



Lord True CBE
Minister of State
Cabinet Office 70 Whitehall London SW1A 2AS

The Earl of Kinnoull
House of Lords
London
SW1A 0PW

23 December 2020

Dear Lord Kinnoull,

The government is very grateful to the House of Lords European Union Committee for taking the time to consider Part 5 of the UK Internal Market Bill, which has now received Royal Assent. The UK Internal Market Act is of huge importance in protecting the UK's integrated market and thereby our shared prosperity.

We're grateful for your Committee's thoughtful consideration of the legislation and for sharing your report.

Please find enclosed the government's response to the Committee. Thank you for your patience in awaiting this response. I hope that the Committee will appreciate that, given the progress of negotiations within the UK-EU Withdrawal Agreement Joint Committee, we did not wish to pre-empt the development of the Bill.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'True'.

Lord True CBE

Legislative Scrutiny: The United Kingdom Internal Market Bill
The Government response to the House of Lords European Union Committee
Fourteenth Report of Session 2019-21

The Government is grateful to the House of Lords European Union Committee (the Committee) for taking the time to scrutinise Part 5 of the UK Internal Market Bill and provide this thorough report.

Most of the conclusions in the report refer to clauses which have now been removed from Part 5 of the Bill. Therefore, I do not intend to respond to each of the conclusions individually.

Following intensive and constructive work over the past weeks by the UK and EU, we now have an agreement on all issues in relation to the Protocol on Ireland and Northern Ireland.

As we have mutually agreed solutions, the Government has withdrawn clauses 44 (export declarations), 45 and 47 (state aid) of the UK Internal Market Bill.

We tabled a new clause requiring the Government to set out domestic guidance for how the provisions agreed with the EU on the application of State Aid under the Protocol will work in practice.

We have considered the report in great detail and are very grateful to the Committee for providing it. The clauses it focuses on were subject to significant debate in both Houses and have now been removed from the Bill which I hope has addressed the Committee's concerns.