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The Rt Hon Lord Benyon  
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Sir William Cash MP  
Chair  
European Scrutiny Committee  
14 Tothill Street  
House of Commons  
London  
SW1H 9NB

09 November 2022

Dear Sir William,

**EM 14151/21: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE MAKING AVAILABLE ON THE UNION MARKET AS WELL AS EXPORT FROM THE UNION OF CERTAIN COMMODITIES AND PRODUCTS ASSOCIATED WITH DEFORESTATION AND FOREST DEGRADATION AND REPEALING REGULATION (EU) NO 995/2010 (AND ADD 1-7)**

Thank you for your correspondence of 7 September 2022, requesting further information on how the European Union's proposed deforestation regulation applies to Northern Ireland. I am replying as the Minister responsible for the policy area.

Analysis of the European Union's proposed regulation, in respect of its applicability in Northern Ireland and its interaction with the United Kingdom's Environment Act, as well as on the potential for regulatory divergence between Northern Ireland and the rest of the United Kingdom, is still on-going.

The European Union's proposal is progressing through the European Union's co-legislators, and as such the existing draft of the proposal will be subject to amendments before being finalised. As you may be aware, a number of amendments have already been suggested, including amending the scope of the legislation, altering some of the key definitions.

The European Union's proposed regulation is being analysed both in terms of its legal basis (i.e. whether it can be interpreted as an amendment or replacement of the existing EU Timber Regulations) as well as its substance, including the potential burden on operators and any impacts on trade flows, both East-West and North-South. This will enable HM Government to fully assess the implications of the European Union's proposed legislation across the whole of the United Kingdom.

HM Government's view is that the draft Regulation goes well beyond the European Union's Timber Regulation which currently applies in Northern Ireland by virtue of the Protocol because it includes a broader range of agricultural commodities in addition to timber and timber products and introduces changes to the range of businesses that are in scope of the new act, in addition to creating new obligations for those businesses.



By comparison, the United Kingdom's Environment Act will make it illegal for larger businesses operating in the United Kingdom to use key forest risk commodities produced on land illegally occupied or used. Businesses in scope will also be required to undertake a due diligence exercise on their supply chains, and to report on this exercise annually. To ensure transparency, information about businesses' due diligence exercises will be published. Businesses in scope that do not comply with these requirements may be subject to fines and other civil sanctions. HM Government will publish its approach to secondary legislation under the United Kingdom's Environment Act at the earliest opportunity.

HM Government continues to formally engage with the European Union to outline our concerns with the European Union's current proposals, both in terms of the proposed legal basis and of the potential impact on Northern Ireland businesses and end-consumers. This includes through the Joint Consultative Working Group which is the formal basis for dialogue on upcoming European Union legislation. We also continue to draw on the Amsterdam Declarations Partnership (ADP) as the key forum to hear updates on European Union legislation from ADP countries involved in the process, alongside our colleagues in the United Kingdom's Mission to the European Union (UKMIS) based in Brussels.

We will share further analysis in due course.

I am copying this letter to Darren Jones MP, Chair of the Business, Energy and Industrial Strategy Committee and Kenneth Fox, Clerk of the Committee; Rt Hon. Sir Robert Goodwill MP, Chair of the Environment, Food and Rural Affairs Committee and Ben Williams, Clerk of the Committee; Philip Dunne MP, Chair of the Environmental Audit Committee and Martyn Atkins, Clerk of the Committee; Simon Hoare MP, Chair of the Northern Ireland Affairs Committee and Stephen Habberley, Clerk of the Committee; the Earl of Kinnoull, Chair of the European Affairs Committee in the House of Lords and Nick Boorer, Clerk of the Committee; the Defra Scrutiny Co-ordinator; and Les Saunders in the Foreign, Commonwealth and Development Office.

Yours sincerely,



**THE RT HON LORD BENYON**