



Department for International Trade

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Dear Lord Grantchester,

During the Committee Stage of the Trade Bill, I promised to write to offer further clarity on the definition of “significant differences”, used in clauses 3(3) and 5(2) of the Trade Bill.

The Government has been clear about its intentions behind the reporting requirement and in drafting the text of the Bill, we had the final products in mind.

The reports are intended to provide Parliament with an understanding of changes to the agreements, which would be relevant to people carrying on trade under the terms of that agreement. They will do so in a more digestible format than the agreement texts, which do not provide any sort of context or commentary to support the legal text.

Because we intend the reports to be as useful as possible, we have not defined the term ‘significant difference’ on the face of the Bill.

We are approaching the term “significant differences” focusing primarily on what the effect of the new agreement will be on people carrying on trade. Some changes will have no relevant effects, for example, the deletion of a reservation that related only to the provision of a service in another EU Member State would not need to be reported on as it would not have an impact on people carrying out trade under the terms of the UK agreement.

Noting your reference to the Environmental Goods Agreement (EGA). The EGA is not concluded, and, as I indicated to the House, negotiations have been stalled for some time. Therefore, significant difference is not currently relevant to this agreement because it has yet to be concluded and a before and after comparison cannot yet be made. Nevertheless, as I said in the House, the UK remains committed to supporting and participating in future negotiations to achieve the Agreement.

I am copying this letter to Lord Stevenson of Balmacara and Lord Purvis of Tweed. I am also placing a copy of this letter in the libraries of both Houses.

Baroness Fairhead

Minister of State for Trade and Export Promotion
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