



Department for
International Trade



Department for
Business, Energy
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The Lord Grantchester

House of Lords
London
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12th October 2020

Dear Andrew, Christopher,

Thank you once again for your engagement during the 4th day of Trade Bill Committee. I have no doubt that the expertise demonstrated in yesterday's session will help to inform trade policy and deliver expert scrutiny over our trade agreements.

During our debate on amendments relating to parliamentary scrutiny, I resolved to follow up with you to outline our approach to Tariff Rate Quotas (TRQs) in continuity agreements.

As you know, our objective is to replicate obligations contained in the trade agreements which the UK accessed as a member of the EU. In order to deliver maximum continuity of effect, we have resized TRQs in order to reflect the UK's status as an independent nation outside of the EU, albeit one which comprises a smaller export market share than the EU.

Our general approach is to set quotas at a sufficient level to provide continuity in historic trade flows for importers and exporters from both sides. This often uses a standard resized proxy formula based on historic usage data.

These changes, and any other changes required to deliver continuity of effect as we transition EU trade agreements, are contained within the Parliamentary Reports which we publish alongside all signed agreements. I am also happy to confirm that we will be publishing a Parliamentary Report for the agreements we have delivered with both Ukraine and Japan.

I hope that this information is useful, please do not hesitate to get in contact if you would like to discuss further. I will place a copy of this letter in the library of both Houses.

Yours sincerely,

Lord Grimstone of Boscobel, Kt
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