

Graham Simpson  
Convener, Delegated Powers and Law Reform Committee  
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Dear Graham

Firstly, I would like to express my thanks to the Delegated Powers and Law Reform Committee for providing me the opportunity to talk about the Trade Bill.

In relation to the additional questions which the Delegated Powers and Law Reform Committee have asked, I have outlined the UK Government's response below:

1. The Trade Bill clause 2 power can be used in relation to agreements signed before Exit Day, rather than agreements ratified before Exit Day. This is because many of the EU agreements that we currently operate under have not yet been ratified. They are merely signed and are being provisionally applied. Our policy is to seek continuity in the effects of our existing free trade agreements, which means that we need to ensure we can implement obligations of these agreements as well as those that have been ratified. This will ensure we do not lose the benefit of those agreements just because, for example, some EU member states have not completed their domestic ratification procedures. It is important to note that these agreements will all have gone through the UK Parliament's European scrutiny procedures required for Council decisions to authorise the signature of agreements.
2. The Trade Bill places a requirement for the UK Government to lay a report to detail changes to the trade-related provisions of existing EU free trade agreements made as the UK leaves the EU and adopts these agreements on a bilateral basis. This report should be laid in advance of any implementing SIs being laid or prior to any ratification required, whichever comes first. We have placed this requirement only on the UK Government as the UK Government will agree to changes to these agreements on behalf of the whole of the United Kingdom; it therefore makes sense that this reporting requirement is placed only on them.

The reporting requirement relates only to trade elements of free trade agreements and not to other agreements, which mainly relate to trade, as we felt this was proportionate and reflective of the parameters of our programme of trade agreements continuity. Free trade agreements are broad ranging agreements whereas other agreements which mainly relate to trade are usually more subject specific in focus. Through describing the changes made to Free Trade Agreements, Parliament will be able to gain a better sense of the impact of our programme, which is what members sought at Commons Report stage where our concessions received the agreement of Government back benchers.

3. In relation to the number of Statutory Instruments (SI) to be laid under Clause 1 and Clause 2, the power in Clause 1 (a) (b) will result in an SI to amend 3 sets of UK procurement regulations and possibly an equivalent SSI to amend Scottish procurement regulations, although Scotland may decide to make more than one SSI. This power will allow GPA obligations to be implemented in domestic law as a result of the UK's independent accession.

It is difficult to estimate the number of SIs or SSIs that will be laid under Clause 1 (c) (d). This is because an SI or SSI will only be needed when a new Party accedes to the GPA or a Party withdraws. Currently there are ten active accessions to the GPA, each at a different stage in the process.

Clause 1 (e) (f) will be used once after the UK's accession to the GPA in order to implement modifications to Annex 1 to accurately reflect central government entities as they are now. An SI and SSI will be required. After this, the power may be exercised in the future to reflect machinery of government changes or future transfers of functions from one government entity to another.

In relation to Clause 2, we continue to discuss how best to deliver our continuity programme with our partner countries, we therefore do not yet have an exhaustive list of where we will need to lay regulations under the clause 2 power.

4. The issue of 'necessary' versus 'appropriate' was one which was debated during the passage of the EU (Withdrawal) Act. Allowing the power to be used in a manner which an authority considers 'appropriate' rather than simply 'necessary' gives us and the Devolved Administrations the flexibility needed to decide how best to bring

UK laws into compliance in the way that works best for us all. Our reporting requirement will ensure that the Government is transparent with Parliament about what changes it seeks to make.

I hope this response is useful and should the Committee have any further questions, please do not hesitate to contact me.

George Hollingbery  
Minister of State for Trade Policy