

European Scrutiny Committee

House of Commons London SW1A 0AA

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From: Sir William Cash MP

11 May 2022

Rt Hon. Greg Hands MP
Minister for Energy, Clean Growth and Climate Change
Department for Business, Energy & Industrial Strategy
1 Victoria Street
London SW1H 0ET

10871/21: Proposal for a Regulation establishing a carbon border adjustment mechanism (41916)

We considered your letter of 16 March 2022 on the above proposal at our meeting of 11 May 2022.

We note that meetings have taken place between UK and EU officials on the implications for the UK of the proposed EU Carbon Border Adjustment Mechanism (CBAM).

While we accept that you may not be in a position at this stage to communicate more about any engagement between the UK and EU on this proposal, we encourage you to maintain dialogue and we would welcome an update in the autumn, including any further analysis that you have undertaken on the implications for the UK. By that stage, we hope that the progress of negotiations at the EU level ought to be clearer and you may have a greater sense of when decisions relevant to the UK are likely to be taken, including the delegated legislation to which you referred in your letter. We trust that you may also be able to tell us more about the progress of discussions in relation to the possible application of the Regulation to Northern Ireland under the terms of the Protocol.

I am copying this letter to Darren Jones MP, Chair of the Business, Energy and Industrial Strategy Committee and Rebecca Davies, Clerk of that Committee; to Rt Hon. Philip Dunne MP, Chair of the Environmental Audit Committee and Martyn Atkins, Clerk of that Committee; to Angus Brendan MacNeil MP, Chair of the International Trade Committee and Eligio Cerval-Peña, Clerk of that Committee; to Simon Hoare MP, Chair of the Northern Ireland Affairs Committee and Stephen Habberley, Clerk of that Committee;

to Rt Hon. Mel Stride MP, Chair of the Treasury Committee and Kenneth Fox, Clerk to that Committee; to Lord Kinnoull, Chair of the House of Lords European Affairs Committee, and to Nick Boorer, that Committee's Clerk; to the Parliamentary Scrutiny team in your Department; and to Les Saunders in the Cabinet Office.

CHAIR