



Department for
Business, Energy
& Industrial Strategy

Lord Callanan
Minister for Climate Change and Corporate
Responsibility

**Department for Business, Energy &
Industrial Strategy**
1 Victoria Street
London
SW1H 0ET

Baroness McIntosh of Pickering
House of Lords
London
SW1A 0PW

T +44 (0) 20 7215 5000
E enquiries@beis.gov.uk
W www.gov.uk

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Dear Baroness McIntosh,

United Kingdom Internal Market Bill – House of Lords Committee Stage

Thank you again for your contributions to the Committee stage debates on the UK Internal Market Bill. I am writing to address your questions on who would assess the impact of distortive subsidies, and regarding the government consultation.

Distortive subsidies

From the 1st January the UK will follow World Trade Organisation rules and other international commitments on subsidies. We will consult on whether to go further than those commitments, including whether legislation is necessary, and will consider the role of domestic oversight and enforcement.

Article 10 of the Northern Ireland Protocol provides that the EU State aid rules, regulated by the European Commission, will continue to apply to measures that affect trade in goods and wholesale electricity between Northern Ireland and the EU, for as long as the Protocol has the democratic consent of the people of Northern Ireland. The Government's position is that the EU's State aid provisions should not apply in Great Britain in circumstances when there is no link, or only a trivial one, to commercial operations taking place in Northern Ireland.

Consultation

During the session, you enquired whether the Government would release responses to the consultation, which ran between 16 July – 13 August and invited views specifically on four questions:

- whether to mitigate against both 'direct' and 'indirect' discrimination;
- which areas should be covered by non-discrimination but not mutual recognition;
- how to implement independent functions; and
- how those functions best ensure the smooth functioning of the internal market.

The details of our summary response analysis and subsequent policy adjustments can be found in the Government's full consultation response which is available on GOV.UK: <https://www.gov.uk/government/consultations/uk-internal-market-policy-option-proposals>

In conformity with the Data Protection Act 2018, as not all respondents consented to the sharing of both their views and identifying information, it would not be appropriate to publish individual responses. We believe that publishing only a subsection of responses would not offer the public an accurate reflection of the overall reaction to the consultation.

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

A handwritten signature in blue ink, consisting of several loops and a trailing line, positioned above the name Lord Callanan.

Lord Callanan