Department for Exiting the European Union

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Dear Lord Kinnoull,

Thank you for your letter of 22 October in response to mine of 11 October on the subject of international agreements with third countries. As you'll appreciate, I'm writing this letter against a backdrop of ongoing Government discussions with the EU, but I was keen to provide a timely response as requested.

As you know, good progress has been made to ensure continuity in our relationships with third countries as we leave the EU. This includes:

- Concluding all agreements necessary to maintain the UK's civil nuclear trade after EU Exit.
- Signing 18 trade continuity agreements with 48 countries that account for around £109bn of UK trade.
- Preserving the UK's status as one of the world's leading aviation hubs, ensuring continuity arrangements are in place with third countries, including new bilateral agreements with the US and Canada.
- Delivering certainty for citizens by signing citizens' rights agreements with the EEA EFTA states (Norway, Iceland and Liechtenstein) and Switzerland, allowing UK, EEA EFTA and Swiss nationals living in each other's countries to continue living their lives broadly as they do now in both a deal or no deal scenario.

In light of the European Union agreeing to a further extension to the Article 50 period to 31 January 2020, Departments will reassess their delivery plans for transitioning agreements. I should also highlight that in this scenario the existing agreements would continue to apply and the bilateral, successor agreements would not be brought into force until 31 January 2020 if we were to then exit with a Deal.

In the event of a No Deal scenario, the Department for International Trade and others have been working to maintain continuity for our current trade agreements as far as possible. Where a successor agreement is not concluded, provisional application (PA) could be used to bring the agreement into effect. This would ensure continuity of trade flows from the day we leave the EU until the agreement is brought into force.

Moreover, UK businesses that trade with countries where there is no continuity agreement in place can continue to trade under World Trade Organization (WTO) rules and, with certain third countries, existing bilateral agreements will continue to operate.

Additionally, a small group of countries would qualify for the Transitional Protection Measure (TPM) if the UK were to leave the EU without a deal. The TPM temporarily maintains duty-free market access to the UK for 18 months for eligible lower-middle income countries which meet certain criteria related to their development, financial and trade needs. We expect Kenya, Ghana, Cameroon and Côte d'Ivoire would be eligible for the measure. We also remain committed to finalising free trade agreements to secure ongoing duty-free access as appropriate.

Departments will continue to lay further agreements subject to parliamentary scrutiny under the Constitutional Reform and Governance (CRaG) Act, and I will continue to keep you updated on the programme and direction of this important programme of work.

I trust this answers the points you raised, and I would also like to take this opportunity to thank you and your Committee for your ongoing constructive engagement on this matter.

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