



Department for International Trade

Sir James Duddridge KCMG MP
Minister for International Trade

Old Admiralty Building
Admiralty Place
London
SW1A 2DY
United Kingdom

T +44 (0) 20 7215 5000
E Duddridge.correspondence@trade.gov.uk
W gov.uk

Gareth Thomas MP
House of Commons
London
SW1A 0AA

21st October 2022

Dear Gareth,

Investor-state dispute settlement provisions in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership

Thank you for your question about the Government's position on investor-state dispute settlement provisions in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership during Tuesday's debate of the Trade (Australia and New Zealand) Bill.

Accession to the Comprehensive and Progressive agreement for Trans-Pacific Partnership is a Government priority. As a large, liberal economy, and a strong advocate of free trade, we believe our membership would help the group to exercise even greater influence in shaping the rules of the global economy. Joining will put us at the heart of a dynamic group of countries, as the world economy increasingly centres on the Pacific region.

In relation to investment specifically, joining the Agreement will make it easier for British firms to invest overseas, and will reinforce the UK's position as one of the top destinations for investment in the world. British firms have over £100 billion invested in the member countries of the Comprehensive and Progressive agreement for Trans-Pacific Partnership, which will be protected by the Agreement's investment chapter, including the investor-state dispute settlement mechanism it contains.

Investor-state dispute settlement provisions protect British investors overseas from discriminatory, arbitrary, or unfair treatment and/or expropriation without compensation and ensure that British investors have access to an independent means of legal redress where they have been subject to such treatment by a host government.

Investor-state dispute settlement tribunals cannot overrule the sovereignty of Parliament, overturn or force any changes to law – they can only award compensation if a foreign investor's rights under the treaty have been breached.

The UK is currently party to around 90 bilateral investment treaties containing investor-state dispute settlement provisions and has never been subject to a claim under such provisions before an arbitral tribunal, nor has the threat of potential claims affected our legislation.

The Government is clear that where we negotiate investment protection and investor-state dispute settlement provisions, we will maintain our right to regulate in the public interest, including in areas such as the environment and labour standards. This right to regulate is recognised in international law.

I am placing a copy of this letter in the Libraries of both Houses.

Yours ever,

A handwritten signature in blue ink that reads "James Duddridge". The signature is written in a cursive style with a long horizontal stroke at the end.

Sir James Duddridge KCMG MP
Minister for International Trade