



Department for Business & Trade

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10 January 2024

Dear Jeremy,

Thank you for attending the Grand Committee meeting on the Trade (Comprehensive and Progressive Agreement on Trans-Pacific Partnership) Bill on the 14th December. During the debate, you asked how investment disputes in relation to the investment chapters of CPTPP and of bilateral FTAs with CPTPP parties would be resolved.

The majority of the investment provisions in CPTPP are backed by a modern and transparent ISDS mechanism. Where an investor in a CPTPP party alleges that the party has breached its protection commitments, they may bring an ISDS claim under the provisions set out by the Investment chapter (Chapter 9).

The ISDS mechanism will apply between the UK and all CPTPP parties other than Australia and New Zealand. This is because, taking into account the priorities of the UK and those of Australia and New Zealand, at their request the UK agreed to disapply the ISDS provisions in CPTPP.

You also asked about disputes in relation to bilateral FTAs with CPTPP Parties. These FTAs do not include an ISDS mechanism in the investment chapter, and so investors will not be able to bring an ISDS claim under those FTAs. Instead, with respect to the UK's bilateral FTAs with Australia, New Zealand and Japan, state-to-state dispute settlement procedures apply. Bilateral FTA negotiations with Canada and Mexico are ongoing.

Regarding an appellate mechanism for the resolution of investment disputes, the UK is actively engaged in global discussions on ISDS reform aimed at further improving arbitration processes to ensure fair outcomes of claims, high ethical standards for arbitrators and increased transparency of ISDS proceedings.

I hope this letter reassures you on the importance that this Government places on the matters that you raised during Committee Stage of the Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill.

I am placing a copy of this letter in the Library of the House.

With very best wishes,

A handwritten signature in black ink, appearing to read 'D. Johnson', with a horizontal line underneath.

Lord Johnson of Lainston CBE
Minister for Investment and Regulatory Reform
Department for Business and Trade