

interim checks on vehicles arriving at Holyhead. The Welsh Government reported on the UK-Japan agreement and said it would support affected businesses if the UK did not roll over trade agreements by the end of the year. The Welsh Government called on the UK Government to deliver funding for their proposed Regional Investment Fund.

## 2. UK-EU developments

Negotiations are believed to be in their final stages, with an **outcome expected** following the end of the weekend of 12-13 December. Three persistent areas of divergence remain - the level playing field, fisheries and governance.

On 4 December, both Chief Negotiators tweeted a **joint statement** that explained how:

After one week of intense negotiations in London, (...) we agreed today that the conditions for an agreement are not met, due to significant divergences on level playing field, governance and fisheries.

We agreed to pause the talks in order to brief our Principals on the state of play of the negotiations. President von der Leyen and Prime Minister Johnson will discuss the state of play tomorrow afternoon.

On 5 December, both leaders issued a **joint statement**, stating that they:

[W]elcomed the fact that progress has been achieved in many areas. Nevertheless, significant differences remain on three critical issues: level playing field, governance and fisheries. Both sides underlined that no agreement is feasible if these issues are not resolved.

Whilst recognising the seriousness of these differences, we agreed that a further effort should be undertaken by our negotiating teams to assess whether they can be resolved.

We are therefore instructing our chief negotiators to reconvene tomorrow in Brussels.

We will speak again on Monday evening.

The following Monday evening, 7 December, both **leaders agreed** that the conditions for finalising an agreement were 'not there' and confirmed that they had requested an overview of the remaining differences from the Chief Negotiators ahead of an in-person meeting in Brussels.

At the in-person meeting on 9 December, both **leaders agreed** that their respective positions 'remain far apart' and that negotiations should resume until the weekend of 12-13 December, when a decision will be made.

### 2.1. EU27 Member States

Meanwhile, reports suggest that divergences between the EU27 have emerged, **following reports** that France is prepared to veto an agreement whilst Germany is reiterating its intention to negotiate until the last moment. Ireland's Foreign Affairs Minister, Simon Coveney, was quoted **by the Guardian** as saying that a



deal is more likely than not, whilst **Euronews reported** that Spain is focused on maintaining an open border with Gibraltar.

EU Member States **have also requested** to have sight of any draft agreement before it is agreed by EU Chief Negotiator, Michel Barnier. According to **Politico**, Mr Barnier has told EU Ambassadors that the EU's focus will shift to EU contingency planning, in the event of no further clarity in the negotiations. The European Commission published **contingency proposals** on 10 December.

The leaders will next meet at the **EU Council meeting** on 10-11 December, although UK-EU matters are not on the official agenda.

## 2.2. EU Commission President: latest statements

On 2 December, the EU Commission President, Ursula von der Leyen, was **quoted in the Guardian** as saying that 'we want an agreement, but not at any price. We are well prepared for both scenarios so we will see in the next days how things turn out.'

On 25 November, she **had addressed** the European Parliament, where she stated that:

I cannot tell you today, if in the end there will be a deal.

There has been genuine progress on a number of important questions: on law enforcement and judicial cooperation; on social security coordination. And also on goods, services and transport we now have the outline of a possible final text. In these areas there are still some important issues to agree, but they should be manageable.

However, there are still three issues that can make the difference between a deal and no deal. (...) Significant difficulties remain on the question how we can secure – now and over time – our common high standards on labour and social rights, the environment, climate change and tax transparency.

The address was reported in European media outlets as dampening hopes for an agreement, including by Germany's **Süddeutsche Zeitung**.

## 2.3. Withdrawal Agreement implementation

A meeting of the UK-EU Joint Committee's co-Chairs took place on 7 December to discuss the implementation of the Withdrawal Agreement, including the Ireland-Northern Ireland Protocol. Following the meeting, a **joint statement** announced that agreement had been reached in principle on 'all issues', including the Ireland-Northern Ireland Protocol. Specific mention was given to:

- Border Control Posts/Entry Points specifically for checks on animals, plants and derived products,
- export declarations;
- medicines supply;
- 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.

Agreement was also reached regarding the decisions the Joint Committee has to take before 1 January 2021. These are:

- ◆ 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
- ◆ The correction of errors and omissions in Annex 2 of the Protocol.

A fifth meeting of the Joint Committee will take place in the coming days, where the agreement will be formally adopted.

## UK Internal Market Bill

In light of the above agreement, the UK Government confirmed that it would withdraw clauses 44, 45 and 47 of the UK Internal Market Bill and committed to not introducing similar provisions in its Taxation Bill.

### Background

---

In **a statement** issued on 7 December, the UK Government had set out proposals on the potential use of clauses in its Internal Market Bill, should a solution to the ongoing discussions be found in the Joint Committee. The UK Government proposed that it would:

- ◆ Remove clause 44, concerning export declarations and other exit procedures; and
- ◆ 'Deactivate' clauses 45 and 47, so that they are only used when consistent with the UK's rights and obligations under international law.

Clauses 44, 45 and 47 are summarised below:

Clause 44 provides a Minister with regulation making powers in relation to the procedures or other formalities applying to goods, when moving from Northern Ireland to Great Britain, whether these procedures are set out in the Northern Ireland Protocol or otherwise. The regulation making powers may disapply or modify the application of such procedures, or may state or restate whether a procedure applies or not.

Clause 45 of the Bill relates to Article 10 of the Ireland-Northern Ireland Protocol on state aid. Clause 45 provides that the Secretary of State may disapply or modify the effect of Article 10, and may make provision about the interpretation of Article 10.

Clause 47 expressly provides that the powers available to Ministers under clauses 44 and 45 and any regulations made under them, are to be regarded as having effect notwithstanding any incompatibility or inconsistency with “relevant international or domestic law”, including any provision of the Northern Ireland Protocol, any other provisions of the UK-EU Withdrawal Agreement or any other legislation specified, including EU law, international law and any order, judgment or decision of any court or tribunal (clause 47(8)).

The clauses contained further measures, which are summarised in [Senedd Research's Bill briefing](#).

More detail on the progress of the Bill can be found below in section 3.1.

## 3. Developments at UK level

### 3.1. UK Internal Market Bill

Following agreement in the Joint Committee on 8 December, the **UK Government agreed** in principle to withdraw clauses 44, 45 and 47 of the **UK Internal Market Bill** on the Ireland and Northern Ireland Protocol.

At report stage, the Lords voted against the Government to make a number of amendments to the Bill, including to:

- stop the market access principles from applying to regulatory requirements giving effect to any decision to diverge from harmonised rules that have been agreed through the common frameworks process;
- remove powers for UK Ministers in Parts 1 to 3, or require them to seek the consent of the devolved governments;
- enable each of the devolved governments to appoint a member to the Board of the Competition and Markets Authority;
- remove the power for the Secretary of State to provide financial assistance; and
- remove the reservation of subsidy control (state aid) to Westminster.

The Government also made amendments to the Bill, including to require UK Ministers to consult, report on and review their exercise of delegated powers in the Bill. The House of Commons disagreed to the non-government amendments made by the Lords and the Bill is now undergoing ping pong between the Lords and the Commons.

### 3.2. Other legislation

#### Future Relationship Bill trailed

---

**The Times reported** on 21 November that the UK Government is preparing a future relationship bill to implement any agreement between the UK and EU. The UK chief negotiator Lord David Frost had previously said that any agreement was likely to require primary legislation.

#### Within devolved competence

---

The **Fisheries Bill** completed its passage through Parliament and was granted

---

Royal Assent on 23 November.

The House of Lords considered the **Trade Bill** at report stage on 7 December. The Government proposed an amendment to the Bill to establish the Trade and Agriculture Commission. The Lords also voted against the Government to make amendments to the Bill, including on the laying of draft negotiating objectives before Parliament.

One of the purposes of the Trade Bill is to establish a UK Trade Remedies Authority. On 30 November, the **UK Government announced** the appointment of Oliver Griffiths as the permanent chief executive of the Trade Remedies Authority from the end of the transition period.

The House of Commons completed scrutiny of the **Environment Bill** at committee stage on 26 November. The date for report stage is yet to be announced.

### Outside devolved competence

---

The **Taxation (Post-transition Period) Bill** was introduced on 8 December. This makes provision on customs, VAT and excise for the implementation of the Ireland and Northern Ireland Protocol.

The **Private International Law (Implementation of Agreements) Bill** completed its passage through Parliament and is awaiting Royal Assent. The **Financial Services Bill** and **Medicines and Medical Devices Bill** continue their passage through Parliament.

## 3.3. Intergovernmental relations and common frameworks

The **Joint Ministerial Committee (European Negotiations) met** on 3 December. In a statement, the **Minister for European Transition said** that he had reiterated the Welsh Government's 'wholehearted commitment' to the Intergovernmental Relations Review and that it was agreed to intensify work. He said that he had argued that the JMC(EN) should continue to meet until the review was complete and it was likely they would meet again before Christmas.

On common frameworks, he said:

I also re-emphasised the damaging impact on the Common Frameworks of the UK Internal Market Bill, which is before Parliament and urged the UK Government to take very seriously the significant

amendments that had been made in the House of Lords to the Bill. I also flagged our concerns on a number of specific Frameworks, including those on the Mutual Recognition of Professional Qualifications (MRPQ), Services, and the Emissions Trading Scheme.

The provisional frameworks for **food and feed safety and hygiene** and **hazardous substances (planning)** were published for scrutiny. The **External Affairs and Additional Legislation Committee** took evidence from the Minister for Mental Health, Wellbeing and the Welsh Language, Eluned Morgan MS, on the **nutrition-related compositional standards** framework on 10 December.

### 3.4. Preparedness

#### Ports and borders

---

The House of Commons **Public Accounts Committee reported** on UK Government preparedness for the end of the transition period. The Committee said it remained 'extremely concerned' about the risk of serious disruption and delay at the short Channel crossings. It warned that new border systems including the Goods Vehicle Movement Services were still in the testing phase, not enough customs officials had been recruited, and the UK Government had not provided businesses with sufficient guidance on preparing for new customs procedures.

#### Business and citizens

---

The Public Accounts Committee said that the UK Government was 'not doing enough to ensure businesses and citizens will be ready for the end of the transition period'. It recommended that the government 'maximise all remaining opportunities' for preparing businesses and citizens before January and ensure continued support for after the end of the transition period.

#### Ireland and Northern Ireland Protocol

---

In November, the Northern Ireland Executive Agriculture Minister, **Edwin Poots** **MLA confirmed** that facilities for checks at ports in Northern Ireland would not be complete by the end of the year. He said:

The development of the facilities will not be completed until the middle part of next year in terms of the programme that has been paid for by the UK Government

They have given some money for the development of temporary facilities which will be available for the middle of December and consequently there will be facilities available for veterinarians in place at the various ports.

Following agreement in principle in the Joint Committee and the introduction of the Taxation (Post-transition period) Bill, the **Chancellor of the Duchy of Lancaster made a statement** on the implementation of the Protocol on 9 December.

The **UK Government published guidance** for traders on moving goods in and out of Northern Ireland from 1 January on 7 December. This states that guidance will be published 'imminently' or 'as soon as possible' across a range of issues, including moving goods under transit, moving commercial and personal goods in baggage, and moving cash.

### Economy

---

The **Office for Budget Responsibility** set out an overview of the economic and fiscal outlook at the end of November. This presented three different scenarios for the development of the coronavirus pandemic:

In the upside scenario, output eventually returns to its pre-virus trajectory, but output is left permanently scarred by the pandemic in the other two scenarios, by 3 and 6 per cent respectively. All three assume a smooth transition to a free-trade agreement with the EU in the new year.

The OBR also presented a scenario in which there was no UK-EU future relationship agreement. It said that:

This would further reduce output by 2 per cent initially and by 1½ per cent at the forecast horizon.

## 3.5. International trade negotiations

### UK-Japan Agreement

---

The UK-Japan Agreement was debated in the House of Commons under the Constitutional Reform and Governance Act 2005 scrutiny process on 25 November. The **House of Commons International Trade Committee reported** on the agreement on 18 November. The Committee welcomed the signing of the agreement and said that '[w]hile the differences between CEPA and JEEPA may not be as extensive as claimed, there are notable exceptions, particularly the provisions on digital and data, and financial services'.

### Negotiations with the US, Australia and New Zealand

---

In a statement on 7 December, the **International Trade Secretary Liz Truss MP**

---

**set out plans** for transparency and scrutiny for the Government's intended trade agreements with the US, Australia and New Zealand and accession to the CPTPP. She said that the UK Government would keep Parliament and the public informed of negotiations by publishing 'round reports', provide relevant UK Parliament committees with treaty texts in confidence before they were laid, and aim to accommodate requests from the committees for debates.

### Continuity Negotiations and Coordination Programme (formerly referred to as the Trade Agreement Continuity Programme)

---

The UK Government has signed or agreed in principle 26 roll-over agreements with 55 countries, which was worth £170 billion of UK bilateral trade (exports and imports) in 2019. Negotiations are still ongoing with 13 countries, including Singapore, Turkey, Vietnam and Mexico. The UK Government website shows the **progress made in rolling over these EU agreements.**

## 3.6. Funding

In the Spending Review on 25 November, the **UK Government announced** that its Shared Prosperity Fund to replace EU funding would focus on 'places most in need cross the UK' and 'people most in need through bespoke employment and skills programmes'. It said that more information would be set out in 'a UK-wide investment framework' in the spring. The UK Government intends to use the financial assistance power in the Internal Market Bill to deliver the fund.

## 3.7. EU settlement scheme

Quarterly statistics for **applications to the EU settlement scheme** to the end of September were published.

The House of Commons Justice Committee endorsed the **appointment of Sir Ashley Fox to be Chair of the Independent Monitoring Authority** on the UK's implementation of the citizens' rights parts of the Withdrawal Agreement. The **Independent Monitoring Authority** comes into operation from the end of the transition period and is based in Swansea.



## 4. Developments in Wales

### 4.1. UK Internal Market Bill

The Senedd debated whether to grant consent to the UK Internal Market Bill on 8 and 9 December. The Senedd **voted 36 to 15** to withhold consent.

The Welsh Government published a **Supplementary Legislative Consent Memorandum** on 3 December. The Memorandum lists the amendments made to the Bill during its passage through the House of Commons and House of Lords that the UK Government believes require the consent of the Senedd. It states that:

Our view on the unnecessary and damaging nature of this Bill has not changed.

The Welsh Government says that even if House of Lords amendments were retained, the UK Parliament would need to amend the Bill to remove its status as a protected enactment – that cannot be modified by the devolved legislatures – for it to be able to recommend consent.

### 4.2. EU negotiations

In his statement on the meeting of the Joint Ministerial Committee (European Negotiations) on 3 December, **the Minister for European Transition said that he had:**

re-iterate[d] our call for the UK Government to redouble its efforts to secure a comprehensive trade deal and our disappointment that the Devolved Governments have not had the meaningful involvement in these negotiations we had the right to expect

### 4.3. International trade negotiations

#### UK-Japan FTA

---

In a **written statement updating Members on developments in international negotiations** on 3 November, the Minister for European Transition welcomed the signing of the UK-Japan agreement. The Welsh Government subsequently **published a report** on the agreement. This provides a summary of the impact of the agreement on key sectors in Wales.

Members were provided with a **report completed by the UK Trade Policy Observatory** on the UK-Japan agreement on 19 November.

---

## Trade continuity agreements

---

The continuity agreements the UK Government is seeking to roll-over account for nearly £5.9 billion, and 16 per cent of Wales' total trade (exports and imports) in goods in 2019. The continuity trade agreements signed or agreed in principle to date will provide continuity for over £3.83 billion of bilateral trade in goods for Wales, and over 65 per cent of the value of trade with countries the UK Government set out to secure agreements with. This means that nearly £2.06 billion of total trade between Wales and non-EU countries could take place on WTO terms from 1 January 2021 (with some exceptions for trade with developing countries), unless new agreements are in place by the end of the transition period.

In his **evidence to the Committee on 5 November**, the Minister for European Transition stated that in the event that any continuity agreements are not rolled-over before the end of the transition period, the Welsh Government through its export teams will quickly contact businesses that are most exposed in order to provide support.

The **Minister for European Transition welcomed** the UK-Canada FTA in a statement on 30 November, saying that it would 'ensure current trading arrangements continue with minimal changes'.

### 4.4. Preparedness

#### Welsh Government

---

The Welsh Government published its **End of Transition Plan** on 11 November. The **Auditor General for Wales wrote to the Committee** on the issue of preparations for the end of Brexit transition on 17 November. The letter states that the Welsh Government has identified more than £50 million of activity to be delivered as part of its End of Transition Action Plan that is not yet funded.

In his statement on the meeting of the Joint Ministerial Committee (European Negotiations) on 3 December, the **Minister for European Transition said** that he had:

pressed for further assurance on matters such as the supply of critical goods, the prospect of a data adequacy agreement and macro-economic measures needed, if no agreement were to be reached

In a statement on 3 December, the **Health Minister Vaughan Gething said** that there was 'as high a level of assurance on the continuity of medicines and medical products supplies as reasonably possible' ahead of the end of the transition period.

---

### Ports and borders

---

The Minister for Economy and Transport issued a **written statement on 7 December** outlining Welsh Government contingency plans for disruption at the Port of Holyhead in preparation for the end of the transition period. The plan is aimed at mitigating the potential impact of delays for hauliers travelling to Ireland when the EU applies new border controls on UK traffic on 1 January 2021.

The UK Government's **Border Operating Model** has identified the need for two new inland sites in Wales in order to handle new border formalities. The **BBC quoted a spokesperson from the HMRC on 2 December** who stated that the UK Government was in discussions with the Welsh Government and Roadking in order to purchase a site near Holyhead for use as an Inland Clearance location. It is not clear whether a site has been identified for south-west Wales.

In his evidence to the **Economy, Infrastructure and Skills Committee on 25 November**, the Minister for Economy, Transport and North Wales, Ken Skates MS confirmed that sites in Warrington and Birmingham are being considered as interim sites for checks on goods arriving at Holyhead. In his letter to the Committee, the Auditor General states that the delivery of the two new inland sites in Wales on time will be challenging.

**Danish ferry operator DFDS has announced** that it will begin a new ferry route between Rosslare and Dunkirk from 1 January, to offer 'lorries and their drivers direct and paperless transport between EU countries.' This will allow hauliers travelling to Northern France to bypass Great Britain and ports in south-west Wales.

### Business preparedness

---

The **Economy Minister Ken Skates MS wrote** to businesses in Wales on 11 November, asking them to take action for the end of the transition period, including:

- checking if they need a licence to import or export goods or if there will be changes to labelling and marking standards;
- ensuring the correct commodity codes are being used;
- ensuring Intercoms (standardised terms in contracts for responsibility for goods during transit) are negotiated at contract stage; and

- for businesses moving goods between Great Britain and Northern Ireland, signing up for the Trader Support Service.

The Senedd's **CCERA Committee took evidence** from representatives of the agriculture, fisheries and environment sectors on the end of the transition period and the coronavirus pandemic on 26 November.

## 4.5. Funding

On 18 November, the **Minister for European Transition** said the Welsh Government was 'ready to re-start' a programme of regional investment for funding after the end of the transition period. He called on the UK Government to 'deliver on their long-promised funding, so that we can deliver new investments early next year' The UK Government intends to use the financial assistance power in the Internal Market Bill to spend money in devolved areas.

## 4.6. Legislation

In response to a question in Plenary on 24 November, the **Minister for European Transition said:**

We don't yet know what the outcome will be of the negotiations between the UK Government and the European Commission, obviously, but if that concludes in a deal, there will probably be the need for implementing legislation, and that will quite possibly—probably, I would suggest—require the Senedd's consent if it deals with matters that are otherwise devolved.

In his statement on the meeting of the Joint Ministerial Committee (European Negotiations) on 3 December, the **Minister for European Transition said** that he had 'pressed the UK Government to share a draft of any legislation that would be needed to bring a Treaty into effect with the Devolved Governments at the earliest opportunity.'

The Senedd's **Legislation, Justice and Constitution Committee** continued to consider Welsh and UK Government secondary legislation for the end of the transition period.