

European Scrutiny Committee

House of Commons, London, SW1A 0AA

Tel (020) 7219 3292 Email escom@parliament.uk Website www.parliament.uk/escom

From: Sir William Cash MP

8 October 2020

Ranil Jayawardena MP
Parliamentary Under-Secretary
Department for International Trade
King Charles Street
London SW1A 2AH

Proposed Council Decisions to amend rules of origin in trade agreements between the EU and PEM partner countries (COM(20) 389-98, 406, 412-19 and 425-6) (ESC numbers 41480-41500)

The European Scrutiny Committee has considered your [Explanatory Memorandum of 17 September 2020](#) on proposals for a series of Council Decisions to amend the rules of origin and associated administrative procedures in the EU's bilateral agreements with 19 of its trading partners who are also parties to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin ("the PEM Convention").

The changes proposed replicate those we considered earlier in the year when examining a separate Council Decision to amend the PEM Convention itself.¹ As we indicated then, we are content with the substance of the changes proposed but maintain a keen interest in the Convention itself and the EU's efforts to align and simplify rules of origin in its bilateral agreements with trading partners.

In May, the Government informed us that it intended to take a decision on UK participation in the PEM Convention "later this year", once it had concluded "the wide range of analysis currently being undertaken", and said that it was considering "a wide range of factors [...] including the importance of global supply chains which involve third countries that do not participate in the Convention".²

¹ See our Fourth Report HC 229-ii (2019-21) [chapter 9](#) (23 April 2020) and our Ninth Report HC 229-vi (2019-21) [chapter 3](#) (21 May 2020).

² See the [letter of 5 May 2020](#) from the Minister for Trade Policy (Rt Hon. Greg Hands MP).

As there are now only three months until the end of the post-exit transition period and the process for acceding to the PEM Convention is likely to take some time, we reiterate our earlier request for details of the outcome of your analysis and the factors informing the Government's decision on participation.

You recognise in your Explanatory Memorandum that the proposed Council Decisions would “affect the substance of EU law that will remain in effect under the Northern Ireland Protocol”. We ask you to clarify the legal and practical implications of applying the PEM Convention itself, or the updated rules of origin agreed with some PEM countries, in one part of the UK customs territory (Northern Ireland) but not the rest.

We look forward to receiving your response by the end of October.

We are copying this letter to the Chair (Simon Hoare MP) and Clerk (Nick Beech) of the Northern Ireland Affairs Committee; the Chair (Angus MacNeil MP) and Clerk (Joanna Welham) of the International Trade Committee; the Chair (Rt Hon Hilary Benn MP) and Clerk (Gordon Clarke) of the Committee on the Future Relationship with the European Union; the Chair (the Earl of Kinnoull) and Clerk (Stuart Stoner) of the EU Select Committee in the House of Lords; Edwina Osborne and Stephen Booth, your Departmental Scrutiny Coordinators; and Les Saunders and Donald Harris in the Cabinet Office.

CHAIR