Department for International Trade Chief Trade Negotiation Adviser & Second Permanent Secretary

Department for International Trade 3 Whitehall Place London SW1A 2AH

T +44 (0)20 7215 5000

E <u>secondperm.sec@trade.gov.uk</u> W www.gov.<u>uk/dit</u>

21st December 2020

Dear Mr Eivind Dale,

I am writing to you on behalf of the Department for International Trade to set out for your Ministry and stakeholders how the UK will enable personal data for general processing to flow freely on a transitional basis.

The UK highly values its strong trading relationship with Norway. We have a shared ambition for a new high-quality comprehensive Free Trade Agreement (FTA), to come into effect in 2021. We have made excellent progress in our negotiations, which the UK is committed to continuing.

The 1st January 2021 marks the end of the process of transition of the UK-EU relationship. From the 1st January 2021 the UK will regain control of its own laws and its own trade. This will mean that there will be changes to how UK businesses interact with the EU single market, and by extension Norway, as Norway is a participant of the EU single market through the European Economic Area Agreement.

The vast majority of these changes will take place regardless of the agreement we reach with the European Union on our future trade relationship, because the UK will be leaving the single market and customs union, regaining its political and economic independence.

As the FTA will not come into force between our countries from 1 January 2021, it is prudent to put in place necessary mitigations to ensure continuity in trade at the end of the year whilst negotiations continue. Primarily, the UK, Iceland and Norway will be able to continue trade in goods through the interim continuity agreement, signed on 8 December in London.

In addition, the UK has legislated so that personal data for general processing can flow freely, on a transitional basis, from the UK to the EEA States after the end of the transition period. As required by UK law, we will review the 'adequacy' of these arrangements within four years of them coming into effect (i.e. by 31 December 2024) taking into account any relevant developments.

As concerns personal data transfers from the EEA to the UK, the UK is currently in talks with the European Commission to secure adequacy decisions by the end of 2020, and the process is moving forward. From 1 January 2021, EEA organisations may be required to put in place alternative transfer mechanisms to ensure that data can continue to legally flow from the EEA to the UK.

This letter confirms that this treatment will also be extended to Norway, due to their membership of the European Economic Area.

The UK welcomes reciprocation of this treatment from Norway where possible, considering Norway's requirement to align to EU regulation.

This letter does not constitute a legally binding agreement. The UK and Norway will communicate any changes to existing and future processes.

The UK will work towards future arrangements with Norway to secure a high quality, comprehensive FTA, to come into force in 2021.

Yours sincerely,

OFFICIAL

Woufilions Z

CRAWFORD FALCONER

Chief Trade Negotiation Adviser & Second Permanent Secretary Department for International Trade