



Joint minutes of the second meeting of the Specialised Committee on Regulatory Cooperation under the Agreement between the United Kingdom of Great Britain and Northern Ireland and Japan for a Comprehensive Economic Partnership

London and Tokyo (Hybrid meeting via Video Conference), 10th December 2024.

The UK hosted the second meeting of the Committee on Regulatory Cooperation ('the Committee') under the Agreement between the United Kingdom of Great Britain and Northern Ireland and Japan for a Comprehensive Economic Partnership ('the Agreement') on 10th December 2024 in London and via video-conference connecting Tokyo.

Japan's participants from the Ministry of Foreign Affairs (MOFA), the Ministry of Economy, Trade and Industry (METI), the Cabinet Secretariat, and the Embassy of Japan in London, as well as the UK's participants from the Department for Business and Trade (DBT), Department for Science, Innovation and Technology (DSIT), His Majesty's Treasury (HMT) and the Foreign, Commonwealth and Development Office (FCDO) at the British Embassy Tokyo had a fruitful exchange of views on matters related to Chapter 18 of the Agreement (Good Regulatory Practices and Regulatory Cooperation).

The enclosed meeting agenda was adopted (cf. attachment)

Updates on implementation of the Good Regulatory Practice articles in the Agreement & promoting trade through reducing regulatory burdens on business

Japan presented on the challenges and action plans at national, regional and company level as set out in the 'Regulatory Reform Implementation Plan' which was decided by the Cabinet in June 2024.

The UK summarised reforms to the 'Better Regulation Framework' which came into full effect in September 2024. These reforms aim to promote consideration of alternatives to regulation, earlier and more holistic scrutiny of regulatory proposals, and a greater focus on monitoring and evaluation.

Both sides confirmed that regulatory reform is a key lever for realising economic growth.

Thematic Discussions of Regulatory Issues of Interest

a. Small and Medium-sized Enterprises (SMEs) in Regulation for Growth

The UK set out the requirement for policymakers to consider the impacts on small and micro businesses, as well as on medium-sized businesses, when developing regulations.

Japan presented on regulation relaxation and project support measures for SMEs which are included in the 'Act on Strengthening a Framework for Regional Growth and Development by Promoting Regional Economy Advancement Projects.'

Both sides recognised the importance of SMEs, which make up the majority of businesses in both the UK and Japan.

b. A Delicate Balance: Nurturing Innovation and Delivering Regulatory Protection

The UK provided an overview of its approach to delivering a regulatory environment which balances enabling innovation with ensuring public safety. This covered the Regulatory Horizons Council, the upcoming Delicate Balance report and the newly launched Regulatory Innovation Office.

Japan presented on its Regulatory Sandbox (New Technology Testing Programme), which enables new technologies to be tested without being restricted by existing regulations by limiting the duration, participants, and location.

The UK expressed an interest in continuing to deepen policy discussions on specific regulation for innovation topics ahead of the next Regulatory Cooperation Committee (to be hosted by Japan).

c. Discussion on other regulation

The UK and Japan discussed the UK's preparations for the implementation of the EU's Carbon Border Adjustment Mechanism (CBAM) and the UK's intention to implement its own CBAM by 2027. The UK explained that it has been proactively engaging with businesses and noted the value of information-sharing such as the publication of clear guidance.



UK-Japan Comprehensive Economic Partnership Agreement

2nd Meeting of the Committee on Regulatory Cooperation

London

Agenda

- 1. Welcome and short opening remarks**
- 2. Approval of the agenda of the second meeting of the Committee on Regulatory Cooperation**
- 3. Updates on implementation of the Good Regulatory Practice articles in the UK-Japan Comprehensive Economic Partnership & promoting trade through reducing regulatory burden on business**
- 4. Thematic Discussions of Regulatory Issues of Interest**
 - a. SMEs in Regulation for Growth.
 - b. A Delicate Balance: Nurturing Innovation and Delivering Regulatory Protection.
 - c. Discussion on other regulation.
- 5. Calendar of forthcoming meetings of the Committee on Regulatory Cooperation**
- 6. Any Other Business**
- 7. Closing remarks**