

# European Scrutiny Committee

House of Commons London SW1A 0AA

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From: Sir William Cash MP

9 March 2022

Rt Hon. Penny Mordaunt MP  
Minister for Trade Policy  
Department for International Trade

## **EU trade preferences for developing countries—proposed Regulation (Council document 12184/21) (41939)**

Thank you for [your letter of 3 February 2022](#) concerning [proposed changes](#) to the EU’s tariff preference scheme for developing countries (which will take effect in 2024) and the planned introduction of the UK’s own Developing Countries Trading Scheme later this year. The EU proposal is within the scope of the Protocol on Ireland/Northern Ireland so any changes agreed will apply in Northern Ireland. The UK’s Developing Countries Trading Scheme will apply in the rest of the UK.

As I explained in [my letter of 8 December 2021](#), differences in the way that the EU and UK schemes operate in the future and in the tariff preferences that they offer would mean that traders importing goods originating in developing countries into Northern Ireland, either directly or via Great Britain, would need to be aware of both sets of rule changes in order to determine whether the goods in question qualify for a zero tariff and, if not, which tariff rate (the EU’s or the UK’s) applies. I therefore asked you to indicate how the UK scheme would differ from, and improve on, the EU’s current GSP scheme and its proposed successor from 2024, highlighting the following areas:

- product coverage, tariff rates, rules of origin and cumulation;
- the international conventions underpinning the UK scheme and the systems for monitoring their effective implementation; and
- the criteria and procedures for suspending or withdrawing tariff preferences.

Your response does not address these areas in any detail, though you note that the Government will publish “a tax and information impact note” assessing how the UK’s Developing Countries Trading Scheme will affect businesses and consumers across the UK once it is launched in Spring this year. I

therefore ask you to return to our questions and provide a fuller response when the Scheme has been launched and the impact note published.

I also ask you to update us on any progress made in negotiations with the EU on the Northern Ireland Protocol to the extent that it may affect how the UK's Developing Countries Trading Scheme will operate in Northern Ireland.

I am copying this letter to the Chair (Angus MacNeil MP) and Clerk (Eligio Cerval-Pena) of the International Trade Committee; the Chair (Sarah Champion MP) and Clerk (Gordon Clarke) of the International Development Committee; the Chair (Simon Hoare MP) and Clerk (Stephen Habberley) of the Northern Ireland Affairs Committee; the Chair (Lord Kinnoull) and Clerk (Nick Boorer) of the House of Lords European Affairs Committee; and to Les Saunders and Donald Harris in the Cabinet Office.

**CHAIR**