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Business, Energy  
& Industrial Strategy

**Lord Callanan**  
Minister for Climate Change and Corporate  
Responsibility

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Dear Lord Palmer,

Thank you for your query raised during Second Reading of the UK Internal Market Bill, regarding dispute resolution with regards to internal market matters.

I want to be clear that the Bill does not introduce new enforcement bodies, powers or penalties but instead relies on enforcement provisions in existing goods regulation to ensure that enforcement of regulatory compliance takes account of the opportunities offered by the market access principles of mutual recognition and non-discrimination, and in so doing, gives effect to those principles.

However, the Office for the Internal Market (OIM) will provide expertise in scenarios in which the economic impacts of particular regulations lead to a disagreement between two or more administrations. In these scenarios, the OIM will be able to be called upon to provide a non-binding report to support intergovernmental discussions, which will ensure a technical underpinning to otherwise political discussions. The government believes building upon existing intergovernmental arrangements is the best approach to resolving any potential disputes. Once adequate time for intergovernmental discussions has passed, the OIM will lay any such report before the UK Parliament and each of the devolved legislatures.

It will then be for the relevant administrations and intergovernmental processes to determine how to take action in response. The Minister in the administration responsible for implementing the regulatory provision that was the subject of the CMA's report, and the Minister in the administration which requested the report must make a statement in their relevant legislature.

I hope this response clarifies the Government's position on dispute resolution and the OIM's role within this. Thank you for your continued involvement with the passage of the Bill.

**Lord Callanan**

