

## **Government response to the Northern Ireland Protocol Sub-Committee Report**

1. The Government welcomes the Committee's report of 25 July 2023 on the Windsor Framework and is grateful to the Committee and to those who have provided evidence.
2. The Government has considered the evidence, findings and recommendations carefully and its responses to the issues raised in the report are set out below. Responses have been provided to the Committee's conclusions and recommendations, grouping them as appropriate. The Windsor Framework has already delivered immediate benefits for Northern Ireland, such as inclusion in UK-wide VAT changes and removal of a range of burdens on business, including SMEs. The core green lane arrangements, which will provide a fundamentally different basis for internal UK trade and remove unnecessary paperwork and checks for goods moving within the UK, will take effect soon. While the agreement provides a new basis for future stability and prosperity in Northern Ireland, the full benefits of the Framework - including the new Stormont Brake - require the power sharing institutions to be restored so that they can play their part. The Government remains committed to maximising the benefits of the Framework and upholding Northern Ireland's integral place in the United Kingdom.

### **The overall impact of the Windsor Framework**

**In their overall assessment of the Windsor Framework, business, Northern Ireland experts and stakeholders have stressed:**

- **The Windsor Framework is an improvement on the Protocol as originally agreed, in particular for large retailers who are able to use the green lane, although some checks on the movement of goods between Great Britain and Northern Ireland remain.**
- **An agreement negotiated between the UK and the EU is welcome, and paves the way for improved UK-EU relations.**
- **Nevertheless, in important respects, and in particular for the non-retail sector, the Windsor Framework will be more burdensome than the Protocol as it has operated to date with various grace periods and derogations.**
- **There was significant concern over the lack of clarity about the Windsor Framework's operation in the weeks after its publication, against the backdrop of tight deadlines for implementation.**
- **The Windsor Framework remains politically divisive in terms of its impact on Northern Ireland's relationship with the rest of the UK, Ireland, and the EU.**

**We address each of these issues in the remainder of this report. (Paragraph 39)**  
**Our witnesses have also described the technical and legal complexity of the Windsor Framework, and the multiple documents and legal texts that form part of it. They have also noted the confusion that may arise from the difference in emphasis between the UK and EU in their descriptions of some of the Windsor Framework's provisions. (Paragraph 40)**

3. The Government is grateful to the Committee for producing this report. We welcome the recognition that the Windsor Framework has provided an agreed, consensual basis for progress in Northern Ireland, including opening a new chapter in UK-EU relations. We welcome too the recognition of the progress it represents. We also note the feedback from stakeholders that underlined the importance of restoring the Northern Ireland Executive and Assembly as part of taking advantage of these new arrangements.
4. The Government shares that assessment. We are clear that the Windsor Framework is the best deal for Northern Ireland, restoring the smooth flow of goods with Great Britain and protecting its place in the Union. It provides a fundamentally different basis for critical internal UK trade, streamlining processes, lifting unnecessary prohibitions and providing a durable, sustainable basis for the future. It safeguards Northern Ireland's place in the Union, including through a commitment to ensure unfettered access for NI traders to the rest of the UK market. And it does so on the basis of a set of joint UK-EU solutions to move past the difficulties that have arisen in operating the old Protocol. That is why we have been working intensively since the deal was agreed to give it effect, both through immediate changes, such as the VAT changes already delivered; and those that are due to take effect in the coming months, such as core elements of the new green lane. However to deliver the full range of its benefits we do need to see a Northern Ireland Executive and Assembly up and running, to play their part in overseeing these new arrangements and ensuring they operate in the interests of people and communities in Northern Ireland. That is now our priority and what the people of Northern Ireland want and need to see.
5. In response to the Committee's overall assessment of the Framework, the Government is clear that the Windsor Framework is a far better solution than the temporary grace periods. Some of the assertions in the report arose from misunderstandings of the operation of the Framework, as we set out below, and we have corrected a number of factual inaccuracies. However as an overarching point, in any case there is no comparison between the previous arrangements and those under the Framework. The previous set of grace periods and fixes were no more than temporary arrangements that were the subject of dispute, including in legal proceedings with the EU. They solely applied EU rules and standards. And they did not cover all aspects of trade (there were no substantive easements for customs freight, for example). To compare just a few aspects:
  - a. All changes to EU rules on goods applied automatically in Northern Ireland, with no say at all for Stormont during the grace periods. The Windsor Framework provides a powerful democratic safeguard for the Northern Ireland Assembly through the Stormont Brake.
  - b. Grace periods meant all food had to meet EU standards. This had already led to supermarkets withdrawing some products. The Windsor Framework means UK food and drink safety standards apply in the green lane. It also removes the need for every British sausage, seasoned lamb joint and other chilled meats to have a vet-signed certificate to move to Northern Ireland in the grace periods.
  - c. No new businesses could apply to benefit from the grace periods for agrifood retail products - excluding a range of smaller businesses and new firms from the benefits of the grace period facilitations. The Windsor Framework allows

- any company moving prepacked agrifood products for the final consumer in Northern Ireland to qualify at any time.
- d. Seed potatoes and high-risk trees from Great Britain were banned completely in Northern Ireland during the grace periods. The Windsor Framework lifts the ban on seed potatoes, and has lifted prohibitions on commercially important plant species.
  - e. Every single plant going to garden centres in Northern Ireland needed a £150 phytosanitary certificate to move under the grace periods. The Windsor Framework means that those movements will now be on the basis of the UK-wide plant passport regime, with a simple plant health label.
  - f. The European Medicines Agency had full control over all new UK cancer drugs and other innovative medicines in Northern Ireland during the grace periods. The Windsor Framework removes any role for the EMA and puts UK authorities in full control.
  - g. The original Protocol required full international customs processes for all trucks, even where goods were staying in Northern Ireland. The Windsor Framework will replace those processes with a system based on the sharing of ordinary commercial information.
  - h. The Government was bound to collect 'equivalent information' to an export declaration for the movement of goods from Northern Ireland to Great Britain. The Windsor Framework removes this requirement and confirms the Government's commitment to ensuring unfettered access for NI goods to the whole UK market.
  - i. The grace periods excluded a range of processing businesses from the limited tariff easements on offer. The Windsor Framework quadruples the commercial processing turnover threshold, meaning four-fifths of relevant businesses in Northern Ireland are in scope automatically.
  - j. Under the grace periods, there was no means to refund tariffs wrongly paid if a good was moved 'at risk' but later stayed in Northern Ireland. The Windsor Framework has allowed the Government to quickly bring forward a tariff reimbursement scheme.
  - k. Various restrictions under EU rules precluded UK-wide VAT changes taking effect, whereas since June we have also introduced SIs to bring Northern Ireland into line with the rest of the UK with regard to VAT – for instance on second hand cars and energy-saving materials like solar panels.
6. It is for these and many other reasons that we are unequivocal in our view of the Framework as the right way forward for Northern Ireland. The response that follows underlines our view that it is critical to embed these arrangements and ensure they can be the basis for the prosperity and stability of Northern Ireland in the future. The remaining democratic deficit in Northern Ireland now stems from the lack of local, democratically elected institutions, which also means that the Stormont Brake cannot come into effect. We would welcome further engagement and scrutiny from the Committee on the effect of the lack of a Northern Ireland Executive and Assembly on the operation of the Windsor Framework and more broadly.

***Recommendation 1: It is incumbent on the UK and EU together to publish a comprehensive summary of the Windsor Framework's provisions, including the***

***consolidated text of the original Protocol as amended by the Windsor Framework. (Paragraph 40)***

7. The legal text agreed in 2019<sup>1</sup> and the full set of provisions<sup>2</sup> agreed under the Windsor Framework are already published in full on gov.uk. The Government has summarised these in its Command Paper of February 2023<sup>3</sup>, as well as publishing a range of further guidance<sup>4</sup> which explains how these provisions will operate in practice. This covers:
  - a. The new UK Internal Market Scheme;
  - b. The new Duty Reimbursement Scheme;
  - c. The expanded Customs Duty Waiver Scheme;
  - d. The Trader Support Service;
  - e. Arrangements for sending parcels between Great Britain and Northern Ireland;
  - f. The new Northern Ireland Retail Movement Scheme;
  - g. Arrangements for the safeguarded supply of medicines to Northern Ireland; and
  - h. The pragmatic application of subsidy control rules in Northern Ireland.
  
8. The UK will continue to ensure that the requirements of the Framework are clear and accessible, and work with businesses (and other stakeholders) to ensure that they are fully informed.

**The movement of goods**

**Business representatives and other stakeholders have stressed that the Windsor Framework's provisions in relation to the movement of goods are an improvement on the Protocol as originally designed. In particular, the green lane mechanism (including the increase in the business turnover threshold to £2 million and the ability of businesses based in Great Britain to participate in the UK Internal Market Scheme for trusted traders) will benefit a range of retail businesses, including larger retailers and some SMEs. (Paragraph 67)**

**The new regime for agri-food retail trade in order to maintain supermarket supply chains, including for chilled meats, has also been welcomed. This has engendered optimism that the EU will be willing to show a flexible approach to the operation of these new mechanisms as practical issues emerge in their operation. (Paragraph 68)**

**However, other retailers not able to meet the green lane's requirements, as well as meat for processing, live poultry, dairy, agri-intermediate goods and grain for animal consumption, goods for manufacturing, and goods where there is any uncertainty over the end destination, are likely to move via the red lane. Stakeholders also argued that for many businesses the movement of goods is likely to be more burdensome than the**

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<sup>1</sup><https://www.gov.uk/government/publications/new-protocol-on-irelandnorthern-ireland-and-political-declaration>

<sup>2</sup><https://www.gov.uk/government/publications/the-windsor-framework>

<sup>3</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/113898/9/The\\_Windsor\\_Framework\\_a\\_new\\_way\\_forward.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/113898/9/The_Windsor_Framework_a_new_way_forward.pdf)

<sup>4</sup> <https://www.gov.uk/government/collections/the-windsor-framework-further-detail-and-publications>

**Protocol as it has operated to date, with the various grace periods and easements in place. (Paragraph 69)**

***Recommendation 2: We invite the Government to respond to these concerns over the limited scope of the green lane, and to set out potential solutions to the problems that businesses have highlighted. (Paragraph 69)***

9. We welcome the fact that the Committee recognises that the Windsor Framework constitutes an improvement on the old Protocol and that the report highlights the benefits of the new Green Lane.
  
10. However, the Government disagrees with the assertion by a limited number of stakeholders that the movement of goods through the Green Lane will be more burdensome than the old Protocol as it has operated to date. There are several important clarifications to underline in that regard, as set out above:
  - a. The Windsor Framework is a permanent agreement, providing stability and security for the future. Unlike the grace periods, which were always a temporary fix. This gives businesses greater certainty regarding the arrangements - some businesses did not take advantage of the grace periods precisely because of the lack of legal certainty and their unilateral nature.
  - b. The Green Lane allows many more traders to benefit than was the case under the grace periods. From 30 September 2023, the new UK Internal Market Scheme will expand the range of businesses able to benefit from the new arrangements and protect internal UK movements from burdensome customs processes. For example, as identified in the report, it will be open to traders based anywhere in the UK. There is also the quadrupled turnover threshold for businesses involved in commercial processing to £2m. It is important to note that this threshold is only relevant for goods moved for commercial processing. Where businesses are moving other goods, or where goods are moved for processing under sectoral exemptions, there is no upper limit on turnover to benefit from the green lane.
  - c. Moreover, many more traders will be able to access the Green Lane when moving agrifood goods as compared under the existing Scheme for Temporary Agri-food movements (STAMNI). The new Northern Ireland Retail Movement Scheme (NIRMS) is open to all traders moving agrifood goods for the final consumer in Northern Ireland. This includes retailers, wholesalers, caterers, and those providing food to public and religious institutions - many of whom will be moving goods for multiple retailers across complex distribution networks. The number of traders who will benefit is far broader than under the existing grace periods.
  - d. Goods moving under the green lane will be able to utilise a comprehensive set of benefits which are not available under the current grace periods. With regard to the movement of agri-food retail goods, the green lane allows goods made to UK standards, not just EU standards, to move. It also further streamlines paperwork and process, removes bans on products like seed potatoes, and provides a durable, sustainable basis for the future.
  - e. Moreover, from 30 September 2024, UKIMS traders moving standard goods destined for Northern Ireland will benefit from being able to provide a

significantly reduced data set that draws on typically held commercial information, will not face a requirement to complete a detailed supplementary declaration, and will not be subject to routine customs checks or controls of any kind. Details of the reduced information requirements have been published on gov.uk and further information will be available in good time before implementation.

- f. Finally, even for those goods which are moving via the red lane, the Government has introduced a series of benefits which will ensure that businesses are in no worse position than when moving goods GB-NI under current arrangements. These are:
  - i. The Duty Reimbursement Scheme - this will allow traders to make a claim for repayment for goods on which EU duty was paid but where they can show that these did not enter the EU market.
  - ii. Customs Duty Waiver Scheme - traders are able to claim a customs duty waiver to remove EU duty on 'at risk' goods within their de minimis state aid allowance. To further enhance this benefit, the Government will in January increase the three-year allowance available from €200,000 to €275,000, in addition to introducing the recent easement of creating a new one stop digital platform as of 3 July.
  - iii. Ongoing support from the Trader Support Service (TSS) -TSS is available to traders regardless of whether goods are moved into Northern Ireland via the green lane or the red lane. The TSS is free-to-use and offers comprehensive education and training, and will be able to submit declarations on behalf of traders. Between January 2021 and December 2022, the TSS has processed more than 2.29 million declarations on behalf of traders, providing a valuable resource for those seeking to move goods destined to the EU.
- g. The report fails to acknowledge that there were in fact no substantive grace periods or easements in place for freight to ease movements for customs purposes since 2021. Therefore all of the elements above represent steps forward, and we do not recognise any suggestion that there are additional customs burdens.

11. As to the application for agrifood companies beyond the retail sector, as we have said since the Framework was agreed, this has reflected many views from the sectors concerned about the nature of their supply chains and business models, many of which - particularly in dairy or meat - are highly integrated on the island of Ireland. The Windsor Framework protects those supply chains while also supporting internal UK trade, maintaining a unique set of dual market access provisions for Northern Ireland businesses.

12. We should also take the opportunity to address the concerns that have been raised that mixed load lorries are somehow entirely subject to requirements of the red lane. That is not the case. Instead, as we have set out in public guidance, the parts of a consignment eligible for green lane treatment will benefit from the use of the single certificate for SPS purposes, the application of UK food safety standards and be free from any tariffs as internal UK trade.

**We also note concerns that the ability of retailers based in Great Britain to use the green lane to supply the Northern Ireland market could place Northern Ireland businesses, which still need to comply with EU rules for goods, at a competitive disadvantage in their own market (Paragraph 70)**

***Recommendation 3: We invite the Government to set out how it will address this issue. (Paragraph 70)***

13. The ability of retailers based in Great Britain to use the green lane does not place Northern Ireland businesses at a disadvantage. The green lane arrangements simply restore the smooth flow of trade within the UK internal market and thus protect Northern Ireland's place within it. Northern Ireland traders will continue to have access to the whole United Kingdom market, access that will be protected in law now and in the future.
14. As for Northern Ireland manufacturers, the arrangements in the Windsor Framework also ensure that they have full access to the EU market as well, a unique and full set of unfettered access arrangements for Northern Ireland businesses to the UK market. Furthermore as we set out in the Command Paper, this argument does not reflect the fact that there are many areas of goods rules where no international or EU standards apply - in retail sectors such as jewellery, clothes, homeware and footwear. These arrangements also protect important sectors in Northern Ireland such as dairy and meat processing, as above, and are consistent with existing devolution arrangements which mean it is entirely possible to have different standards across the UK (as accommodated through the market access principles of the UK Internal Market Act 2020).

**Our witnesses consistently called for urgent clarification regarding the operation of the new framework for movement of goods, against the backdrop of the initial new processes both for the Windsor Framework, and the Border Target Operating Model applying from October 2023. On 9 June the Government published further detailed guidance on many of these issues. We will engage with business representatives in the autumn to ascertain to what extent this guidance addresses their concerns. (Paragraph 71)**

***Recommendation 4: We invite the Government in its response to this report to summarise the new guidance around the operation of the new framework for movement of goods, and to outline the timetable for further guidance to follow. (Paragraph 71)***

15. The Government published a substantial package of guidance in June and July across a range of issues which have addressed these recommendations.
16. HMRC have published guidance covering how, from 30 September 2023, traders can use the expanded UK Internal Market Scheme (UKIMS) to declare their goods as "not at risk" of entering the EU. Recognising the interest of businesses in receiving advanced notice of other customs arrangements, the Government also published policy papers on: parcels, the Duty Reimbursement Scheme, the Customs Duty Waiver Scheme, as well as additional detail on the customs green lane. These can be found

on gov.uk<sup>5</sup>. Since this guidance was published we have intensified our efforts to engage directly with businesses as well as via the Trader Support Service. To support businesses in transitioning to the Windsor Framework, the TSS has produced and hosted two webinars and answered over 1,600 separate questions from businesses. Further guidance on the Green Lane will be released with sufficient notice ahead of full implementation in September 2024, giving traders plenty of time to prepare.

17. The Department for Environment, Food and Rural Affairs (DEFRA) also published a number of pieces of guidance on gov.uk on 9 June relating to the movement of agrifood goods. This has included guidance for businesses on labelling<sup>6</sup> and a policy paper covering the Northern Ireland Retail Movement Scheme<sup>7</sup>. This was supplemented by further guidance we published on 28 July on the Northern Ireland Retail Movement Scheme<sup>8</sup> and on the movement of groupage loads<sup>9</sup>.
18. In addition to the Windsor Framework, the Border Target Operating Model re-confirms that Northern Ireland businesses will continue to benefit from unfettered access when moving goods to Great Britain. Further to the published model Northern Ireland traders moving Qualifying Northern Ireland Goods will not face any barriers when moving goods to Great Britain either directly from Northern Ireland or indirectly via Ireland, except in limited circumstances such as when the goods being moved are endangered species. The final Border Target Operating Model was published on 29 August.

**Business representatives expressed concern that the Windsor Framework does not address issues with groupage and mixed loads, and that those moving multiple products from multiple consumers may be compelled to use the red lane, even if only a small minority of such products are destined for the EU. (Paragraph 72)**

***Recommendation 5: We invite the Government to clarify how the Windsor Framework's provisions will impact upon groupage and the movement of mixed loads, and what steps are being taken to address the concerns of businesses affected. (Paragraph 72)***

19. The Windsor Framework delivers significant benefits for operators who move groupage consignments and mixed loads. The provisions of the Framework mean businesses following these business practices will still benefit from the removal of burdensome paperwork and reduction in checks offered by the Framework. The Government continues to work with hauliers to ensure arrangements under the Windsor Framework work as intended in the context of groupage and mixed loads.

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<sup>5</sup><https://www.gov.uk/government/collections/the-windsor-framework-further-detail-and-publications#moving-goods-from-great-britain-to-northern-ireland>

<sup>6</sup><https://www.gov.uk/guidance/labelling-requirements-for-certain-products-moving-from-great-britain-to-retail-premises-in-northern-ireland-under-the-retail-movement-scheme>

<sup>7</sup> <https://www.gov.uk/government/publications/retail-movement-scheme-how-the-scheme-will-work>

<sup>8</sup><https://www.gov.uk/guidance/northern-ireland-retail-movement-scheme-how-to-register-and-seal-consignments>

<sup>9</sup><https://www.gov.uk/guidance/northern-ireland-retail-movement-scheme-groupage-and-mixed-load-consignments>

20. The green and red lanes are virtual lanes for customs purposes, with separate underlying electronic processes. Red lane and green lane consignments can therefore be moved in the same vehicle without requiring physical segregation under customs arrangements. This means that hauliers will not have to alter their logistical arrangements when moving standard green and red lane goods together.
21. Mixed loads which contain agri-food goods are permitted under the Northern Ireland Retail Movement Scheme (NIRMS) and all eligible goods can benefit from the advantages it offers.
22. This means, as set out in guidance published on 28 July, that while a lorry as a whole would not benefit from the full facilitations under the NIRMS, the subsection of goods which are compliant with NIRMS requirements will still benefit, for example, from moving under a general certificate, rather than requiring numerous veterinary or plant health officer signed certificates for all individual products, as well as the ability to move under the relevant UK standards that scheme applies where applicable. For example, chilled meats could move in mixed loads where the relevant consignment within the truck was moving under NIRMS.
23. It will be a commercial decision for traders and hauliers as to how they move goods. This will be no different in principle to how hauliers make decisions on whether to operate groupage loads at present.

**Business representatives also drew attention to a number of other outstanding or uncertain issues, including the movement of livestock from Northern Ireland to Great Britain and back, retagging of animals, and the movement of halal and kosher meat, as well as “ritual items” to Northern Ireland. We invite the Government to clarify how each of these issues is being addressed. (Paragraph 73)**

***Recommendation 6: We invite the Government to clarify how it is addressing the outstanding or uncertain issues raised by business representatives about the movement of goods. (Paragraph 73)***

24. On the movement of livestock, a number of facilitations have previously been agreed with the Commission to address the major obstacles to these movements. These include:
  - a. The removal of the six-month residency requirement for NI livestock attending shows in Great Britain at approved assembly centres and returning to Northern Ireland; and
  - b. The introduction of Scrapie Qualifying Status enabling movement of breeding sheep and goats from Great Britain to Northern Ireland, provided they meet the requirements of the Scrapie Monitoring Scheme without the need for a three-year qualification process.
25. Following more recent discussions, the EU has allowed a derogation from the requirement for livestock moving GB-NI to be tagged with the ‘GB’ ISO code. This enables animals to move under their existing ‘UK’ code.

26. We are aware that challenges remain in some areas in relation to the movement of livestock and other live animals, where work is continuing. And to that end we note that the Windsor Framework underlines the focus for the future on dialogue and cooperation between the EU and UK on issues arising.
27. Turning to the movement of halal and kosher meat, it is important to note that these goods are eligible to benefit from the new Northern Ireland Retail Movement Scheme which scraps the costly individual, vet signed certification requirements of the Northern Ireland Protocol and replaces them with a single general certificate per lorry. All traders moving agrifood goods for the final consumer in Northern Ireland can become members of the scheme, including retailers, wholesalers, caterers, and those providing food to public and religious institutions.

**We endorse the calls from business representatives for the Government to enhance its efforts to inform and educate businesses not only in Northern Ireland, but particularly in Great Britain, regarding the new arrangements for movement of goods between Great Britain and Northern Ireland. (Paragraph 74)**

***Recommendation 7: We invite the Government to clarify how it will inform and educate business in Northern Ireland and Great Britain regarding the new arrangements for movement of goods. (Paragraph 74)***

28. Since the Windsor Framework was agreed in February 2023, the Government has carried out an extensive programme of business engagement. This has included detailed engagement with business representative organisations and individual businesses in Northern Ireland and Great Britain, through meetings, webinars and workshops. This engagement is ongoing and intensifying and will continue until after the Green Lane is fully operational in September 2024 and as necessary thereafter.
29. The Government has also published detailed guidance for businesses on the Windsor Framework, including a range of guidance and policy papers in June and July. This covers:
  - a. Applying for authorisation for the UK Internal Market Scheme if you bring goods into Northern Ireland
  - b. Applying to claim a repayment or remission of import duty on 'at risk' goods brought into Northern Ireland
  - c. Northern Ireland Retail Movement Scheme: how to register and seal consignments
  - d. Northern Ireland Retail Movement Scheme: groupage and mixed load consignments
  - e. Labelling requirements for certain products moving from Great Britain to retail premises in Northern Ireland under the Northern Ireland Retail Movement Scheme
  - f. Labelling and packaging of medicinal products for human use following agreement of the Windsor Framework
  - g. The scope and application of Article 10 of the Windsor Framework
  - h. Policy papers relating to:
    - i. Northern Ireland Retail Movement Scheme: how the scheme will work

- ii. The green lane for customs purposes
- iii. Parcels
- iv. Duty Reimbursement Scheme
- v. Customs Duty Waiver Scheme

30. This guidance will be updated and added to regularly as elements of the Windsor Framework are implemented. To support public guidance, the Government has also engaged in a comprehensive programme of engagement directly with affected businesses.

31. In addition, the Government continues to fund the Trader Support Service (TSS) and the Movement Assistance Scheme (MAS). A key part of the TSS's role is to inform and educate businesses. To support businesses in transitioning to the Windsor Framework, the TSS have produced and hosted two webinars and answered over 1,600 separate questions from businesses.

**Business representatives expressed significant concern about the lack of guidance around labelling requirements as the October 2023 deadline for the first phase of the Retail Movement Scheme approached. While we welcome the publication of guidance on 9 June, the amount of time for businesses to adapt their systems is now limited. We will seek feedback from business representatives in the autumn on their preparations for the new requirements. (Paragraph 85)**

***Recommendation 8: We invite the Government in its response to this report to summarise the new guidance around labelling requirements, and to outline the timetable for any further guidance to follow. We also invite the Government to set out how it will support businesses in adapting to these changes. (Paragraph 85)***

**The Government has stated that its decision to adopt a UK-wide labelling scheme was in part to underpin Northern Ireland's position within the UK. Yet the first phase of the Retail Movement Scheme will be limited in scope to relevant goods moving to Northern Ireland through the green lane. (Paragraph 86)**

***Recommendation 9: We invite the Government to set out what assessment it has made of the implications of the staggered introduction of labelling requirements for Northern Ireland's place within the UK internal market. We also invite the Government to provide clarity on the timetable for consultation and introducing legislation on subsequent phases of the Retail Movement Scheme applying across the UK as a whole. (Paragraph 86)***

32. As set out in Windsor Framework and subsequent labelling guidance<sup>10</sup>, from 1 October 2023, there will be new, proportionate labelling arrangements for moving goods through the Northern Ireland Retail Movement Scheme, to ensure that goods are not moved onwards into the EU. These include arrangements concerning individual products, the containers in which they are moved, and appropriate signage in retail

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<sup>10</sup><https://www.gov.uk/guidance/labelling-requirements-for-certain-products-moving-from-great-britain-to-retail-premises-in-northern-ireland-under-the-retail-movement-scheme>

premises in Northern Ireland. Box labels and retail premises signage will only ever be applied to goods moving to Northern Ireland under the Northern Ireland Retail Movement Scheme, and do not apply in cases where goods are individually labelled.

33. The first tranche of product-level labelling for October 2023 is for a narrow category of goods (such as meat and some dairy), and the 'Not for EU' labelling requirement can be met by businesses in many ways, such as by over-stickering.
34. We recognise that there will already be products on the market in Northern Ireland when each new phase comes into effect. There is therefore a formal 30-day transition period at the start of each phase. We also recognise the importance of working with businesses to ensure that the critical flow of retail goods is maintained as businesses adapt to these new arrangements. There is intensive work and engagement underway to this end, and we are grateful for the constructive spirit in which this work is proceeding. As to specific business support, the Government will provide financial support to businesses to meet the October 2023 labelling requirements. The support will be retrospective, and further details will be announced in due course.
35. As to the future requirements for labelling, as noted in the June and July guidance, it is intended that this is applied across the UK, and we will set out more details of next steps in due course. As the Foreign Secretary set out in his evidence to the Committee, these measures are designed to protect Northern Ireland's place in the UK market by avoiding barriers for supplying the NI market.

**Business representatives are supportive of the solution for Tariff Rate Quotas for certain categories of steel. However, we note their concerns about the impact of UK and EU quotas on movements to Northern Ireland of other categories of steel. We also note their calls for solutions on access to Tariff Rate Quotas for grain imported to Northern Ireland to ensure price competitiveness. While welcoming the EU and UK's commitment to continued dialogue on Tariff Rate Quotas, we stress the need for swift progress to resolving these issues, including through substantive consultation with business representatives.**

36. The arrangements on TRQs under the Windsor Framework mean that UK businesses will have the certainty that they can move steel into Northern Ireland. This includes continuing to move other categories of steel under the same arrangements as have applied previously to support those movements, in addition to securing new quotas for categories 7 and 17, which protect internal UK movements from unfair tariffs.
37. The UK and EU have also agreed a forward process on TRQs to address similar issues with other commodities, including other categories of steel and other goods subject to TRQs, to ensure that Northern Ireland businesses have fair access to TRQs where these are causing issues. Discussions between the UK and EU are ongoing and both sides are committed to working towards joint solutions, whilst ensuring business representatives are consulted throughout this process. There has been constructive engagement in this regard so far and we can update further on this work as it proceeds.

**Business representatives have broadly welcomed the Windsor Framework’s provisions on parcels, in particular for consumer-to-consumer and business-to-consumer movements and have expressed optimism that they will help ensure that Great Britain-based firms are willing to supply the Northern Ireland market. While the provisions are less burdensome than the Protocol as originally conceived, they represent an increase in customs processes for business movements compared to the Protocol as it has operated to date, in particular for business-to-business movements where suppliers are not trusted traders. (Paragraph 99)**

**Business representatives also sought further clarity and guidance, as well as an education and communication strategy, ahead of the introduction of the new systems on 30 September 2024. We note the Government’s publication of further guidance on 9 June 2023, and we will seek feedback from business representatives in the autumn on the extent to which this addresses their concerns. (Paragraph 100)**

***Recommendation 10: We invite the Government in its response to this report to summarise this new guidance on parcels, and to outline the timetable for further guidance to follow. In so doing, we invite the Government to provide clarity on data sets and commodity information requirements, legal liability, and on the operation of the Authorised Carrier Scheme. (Paragraph 100)***

38. We welcome the Committee’s recognition of the step forward that these new arrangements represent. They safeguard deliveries between consumers on an ongoing basis, ensuring that they continue as they do today. They also support the critical flow of e-commerce movements, avoiding new information requirements for customs declarations, pre-notification, presentation of goods to customs authorities and the range of burdensome requirements that applied under the old Protocol. This will ensure that NI citizens continue to be able to receive parcels from the UK and EU without burdens. As we explicitly set out at the time of the Framework, business-to-business parcel movements will be treated in line with equivalent freight movements and will be able to move using the green lane where eligible, ensuring that international customs processes are not required while avoiding any perverse incentives for commercial movements.

39. The information on the new parcels arrangements published on 9 June 2023 sets out the system for parcels movements from Great Britain to Northern Ireland from 30 September 2024. Under the new arrangements, as noted above for parcels moved by or to consumers there will be no customs declarations. For these movements authorised carriers will simply provide commercial information to HMRC based on data they already hold or have received from the sender, such as the recipient of the parcel and the value of the goods. The datasets containing this commercial information will be sent in batches by authorised carriers to monitor risks to the EU Market. In addition, the published guidance on freight movements<sup>11</sup> sets out the data fields required when a parcel is sent between businesses. This includes data which is commonly found on the sales invoice, such as the value of the goods and data found in commercial

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<sup>11</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1162131/The\\_Green\\_Lane.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1162131/The_Green_Lane.pdf)

documentation, such as the transport document. In addition, it includes data which can be provided by an intermediary.

40. We are engaging intensively with parcel carriers and other businesses on the arrangements for parcels and the requirements for the new authorisation for carriers. Further guidance on parcel movements will be issued during September 2023, and there will be an ongoing programme of work with operators as they get ready for these new arrangements.

**The farming and horticultural sectors have welcomed the easements for plants, seeds, machinery and trees as far as they go. However, they also pointed out that the movement from Great Britain to Northern Ireland for planting of a large number of species, including several of key importance to the ecosystem, remains prohibited, and called for the process for approvals to be expedited. We also note concerns that plants and trees will only be available via registered operators such as garden centres, and not via online shopping.( Paragraph 107)**

***Recommendation 11: We invite the Government to confirm whether plants and trees will only be available via registered operators, and to set out how it will address concerns that many important species remain prohibited. We also invite the Government to provide an update on the mechanism for removal of the ban on 11 further species by the next planting season, and to set out how the process for such approvals can be expedited. (Paragraph 107)***

41. The Windsor Framework arrangements will enable authorised operators, such as growers and garden centres, to use the Northern Ireland Plant Health label (NIPHL) to move products to Northern Ireland. Like the UK plant passport scheme, the NIPHL scheme makes sure checks for pests and diseases are carried out, while allowing these goods to move without EU phytosanitary certification. We will continue to support businesses in adapting to the new arrangements, including through a programme of engagement with retailers and trade organisations.
42. Government officials have worked closely with stakeholders to identify 11 plant species that are deemed to be the highest priority for approval. Since the signing of the Windsor Framework, Defra in collaboration with industry have responded to 21 requests from EFSA for additional information on dossiers subject to the Framework agreement. Since February eight dossiers have been approved with the ban on movement lifted on:
  - a. privet (ligustrum)
  - b. hawthorn (crataegus monogyna),
  - c. apple (malus domestica),
  - d. crab apple (malus sylvestris), and
  - e. four species of maple (Acer platanoides, Acer palmatum, Acer pseudoplatanus, and Acer campestre).
43. Another 3 dossiers covering english oak (quercus robur), sessile oak (quercus petraea) and beech (fagus sylvatica) are going through the process, with votes due imminently.

## **Human and veterinary medicines, and movement of pets**

The pharmaceutical industry has strongly welcomed the Windsor Framework's provisions on human medicines, arguing that they provide sustainable solutions to the problems with medicine supply to Northern Ireland. Industry has welcomed in particular the approval and licensing of products on a UK-wide basis by the Medicines and Healthcare products Regulatory Agency (MHRA), provision for the same packaging and labelling requirements across the UK, and the disapplication of the Falsified Medicines Directive in Northern Ireland. Witnesses stressed the need for further information on the operational requirements of the new arrangements. We welcome the further clarification as set out in the Government's announcement of 9 June, and look forward to further clarification in the months ahead. (Paragraph 116)

***Recommendation 12: We invite the Government to intensify its engagement with stakeholders as the pharmaceutical industry prepares for the commencement of the new measures on 1 January 2025. We also invite the Government to respond to the calls from industry representatives for clarity over labelling requirements, safety features, the supply of medical devices and concerns that Northern Ireland may get slower access to cutting-edge products than Ireland. (Paragraph 116)***

44. As the Committee notes, industry has strongly welcomed the comprehensive medicines solution that the Windsor Framework has delivered, helping to ensure that patients can access the same medicines, on the same basis right across the UK. This fully addresses the significant concerns that were being voiced by industry, clinicians and patient groups about medium-term issues prior to the agreement.
45. In respect of engagement with industry, the government published detailed technical guidance on 28 July 2023 on labelling, packaging and safety features under the Windsor Framework. Further guidance on a UK-wide licensing regime and transition will be published soon. The government continues to work closely with industry, as it has done prior to the Windsor Framework agreement and since, including through regular meetings with trade associations to discuss the approach to implementation. A second public webinar on the Windsor Framework is planned for the autumn.
46. The Government does not have concerns over the supply of medical devices to Northern Ireland, which remains stable. We continue to monitor any potential issues closely, including the pace of access to new products, and will take action as required to ensure supply. Under the Windsor Framework, new joint forums – including the Joint Consultative Working Group's structured group on goods and the Special Goods Body – have been established, providing a mechanism to discuss and resolve regulatory issues as they arise.
47. In respect of concerns about access to cutting-edge medicines in Northern Ireland, the Windsor Framework will enable the implementation of a UK-wide licensing scheme for medicines, including in Northern Ireland. By working with partners across the UK health ecosystem, the MHRA will create faster, risk-proportionate, regulatory pathways.

These will support innovation and create a compelling reason for companies to introduce new medicines that support health priorities, deliver for diverse patient groups and address health inequalities in the UK.

**While welcoming the extension of the grace periods for veterinary medicines until the end of 2025, the veterinary, farming and agri-food sectors have expressed serious concern that a mutually agreed solution has yet to be reached. The Commission has stated that the grace period is designed to provide the sector with “ample time to adapt”. Yet industry representatives have warned that, without a permanent solution, the supply of over 50% of veterinary medicines to Northern Ireland may be discontinued, posing a risk both to animal and human health, and to agri-food supply chains. (Paragraph 127)**

**The issue of veterinary medicines needs to be resolved now rather than in 2025 when the cliff-edge is looming. (Paragraph 128)**

***Recommendation 13: The UK and the EU must engage urgently together with industry stakeholders to agree a sustainable and mutually agreed solution that protects both the supply of veterinary medicines from the UK and Northern Ireland’s access to the EU Single Market for goods, at the same time protecting complex supply chains between Northern Ireland, Great Britain and Ireland. (Paragraph 128)***

**We will scrutinise the supply of veterinary medicines from the UK and Northern Ireland’s access to the EU Single Market for goods further in the autumn. (Paragraph 129)**

***Recommendation 14: We invite the Government’s view on the various proposed solutions put forward by industry stakeholders, including a UK-EU sanitary and phytosanitary (SPS) agreement, and urge the Government to intensify its engagement with the EU and with industry in order to identify a sustainable solution as a matter of urgency. (Paragraph 129)***

48. The Windsor Framework agreement has safeguarded the supplies of veterinary medicines from Great Britain to Northern Ireland to the end of 2025. During this extension to the grace period there will be no changes to the existing requirements on the supply of veterinary medicines to Northern Ireland and businesses should continue operating as they have done to date.

49. Whilst the extension for veterinary medicines is welcome, the Government’s position remains clear. There needs to be a long-term and permanent solution which maintains the uninterrupted flow of veterinary medicines into Northern Ireland from Great Britain on which so many people and businesses rely. The Government is currently engaging extensively with industry on the products at risk, and welcomes the potential solutions put forward by industry stakeholders. We will continue discussions to pursue a long-term solution, and underscore that future arrangements must take into account the overwhelming reliance of Northern Ireland on veterinary medicines from Great Britain or moved via Great Britain.

Stakeholders have welcomed the Windsor Framework's provisions on movement of pets as a proportionate approach compared to the Protocol as originally agreed. There will be no requirements on pets moving from Northern Ireland to Great Britain, although those moving pets from Great Britain to Northern Ireland will be required to microchip their pets and obtain a travel document valid for the lifetime of the pet. ( Paragraph 133)

***Recommendation 15: We urge the Government to work with travel companies to ensure that pet owners are aware of the new requirements. (Paragraph 133)***

50. DEFRA has, and will continue, to engage closely with travel companies to support the implementation of the Pet Movement scheme and will continue to hold regular conversations with them over the coming months. This will ensure that pet owners and assistance dog users are aware of the new requirements when they book their travel.

### **VAT, excise and State aid**

Business representatives and experts have welcomed the Windsor Framework's provisions on VAT as a pragmatic easement of the original provisions of the Protocol, in particular in relation to the application of UK VAT reliefs for energy-saving materials to goods that are supplied and installed in immovable property in Northern Ireland, and the VAT treatment of second-hand vehicles in Northern Ireland. Nevertheless, potential flexibilities already existed under the original Protocol and following changes to the EU Principal VAT Directive. Furthermore, EU VAT rules for goods continue to apply in Northern Ireland as a default. (Paragraph 143)

Business representatives have welcomed the ability to apply in Northern Ireland the new excise duty on alcohol in Great Britain, although this only applies to bars and restaurants. We also note that Northern Ireland will remain the only part of the UK not to offer duty-free on flights to and from the EU. (Paragraph 144)

Stakeholders have welcomed the new Enhanced Coordination Mechanism on VAT and excise as an important vehicle for reviewing future UK and EU legislation to ensure that any adverse consequences for Northern Ireland (including regulatory divergence) are taken into account before implementation. Businesses have also welcomed the potential for further flexibilities to be agreed through this dialogue, subject to the agreement of the EU. We urge the UK and EU to ensure that the new body is sufficiently resourced and has access to necessary expertise (including from Northern Ireland) to ensure it delivers its objectives. (Paragraph 145)

***Recommendation 16: We urge the UK and EU to ensure that the Enhanced Coordination Mechanism on VAT and excise is sufficiently resourced and has access to necessary expertise (including from Northern Ireland) to ensure it delivers its objectives. We also invite the Government to provide an update on its dialogue with the EU on the development of a list of goods not subject to EU law. (Paragraph 145)***

51. We welcome that businesses have recognised the significant changes made to the old Protocol with respect to VAT and excise. These changes take the vital step of

protecting NI's place in the UK's tax area and have meant the UK Government can provide certainty and clarity for business on key areas - such as the operation of the market for second hand vehicles and the application of UK VAT reliefs to energy saving materials. However, we do not recognise some of the suggestions made in the report in terms of the arrangements under the Framework, and it is important to correct some factual inaccuracies:

- a. The Windsor Framework ensures that the UK has freedom to set VAT and excise rates and structures in Northern Ireland. This has already seen us remove the limit on zero and reduced VAT rates in Northern Ireland. This would have been unequivocally incompatible with the previous arrangements under the Protocol, which is why changes had not been made in Northern Ireland. It is straightforwardly not the case that any of these changes were possible within the old Protocol.
- b. On excise duty, it is categorically not the case that these changes just apply to bars and restaurants. Reforms to alcohol duty - including new standardised rates of excise duty - apply to all alcohol supplied across the United Kingdom, wherever it is sold. This is a point the Government has set out several times in the past and it is essential to correct this misapprehension in this response. We hope that the Committee can correct the record on these factual points.

52. Introducing duty free shopping between Northern Ireland and the EU (which includes the Republic of Ireland) would require the introduction of allowances to prevent the uncontrolled flow of tax-free goods on the island of Ireland, which would have significant fiscal and other risks for both jurisdictions. These allowances would require enforcement and controls on the movement of goods between NI and the Republic of Ireland. This would undermine one of the core elements of the Framework, which is to maintain frictionless arrangements for those businesses trading with the EU, including across the island of Ireland, which is also the reason for the VAT rules that the Framework applies. It would also mean individuals being subject to customs checks and stops to enforce limits on, for example, cross-border shopping for wine, spirits and beer. The Government therefore rejects this proposal (if it is the case that the Committee was recommending the introduction of duty free shopping for flights from Northern Ireland to the EU).

53. The Enhanced Coordination Mechanism (ECM) plays a fundamental role in ensuring the practical application of EU VAT, excise and energy law in Northern Ireland and securing the UK additional flexibility over time. The government is fully committed to ensuring that the ECM has the resources and expertise needed to deliver on its objectives.

**While the Government has not achieved its negotiating aim of removal of Article 10 of the Windsor Framework in its entirety, it has secured the EU's agreement to an Interpretative Declaration seeking to limit the scope of the 'reach-back' of Article 10 into State aid provisions affecting the whole of the UK. The UK and the EU have since endorsed the Declaration in published guidance. However, it is uncertain what impact the Declaration will have on the Court of Justice of the European Union's interpretation of Article 10, and legal experts have stressed that the issue may ultimately be tested in the courts. (Paragraph 154)**

**The Joint Interpretative Declaration on State aid does not deal with UK-wide measures that have a “material” or “real foreseeable” effect on trade between Northern Ireland and the EU. Experts have warned of the legal uncertainty and chilling effect on investment that may arise from the requirement to notify the Commission of such measures, in particular given that a subsidy can be challenged by the Commission for a number of years after it is notified. It therefore remains to be seen how robust the UK Government and Commission’s interpretation of the Windsor Framework’s provisions on State aid will prove to be in practice. (Paragraph 155)**

***Recommendation 17: We invite the Government to respond to the concerns that our witnesses have raised over the legal uncertainties around state aid. (Paragraph 155)***

54. The Windsor Framework has made clear the very limited conditions under which EU State Aid rules will apply. The Joint Declaration clarifies the very limited scope of Article 10, and in particular the need for subsidies to have a material effect on NI-EU trade in goods. It has interpretative effect in the courts. Joint guidance, published in June, provides comprehensive and unambiguous information for interpreting Article 10, including definitions of ‘material’ and ‘real foreseeable’ effects. This will mean that the overwhelming majority of subsidy measures in Great Britain will not require EU notification, and only a tiny minority of measures in Northern Ireland to require EU notification.
55. These changes provide significant legal certainty which did not exist under the old Protocol. They also maintain key protections against market distortions on the island of Ireland and against indirect constraints on UK decision-making, while securing Northern Ireland’s place in the UK internal market.

## **The UK internal market, the EU Single Market for goods, regulatory divergence and the application of EU law**

Given the primary economic importance of purchases from and sales of goods to Great Britain for Northern Ireland's economy, we stress the imperative of ensuring that Northern Ireland is an integral part of the UK internal market. At the same time, we acknowledge the importance of access to the EU Single Market for goods for many sectors of the Northern Ireland economy, in particular the agri-food and manufacturing industries, which have complex supply chains across the island of Ireland. (Paragraph 171)

The Government has committed to providing Northern Ireland with a "unique set of opportunities" in terms of access to both markets. This is a laudable aim, and time will tell if the Windsor Framework delivers this in practice. In the meantime, the Government should explain what this means in practice, and how it will be delivered. Furthermore, in order to maximise these opportunities, the Government and the EU must redouble their efforts to educate businesses and stakeholders in Great Britain and in the EU about the unique benefits of Northern Ireland's dual market access, and ways of addressing impediments to moving goods from Great Britain to Northern Ireland. (Paragraph 172)

***Recommendation 18: In the meantime, the Government should explain what this means in practice, and how it will be delivered. Furthermore, in order to maximise these opportunities, the Government and the EU must redouble their efforts to educate businesses and stakeholders in Great Britain and in the EU about the unique benefits of Northern Ireland's dual market access, and ways of addressing impediments to moving goods from Great Britain to Northern Ireland. (Paragraph 172)***

56. The Windsor Framework agreement has put the arrangements for Northern Ireland on an entirely new footing, protecting Northern Ireland's place in the UK internal market as well as its access to the whole of the EU market. As the Government has consistently made clear, the Windsor Framework is the best deal for Northern Ireland.

57. Since the agreement was reached in March, we have - and will continue to - engage extensively with businesses and stakeholders across the UK and in the EU about these new arrangements, which will be phased in over the next two years. Some arrangements, for example on VAT, are already in force and further details and guidance on how the agreement will work in practice were published in June and again in July. Further guidance will continue to be updated on an ongoing basis, alongside ongoing engagement with industry and other stakeholders.

**The new Office for the Internal Market also has a key role to play in monitoring the impact of the Windsor Framework on Northern Ireland's place within the UK internal market. (Paragraph 172)**

**We again note concerns that the Windsor Framework could undercut the competitiveness of Northern Ireland businesses, which are required to ensure**

**compliance with EU rules for goods, compared to competitors in Great Britain able to access the Northern Ireland market via the green lane. (Paragraph 173)**

***Recommendation 19: We invite the Government urgently to clarify what steps it is taking to address this issue. (Paragraph 173)***

58. The Windsor Framework preserves unfettered access for Northern Ireland businesses to sell to their most important market in Great Britain, while maintaining their access to the whole of the EU market. The government has enshrined unfettered access for qualifying Northern Ireland goods in legislation. This means that, except in limited circumstances, there will be no new checks, controls or administrative processes when moving from Northern Ireland to Great Britain. This will apply regardless of future regulatory divergence between Great Britain and Northern Ireland, ensuring a unique set of opportunities for businesses and citizens in Northern Ireland. NI producers and manufacturers have been clear that they value access to the UK and EU markets and many operate on an integrated island of Ireland basis, such as the dairy sector. Many businesses made it very clear that a full dual regulation would not work for them and would risk the maximum market access on which they rely. So we have listened to industry and protected their vital supply chains that also rely on North-South trade.

59. The Windsor Framework also takes the steps necessary to ensure the smooth flow of trade from Great Britain to Northern Ireland. The application of UK food and drink safety standards in the agrifood retail green lane, for instance, is an important protection to ensure the same goods are on the shelves in NI supermarkets as in Great Britain. Our solution on medicines, in a similar vein, ensures that medicines are authorised by the MHRA for the whole UK.

60. The Government also recognises the separate responsibility to strengthen our own protections for the UK internal market to avoid measures that may affect NI's position in the UK internal market. That includes, as the Committee recognises, a role for the Office for the Internal Market (OIM), as well as guidance on the pre-existing duties under section 46 of the UK Internal Market Act 2020.

61. Beyond that, we have also established with the EU the Special Goods Body, which enables us to engage early where any rule changes could inadvertently lead to new regulatory barriers or affect NI's competitiveness in the UK internal market, to find appropriate solutions through the Joint Committee. As these new functions are established, we will be further able to assess their work.

***Recommendation 20: We invite the Government to clarify how, in the context of goods moving from Northern Ireland to Great Britain, it will distinguish between Northern Ireland goods entitled to unfettered access to the UK internal market and those moving from the EU (including Ireland) to Great Britain via Northern Ireland under the Border Target Operating Model. (Paragraph 174)***

62. On 29 August the Government published its final Border Target Operating Model, setting out clearly that Northern Ireland businesses will continue to benefit from

unfettered access when moving goods to Great Britain, either directly from Northern Ireland or indirectly via Ireland.

63. From 31 January 2024, as well as introducing full customs controls and the requirement for pre-notification and health certification for Irish goods moving directly from Ireland to Great Britain, we will be taking measures to ensure the benefits of unfettered access are more squarely focussed on Northern Ireland traders.
64. Having engaged extensively with Northern Ireland stakeholders and businesses, and taking into account their feedback, from 31 January 2024 food and feed products will need to be linked to NI registered or approved food or feed business in order to be considered a Qualifying Northern Ireland Good for Sanitary and Phytosanitary (SPS) purposes and exempt from related import requirements. Goods that do not meet these conditions will be subject to the relevant SPS import requirements, depending on the risk categorisation of the goods, as detailed in the Border Target Operating Model.
65. We continue to be clear that it is not permitted to move goods through Northern Ireland to avoid UK tariffs or other customs processes. Alongside customs anti-avoidance rules, we will ensure measures are in place to prevent avoidance of SPS import processes and, therefore, abuse of the arrangements for Northern Ireland's unfettered access to the Great Britain market.
66. Where traders move goods for an avoidance purpose and therefore seek to bypass import checks and controls where these are required, traders may be subject to financial penalties, as well as SPS penalties and enforcement action, up to and including seizure, destruction or criminal sanction. Existing spot checks undertaken by relevant authorities at the port will continue, as they do at present, and existing arrangements for sharing information and intelligence between authorities and competent authorities will also continue, both at and away from the border, assisting in the targeting of enforcement action and identifying risks. Where suspicious behaviour is identified as part of any spot checks or through intelligence, enforcement bodies can ask for the registration/approval number (FBO number) of the business which can then be verified against existing lists via FSA and DAERA.

**Business representatives stress that regulatory divergence, whether between Great Britain and Northern Ireland, or between Northern Ireland and Ireland, remains their number one concern. There is an underlying fear that Northern Ireland will find itself in a “no-man’s land” between Great Britain and the EU (including Ireland), placing the competitiveness of Northern Ireland firms and their complex supply chains in jeopardy. (Paragraph 183)**

***Recommendation 21: We invite the Government to clarify whether it is seeking actively to diverge from the EU, and if so, what assessment it has made of the practical impact of this on Northern Ireland, and on the issues raised in this report. (Paragraph 183)***

67. We will manage divergence from the EU appropriately, through processes that have already been established, such as the UK-EU Trade and Cooperation Agreement. We will reflect those processes and commitments, and when tailoring regulation to ensure

it is fit for the UK's needs, we will continue to uphold our high standards in protections. So while we will of course take the steps necessary to ensure that any regulation is tailored to the needs of the UK, while indeed the EU will also choose to regulate in a way fit for their own needs.

68. The Windsor Framework agreement provides new structures to manage future UK-EU divergence and how that may impact Northern Ireland's place in the UK internal market. It ensures that where there are issues with future EU rules, there are mechanisms to deal with this, and where there are future issues with UK rules, we can also discuss these with the EU. In addition, we will have the right mechanisms in our own internal market to manage any residual concerns that may arise.

**While we welcome the mechanisms that have been established to monitor such divergence, including (within the UK) the Office for the Internal Market and (between the UK and the EU) the Special Body on Goods, it remains to be seen how effective these bodies will be in practice. (Paragraph 184)**

***Recommendation 22: In order to aid their work, we urge the Government and the EU to undertake substantive assessments for all planned legislation of the impact of regulatory divergence on Northern Ireland. We also renew our call, made repeatedly since March 2022 with the support of Northern Ireland stakeholders, for the Government to create and maintain an up-to-date record of regulatory divergence and its impact on Northern Ireland. (Paragraph 184)***

69. We recognise the Committee's interest in this area and continue to assure that the Government actively monitors and assesses the impacts of EU policy developments and the scope for regulatory divergence - both between the UK and EU as well as between Great Britain and Northern Ireland.
70. As the Committee has noted, the Windsor Framework provides a range of new governance mechanisms to address issues with regulatory divergence. Both in the form of new UK-EU fora, such as the VAT and excise Enhanced Coordination Mechanism, the Special Goods Body and new dedicated technical groups under the Joint Consultative Working Group. These fora provide a basis on which to work on solutions to any potential implications of future regulatory decisions by either party for Northern Ireland's place in the UK internal market. In addition the Windsor Framework provides a new mechanism, in the form of the Stormont Brake, to provide democratic oversight and cross-community safeguards in Northern Ireland for new or amended EU goods rules that would have a significant impact on the day-to-day lives of businesses and citizens.
71. As to monitoring and managing divergence, Government departments will continue to work together to log and analyse information, identify issues and, where necessary raise these with the EU in the joint fora mentioned above and consider these issues as part of wider policy decision-making in Government.
72. The Government will continue to work closely with the Devolved Administrations to ensure joint working and routinely sets out potential implications for regulatory

divergence in explanatory notes or memorandums on potential implications of new EU or UK legislation. These documents are available to Parliament and online and operational matters are detailed in the relevant guidance on gov.uk.

**The Government's reference to the "disapplication of 1,700 pages of EU law from Northern Ireland" under the Windsor Framework has caused uncertainty and confusion. While a small number of EU rules have been disapplied in Northern Ireland in their entirety, the main basis for the Government's statistic appears to be the 65 EU acts listed in Annex 1 of the EU Regulation on rules relating to movements of retail goods moving through the green lane published as part of the Windsor Framework package. While these laws are disapplied for the movement of goods from Great Britain to Northern Ireland via the green lane, they will apply for movement of goods via the red lane, and for all goods produced in Northern Ireland itself. (Paragraph 196)**

***Recommendation 23: We urge the Government to set out clearly the basis for its reference to the "disapplication of 1,700 pages of EU law from Northern Ireland". (Paragraph 196)***

73. As the report notes, the Windsor Framework disapplies swathes of EU law. The legal texts published by the Government in February, read alongside the original legal text of the Framework, set out the rules that are applicable under the new arrangements.

74. It is not the case that this predominantly concerns the agrifood arrangements. The disapplication of EU law covers the breadth of the Framework, including to support the operation of the customs green lane; to enable UK-wide changes on VAT; and to support the new whole UK approach on medicines. In certain areas of the deal, like some of the provisions on medicines and VAT, EU law has been disapplied in all circumstances. In other areas the disapplication is contextual, for example in the red lane/green lane model, where EU laws have been disapplied in the green lane. That is in line with the fact that goods must, as has long been recognised as appropriate by successive Governments, continue to meet EU standards if they are travelling onwards to the EU.

75. For further detail on this, I would draw the Committee's attention to the letter sent by the Secretary of State for Northern Ireland to the Chair of the European Scrutiny Committee on 15 May, which has previously been drawn to the Committee's attention and provides an extensive account of the range of EU law disapplied by the Framework. I have ensured that a copy has been sent alongside this response.

**More generally, the continued application of EU law in Northern Ireland remains politically contentious. For many in the unionist community in particular, and others, it raises constitutional issues of sovereignty in terms of the application of areas of EU law to Northern Ireland, but not to the rest of the UK. On the other hand, for many in the nationalist community in particular, and others, the continued application to Northern Ireland of areas of EU law is necessary to ensure Northern Ireland's access to the EU Single Market for goods and the avoidance of a land border on the island of Ireland. We acknowledge the difficulty of reconciling these two positions. In view of these political tensions, the obligation on the UK and the EU is for them both to be fully transparent**

**with Northern Ireland stakeholders over the consequences of what they have agreed under the Windsor Framework. (Paragraph 197)**

76. The Government agrees with the assessment that it is of vital importance that Northern Ireland stakeholders are able to provide timely and meaningful input to the UK and EU on the operation of the Framework, and to the rules it applies. That is why we sought and agreed enhanced consultation mechanisms in the Framework, which are already up and running and will be expanded further.

### **The democratic deficit, the Stormont Brake and the Belfast/Good Friday Agreement**

**We have previously drawn attention to the democratic deficit under the original Protocol, whereby areas of EU law applied to Northern Ireland without its prior consent. There are a range of views on the extent to which the Windsor Framework, including the Stormont Brake and ‘applicability motion’ mechanisms, addresses this deficit. (Paragraph 244)**

**Some witnesses welcomed the Stormont Brake as an innovation within the context of EU law, and viewed it as a significant expansion of the role of the Northern Ireland Assembly in the EU legislative process, and an expansion in its role to areas previously reserved for Westminster. They also stressed that it created an incentive for early engagement by the EU and UK with Northern Ireland stakeholders, in order to identify and address issues, and prevent the Stormont Brake needing to be pulled. (Paragraph 245)**

**At the same time, several witnesses called for clarity on the operation of the Stormont Brake. (Paragraph 246)**

***Recommendation 24: We invite the Government to clarify the process by which it would decide whether the tests have been met for the use of the Brake. (Paragraph 246)***

77. The Stormont Brake is a powerful new safeguard that, when the institutions are restored, will provide Northern Ireland’s elected representatives with a say over the rules that apply there. Alongside this, as the report notes, the Government has unilaterally placed itself under a strict statutory prohibition on agreeing to apply, through the UK-EU Joint Committee, any new EU law, or amending EU law that has been subject to the Brake, in Northern Ireland unless either there has been cross-community agreement to its application in the Assembly (when restored) or other highly limited circumstances are applicable. Ministers will be accountable to Parliament for this and open to legal challenge.

78. The Government has legislated domestically (in the Windsor Framework (Democratic Scrutiny) Regulations 2023) to set out the process for the operation of these safeguards. The Government is currently working, including with the Northern Ireland Assembly, to develop full operational details to ensure that the Brake is fully operable when the institutions are restored.

79. The Government is under a firm legal duty to trigger the Brake where the conditions for its use are met. There is no discretion for the Government to decline to trigger the Brake where those conditions are met for policy or political reasons. These are enshrined in statute and Ministers will be subject to the usual public law obligations in determining whether conditions are met, including the potential for legal challenge where it is considered that a Ministerial determination was not made in line with those obligations.
80. The operation of the Brake has been made clear in the legislation and during the debates in taking the Regulations through the House. To summarise:
- a. Following any notification by MLAs seeking to operate the Brake, the Government will assess whether the conditions set out in the new Schedule 6B to the Northern Ireland Act 1998 (created by the Windsor Framework (Democratic Scrutiny) Regulations) have been met.
  - b. If the requirements have been met, the Government must notify the EU and the rule will be suspended in domestic and international law.
  - c. If the requirements have not been met, the Secretary of State will set out the reasons, in writing, to the Presiding Officer who will inform the Members who submitted the notification. This would not prevent a separate notification being made in relation to the same act, within the scrutiny period.
81. Beyond that, we do not propose to speculate on any theoretical uses of the Brake in practice, given its operation will depend on the specific circumstances at play during any notification from the Assembly. That is why it is critical to see Stormont back up and running, so that these new arrangements can be finalised, embedded and operational, rather than simply speculated upon. However when it is operational, the Government will be under a statutory obligation to operate the Brake whenever the conditions have been met, and will be accountable to Parliament and potentially the Courts for doing so.

**Other witnesses stressed that the Stormont Brake has a limited scope and applies only to new, amending or replacement EU laws, and not those that currently apply to Northern Ireland. Further, it applies only to a sub-set of rules within the scope of the original Protocol. It also means that the Assembly can only reject laws within its scope, and cannot make those laws for itself. (Paragraph 247)**

***Recommendation 25: We invite the Government to clarify whether EU tertiary legislation—delegated and implementing acts—are within the scope of the Stormont Brake. (Paragraph 247)***

82. The scope of the Brake is set out clearly in Article 13(3a) of the Windsor Framework.
- a. While the Framework does apply to new and amended EU law, this sits alongside the ability of MLAs to disapply the entire body of existing EU law through democratic consent votes which must occur every four or eight years, the first of which will take place in 2024. That addresses those rules already in place, with the Stormont Brake providing a powerful safeguard for future legislation.

- b. As to the scope of what it applies to, it covers the vast majority of goods rules covered under Annex 2 of the Framework. This includes both the Union Customs Code and Official Control Regulations, both of which are the underpinnings in the EU system for goods movements. The Brake therefore covers the range of rules where future legislation carries the potential of disruption to everyday lives, and where there may otherwise be no other mechanism (as with the Enhanced Coordination Mechanism for VAT and excise) to address them.

83. The major limitation on the Brake as it stands is the absence of power-sharing institutions, without which it cannot come into effect. We would welcome further engagement with the Committee on the democratic deficit created by the lack of power sharing institutions.

**Some witnesses also argued that the conditions which must exist for the Stormont Brake to be pulled set a high bar for its use. Several stressed that it is the UK Government, not the Northern Ireland Assembly, which retains the power to exercise a veto, and that a notification from Members of the Legislative Assembly (MLAs) can be set aside by the Secretary of State for Northern Ireland in a number of circumstances. Furthermore, any exercise of a veto can result in ‘remedial action’ by the EU. (Paragraph 248)**

***Recommendation 26: We invite the Government’s response and clarification on how the Stormont Brake will be pulled, in particular setting out what factors it will take into account in deciding whether to exercise its veto, including how to reflect the views of the Northern Ireland Assembly. (Paragraph 248)***

**We also note witnesses’ concern about the potential political and economic ramifications of the Stormont Brake. Some feared that it could destabilise the political institutions. There were also warnings that this instability could create economic uncertainty for businesses and investors, as well as potentially provoking remedial action by the EU, with potential implications for Northern Ireland’s access to the Single Market for goods. (Paragraph 249)**

***Recommendation 27: We invite the Government’s response and clarification on the political and economic implications of the Stormont Brake. (Paragraph 249)***

**We note that many of the points raised about the Stormont Brake also apply to the cross-community ‘applicability motion’ mechanism introduced by the Windsor Framework (Democratic Scrutiny) Regulations 2023. (Paragraph 250)**

84. The Brake is a powerful new safeguard. The requirements (set out domestically in the Regulations) rightfully ensure it will not be available for trivial reasons and will be focused on those rules which could have a detrimental effect on Northern Ireland, including on its trade with the rest of the UK or its place in the internal market. Our view is that this is a critical element of the new arrangements, and that addressing the democratic deficit does require that there is the ability for locally elected representatives to take action where legislation would have those effects.

85. Once the Brake is triggered, it is important to underline that the Government is under specific duties to trigger the Brake upon receipt of a notification from the Assembly, where the conditions for its use are met. These are enshrined in statute and so Ministers are under public law duties in their discharge. The possibility of EU remedial measures is not a relevant consideration as ministers are prohibited from taking these into account by the Regulations. Where the conditions have been met, the Government must notify the EU in writing, in accordance with the first paragraph of Article 13(3a) of the Framework.
86. Once the UK has notified the EU that the Brake has been pulled, the law will be automatically suspended in Northern Ireland after two weeks. The EU has no role to approve or block the suspension. The EU may seek additional information from the UK - but this cannot block the use of the Brake. It could only delay suspension by a further two weeks.
87. The rule in question could then only be applied in Northern Ireland through agreement at the Joint Committee. Unless there is cross-community support for applying the rule, expressed through an applicability motion in the Assembly, a Minister would be legally prohibited from agreeing to add it to the Framework, unless doing so would not create a new regulatory border between Great Britain and Northern Ireland or if exceptional circumstances apply. The threshold for 'exceptional circumstances' is high, and a Minister must account to Parliament where they have concluded that exceptional circumstances apply, or where they consider that a measure would not create a regulatory border. We consider it is right to have a role for the Assembly built in at that stage, again to provide a safeguard for Northern Ireland representatives in the rules that apply.
88. It is reasonable that the EU has the right to take remedial measures following use of the Brake, and this would be the case in any equivalent trading arrangement. However we should be clear that these would need to be proportionate to the rule that was rejected and strictly targeted to that end.
89. As above, the critical limitation on the Brake is the lack of a functioning Northern Ireland Assembly, which means that it cannot come into force and deprives Northern Ireland of a powerful new say in these arrangements. As above, the critical limitation on the brake is the lack of a functioning Northern Ireland Assembly, which means that it cannot come into force, and depriving Northern Ireland of a powerful new say in these arrangements.

**The new Northern Ireland Assembly Windsor Framework Scrutiny Committee will be an important means to facilitate the Assembly's scrutiny of the Windsor Framework. Witnesses raised important questions about the role of the Committee in relation to the pulling of the Stormont Brake, and the public visibility of its work. Several witnesses also emphasised the resource implications of the Stormont Brake mechanism on the Northern Ireland Assembly, Executive and Civil Service. (Paragraph 251)**

**Recommendation 28: We invite the Government to set out how it will support the Northern Ireland Assembly Windsor Framework Scrutiny Committee, and the Assembly, Executive and Northern Ireland Civil Service more generally, in undertaking these functions, including ensuring they have sufficient resources to do so. (Paragraph 251)**

90. The Government is working, including with the Northern Ireland Assembly, to develop a full set of operational arrangements to ensure that the Brake is operable when the institutions are restored, and expects to provide further detail on this in due course. The Assembly will have timely access to all the necessary information and analysis it needs to carry out its work. However finalising these arrangements, and ensuring their success in practice, relies on the Executive and Assembly being up and running. That should rightly now be the area of focus, as without it the Brake cannot operate at all and Stormont is not able to make use of the powerful safeguard that the Framework provides.

**As the continued suspension of the power-sharing institutions demonstrates, political tensions in Northern Ireland over Brexit and the Protocol remain acute. We acknowledge the importance and the difficulty of resolving these issues to the satisfaction of all communities in Northern Ireland. (Paragraph 270)**

91. The Government agrees that we need to see a Northern Ireland Executive and Assembly up and running to play their part in overseeing the Framework's new arrangements and ensuring they operate in the interests of people and communities in Northern Ireland.

### **The role of the Court of Justice of the European Union**

**Aside from the new, specific provisions of the Stormont Brake, which we addressed in Chapter 7, there has been no substantive change to the Court of Justice of the European Union's role as the final arbiter of EU law falling within the scope of the Windsor Framework. Nevertheless, in the context of the CJEU's jurisdiction to hear infringement proceedings, we note that, to avoid recourse to the Court in disputes between the Parties, the UK and the EU have committed to using the dialogue mechanisms under the Withdrawal Agreement and Windsor Framework to arrive at mutually satisfactory resolutions. It remains to be seen how frequently the CJEU will be called upon in its role as the sole arbiter of EU law in the context of the Windsor Framework, whether in disputes between the Parties or in legal proceedings brought by individuals. (Paragraph 277)**

92. It is important to recall that, wherever the application of EU law has been rolled back by the Framework - relating now to less than 3% of EU rules overall, by the EU's own calculation - the oversight of the CJEU has been rolled back with it. The rules that do apply are there solely, and only as strictly necessary, in order to maintain the unique ability for Northern Ireland firms to sell their goods into the EU market without customs or regulatory formalities. Critically, those rules apply only for as long as those arrangements command democratic consent in Northern Ireland. And as we set out

above, we have also introduced a further safeguard of democratic control through the Stormont Brake. Moreover, important new provisions of the Framework (including amendments to Article 6 and 13, creating the green lane and Stormont Brake respectively) are outside the jurisdiction of the CJEU; any disputes concerning them would be settled by international arbitration as provided for by the Withdrawal Agreement.

93. However should any issues arise in the future, as the report notes, the UK and EU have committed to resolve issues through dialogue rather than formal dispute proceedings, in a renewed spirit of partnership.

### **Dialogue and engagement**

**Without prejudice to the views regarding the Windsor Framework of individual members of the Sub-Committee, we stress the importance of UK-EU engagement on the Framework’s operation with Northern Ireland stakeholders, including the Executive and Assembly, political parties, business representatives, civic society and community groups. We therefore welcome the UK and EU commitment to enhanced dialogue with each other and with Northern Ireland stakeholders, both through the existing governance mechanisms—the Withdrawal Agreement Joint Committee, Specialised Committee on the Windsor Framework and the Joint Consultative Working Group—and the new mechanisms established under the Windsor Framework—the Enhanced Coordination Mechanism on VAT and excise, the Special Body on Goods, and thematic sub-groups of the Joint Consultative Working Group. We endorse the calls for dedicated sub-groups on agri-food, retail, haulage and the Article 2 provisions on human rights and equalities issues. (Paragraph 298)**

**In recognition of Northern Ireland’s unique circumstances, the EU has also set out a number of mechanisms for its own bilateral engagement with Northern Ireland stakeholders. While welcome, such engagement needs to have substance. In particular, Northern Ireland stakeholders must be given a means of expressing views on EU legislation early in the policy-making process, and the EU has an obligation to take this feedback into account. At the same time, the UK Government needs to enhance and formalise its own bilateral dialogue with Northern Ireland stakeholders. (Paragraph 299)**

**Northern Ireland stakeholders are frustrated at the continued lack of detail over how such engagement will work in practice. In particular, the structure of UK-EU official-level engagement is significantly more developed than for engagement with Northern Ireland stakeholders. These bodies must facilitate engagement by stakeholders with the UK and the EU jointly, to avoid a repetition of past problems with miscommunication and inconsistent advice. The UK and the EU also need to make the work of these bodies more visible to Northern Ireland stakeholders, the Northern Ireland Assembly and the UK Parliament, with adequate resources in place to support their operation. Above all, dialogue must be focused and structured to avoid a repeat of the ad hoc, haphazard and ‘tick-box’ engagement that stakeholders have complained of in the past. (Paragraph 300)**

Once the power-sharing institutions are re-established, there needs to be full and substantive involvement in these bodies by the First Minister and deputy First Minister, Northern Ireland Executive Ministers and officials, as well as engagement with the Northern Ireland Assembly. In particular, this must include consultation by the EU at the earliest opportunity in the policy-making process with Northern Ireland Executive Ministers, officials and Members of the Legislative Assembly on proposed EU law potentially applying to Northern Ireland. We also underline the key role of the Northern Ireland Executive Office in Brussels as a conduit for dialogue between the EU and the Northern Ireland institutions. (Paragraph 301)

***Recommendation 29: We invite the Government to set out how it will ensure that the First Minister and deputy First Minister, and Northern Ireland Executive Ministers and officials, are able to play a substantive role in the new bodies established under the Windsor Framework, and that the UK and EU take account of their concerns. We also urge the Government to work with the Northern Ireland Executive to ensure that sufficient resources are available to support this important work. (Paragraph 302)***

94. The Government agrees that full participation by Northern Ireland stakeholders in the operation of the Framework is vital. This participation must be meaningful, timely, and its conclusions must be taken fully into account. That is why we pursued the expanded arrangements provided by the Framework, and the Government welcomes the Commission's commitment to include in impact assessments for its new policy initiatives a dedicated overview of Northern Ireland stakeholder views and how they have been taken into account, agreed as part of the Windsor Framework.
95. The joint stakeholder arrangements noted by the report have already begun operating and will do so regularly. The first engagement at the Specialised Committee co-chairs level took place on 21 June and was an important moment for both the UK and EU, demonstrating a clear commitment to working together when engaging with Northern stakeholders. As the operation of the Framework beds in, we expect that such engagements will continue with a more regular rhythm and an expanded set of participants - reflecting the initial feedback we have heard so far - particularly at the level of the Specialised Committee and the Joint Committee.
96. More broadly, since the announcement of the Framework, Departments have been engaging intensively with key industry stakeholders on the implementation of the new arrangements. Through forums, roundtables, and individual business engagement, the Government has been able to reach hundreds of businesses who operate GB-NI and will help to ensure a smooth rolling out of the new arrangements.
97. The Government is also committed to ensuring that the enhanced consultation and engagement mechanisms established under the Windsor Framework provide a substantive role for the Northern Ireland Executive. We have already restated our commitment that the First and deputy First Minister will have a seat at the table in the UK delegation for any UK-EU Joint Committee meetings which consider matters concerning Northern Ireland. This was a key request from across the Northern Ireland political spectrum.

98. Since the announcement of the Framework, work has been underway across Government to implement these new shared structures with the EU. As the report notes, we have established new sector-specific 'structured sub-groups' of the Joint Consultative Working Group (JCWG) to consider proposed upcoming EU legislation and, if necessary, to escalate issues to the Specialised Committee and Joint Committee. We have also developed a new Special Goods Body and an Enhanced Consultation Mechanism to consider VAT and excise rules, enabling the Joint Committee to take forward any action as necessary. The Northern Ireland Executive will typically form part of the UK's delegation for meetings of all of these groups (taking into account the competences assigned by the devolution settlement), ensuring their views and any concerns about future rule changes are taken into account. As above, the critical missing element on engagement is the lack of a functioning Northern Ireland Executive and Assembly.

**We welcome the Government's renewed commitment to commission an independent review into the functioning of the Windsor Framework after a vote by simple majority in the Northern Ireland Assembly under the democratic consent mechanism set out in Article 18.( Paragraph 303)**

***Recommendation 30: We urge the Government and the EU to ensure that the independent review provides a meaningful opportunity to address problems that might arise in the operation of the Windsor Framework. (Paragraph 303)***

99. The Government takes note of this recommendation, and reaffirms its intention to ensure that the independent review, should one be needed, is fully delivered in line with the commitments that we have made.

**The Windsor Framework is the latest attempt to manage the implications of Brexit for Northern Ireland. The UK and the EU must ensure that they remain in close and productive dialogue, both with each other and with Northern Ireland stakeholders, maintaining a commitment to address all the issues that arise out of the Windsor Framework, and those issues which have yet to be resolved, not least for the benefit of all the people of Northern Ireland. (Paragraph 304)**

100. The Government agrees with the Committee about the importance of maintaining a close and productive dialogue with the EU. We are pleased that the Windsor Framework heralds a constructive shared approach to managing issues connected to Northern Ireland. We are committed to continuing to work closely with the EU and with Northern Ireland stakeholders on the implementation and operation of the Framework, to ensure that its benefits can be fully felt and swiftly resolve any outstanding issues as they arise.