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Business, Energy  
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05 November 2020

Dear Lord Fox, Baroness Bowles, Baroness Hayter,

### **United Kingdom Internal Market Bill – House of Lords Committee Stage**

Firstly, I want to thank you all for your contributions during Monday's Committee stage of the United Kingdom Internal Market Bill. I am following up on my response to Baroness Bowles' comments during the debate which I hope you find helpful.

#### **Role of the Office for the Internal Market**

The Office for the Internal Market (OIM) will not be an enforcer of the market access principles delivered through the Bill. The OIM's functions are to advise, monitor, and gather information only. It will not be an enforcement body and the Bill does not introduce new enforcement bodies, powers or penalties. Instead, the OIM 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.

The OIM's regular reporting obligations include annual report covering macro-level monitoring on the health, functioning and evolution of the UK internal market and five yearly reviews including regional monitoring and reporting, and periodic system monitoring of the Market Access Commitment delivered by the UKIM Bill. The provision of this monitoring by the OIM will ensure that emerging trends and developments are identified, and the economic impact of regulations on the UK internal market can be independently assessed.

#### **Supporting dispute resolution**

Where one or more administrations in the UK consider that a regulation is or may be detrimental to the effective operation of the UK internal market, the OIM may be requested to provide a report. It will lay this report before the UK Parliament and each of the devolved legislatures. It will then be for the relevant administrations and legislatures to determine the most appropriate course of action. This provision will only be available to support disputes between administrations. As I made clear during the Committee debates, intergovernmental arrangements will aim to minimise potential disputed approaches to regulations from reaching the Courts.

## **Advice and Reporting**

By 31 March 2023 and at least once every subsequent five years, the OIM will report on the effectiveness of the market access principles in the Bill, and their impact on the operation and development of the internal market in the UK. As well as this regular reporting, the OIM will be able to provide independent, expert, ex-ante advice following a request from the UK Government, the devolved administrations or any other stakeholder on a matter relevant to the effective operation of the UK internal market. To support this regular and ad hoc reporting, stakeholders may be requested to provide evidence. Developing this robust evidence base will help facilitate intergovernmental dialogue and effective policy-making. I wish to reiterate though that the OIM will not have a direct role in monitoring business compliance with the market access principles, nor will it adjudicate in the case of disagreements between businesses.

I thank you again for your contributions to the debate. A copy of this letter will be placed in the Library.



**Lord Callanan**