



To: All Members of Parliament

T +44 (0) 20 7215 5000
E enquiries@beis.gov.uk
W www.gov.uk

9 September 2020

Dear Colleague,

Introduction of the UK Internal Market Bill

Today, we have introduced the UK Internal Market Bill in Parliament. This Bill is crucial to protect seamless trade and jobs across all four corners of the United Kingdom at the end of the Transition Period. On 1 January 2021, hundreds of powers previously held by the EU will flow to the UK Government and to the devolved administrations in Edinburgh, Cardiff, and Belfast.

For centuries the UK Internal Market has been the cornerstone of our shared prosperity and the Bill will help maintain this integrated market to ensure the free flow of capital, labour, goods and services. It will continue to protect the Union whilst safeguarding the devolved administrations' right to regulate as they do now.

Overall, the Government's proposals for the UK Internal Market will help boost our economic recovery and protect jobs and investment through:

- **More powers for Scotland, England, Wales, and Northern Ireland.** On 1 January 2021, we will see one of the single biggest transfer of powers to the devolved administrations in history, resulting in new powers transferred to Scotland, Northern Ireland and Wales in at least 70 policy areas.
- **More cooperation so we can overcome Covid together.** By working together and providing clarity over rules for the UK economy, we can help boost our recovery, increase investment, create new jobs and be stronger as a nation.
- **Supporting our economic recovery.** At a time when we are trying to recover and rebuild from the greatest economic shock in a generation, now is not the time to create more uncertainty for UK business with new barriers that would hurt our chances of an economic recovery.

Without action to preserve the status quo of seamless internal UK trade, businesses across the UK could face serious problems. A Welsh lamb producer would end up unable to sell their lamb in Scotland as they do now, due to differences in food and feed safety and hygiene regulations affecting the meat sector. Scotch Whisky producers could lose access to supply

from English barley farmers, unnecessarily putting jobs at risk in Scotland's own whisky industry.

Following the publication of our White Paper in July, over 270 businesses and organisations responded to our public consultation on the UK Internal Market proposals. This showed overwhelming support for our core objectives – avoiding trade barriers and providing certainty for firms across the UK.

The Bill will not lower standards. The UK has some of the highest standards in the world on goods and some of the most robust standards on foods, with world-leading food, health and animal welfare standards.

We've long recognised the value in four nation co-operation to keep our standards high and current, that's one reason all four administrations jointly started the Common Frameworks programme. In fact, several of these co-operative discussions are likely to result in jointly agreed legislation, such as on food labelling.

The Bill will also deliver on our Manifesto commitment to ensure that Northern Ireland's businesses and producers enjoy unfettered access to the rest of the UK. Trade between Great Britain and Northern Ireland is vital to the prosperity of the four nations of the UK.

We will be introducing limited and reasonable steps to provide a safety net to ensure peace can always be preserved in Northern Ireland..

The steps we intend to take in this Bill are to:

- implement the provision in the Northern Ireland Protocol that Northern Ireland is fully part of the UK's customs territory, by ensuring there are no tariffs on goods remaining within the UK customs territory;
- ensure that businesses based in Northern Ireland have true 'unfettered access' to the rest of the United Kingdom, without paperwork;
- ensure that there is no legal confusion about the fact that, while Northern Ireland will remain subject to the EU's State Aid regime for the duration of the Protocol, Great Britain will not be subject to EU rules in this area.

These steps are fully in keeping with what the Government has constantly said and what we promised in our manifesto. We will continue to work with the EU as we implement the protocol. At all stages we must – as a responsible Government – ensure that we have the ability to uphold our commitments to the people of Northern Ireland.

Yours sincerely,



THE RT HON ALOK SHARMA MP
Secretary of State for Business, Energy & Industrial Strategy