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By email

9 December 2024

Interaction of the Product Regulation and Metrology Bill with the UK Internal Market Act and Devolved Competence

Thank you for your continued engagement on the Product Regulation and Metrology Bill. I am writing to address the query you raised at Committee on 20 November about the recognition of EU requirements and the UK Internal Market (UKIM) Act 2020.

The UK Internal Market (UKIM) Act

As you rightly note, the principles of mutual recognition and non-discrimination under the UKIM Act ensure that goods produced in, or imported into, one part of the United Kingdom can be sold in any other part of the UK without. These principles apply where there is divergence between the regulations in different parts of the UK. This ensures businesses only need to comply with one set of regulations to be able to trade across the UK, even if the UK and devolved governments choose to regulate aspects of the market differently in their jurisdictions.

In order to facilitate Northern Ireland's dual access to the UK internal market and EU Single Market, Northern Ireland continues to apply certain EU product legislation in accordance with the Windsor Framework. The principle of unfettered access under the UKIM Act guarantees that qualifying Northern Ireland goods (including relevant CE-marked products) can be placed on the market across the UK. In order to be a qualifying good in Northern Ireland certain requirements must be met - but, broadly speaking, these are goods that are in free circulation in Northern Ireland¹. Only qualifying Northern Ireland goods benefit from unfettered access. Goods that are not qualifying Northern Ireland goods will have to meet relevant requirements to be sold in GB.

¹ Detailed guidance is available online: <https://www.gov.uk/guidance/moving-qualifying-goods-from-northern-ireland-to-the-rest-of-the-uk>

Recognising EU Product Requirements

The Product Regulation and Metrology Bill serves a different purpose to the UKIM Act. The Bill provides powers that give the UK greater flexibility in setting and updating its own product-related rules. This includes powers to allow the UK to choose to recognise updates to certain EU product requirements in Great Britain, including the CE marking, to provide continued regulatory stability and avoid extra costs for business. The Bill also enables the UK to choose to end CE recognition, where this is in the UK's best interests. It is important to note that the UKIM Act does not, in itself, extend CE recognition across Great Britain; this requires explicit legislative or regulatory measures, which the Bill enables. A Statutory Instrument was passed in May 2024 under the previous Government to continue the recognition of certain EU requirements, including the CE marking, for a range of products.

This is estimated to save UK businesses £640.5 million over a 10-year period, largely from avoiding duplicative compliance and labelling costs, for the 21 product sector areas to which this applies. The Bill will provide the flexibility to ensure product regulation, now and in the future, is tailored to the needs of the UK and its internal market. It will also help facilitate the continued smooth flow of goods between Great Britain and Northern Ireland.

I hope this addresses your concerns and I would be happy to discuss this further at your convenience.

I am copying this letter to other Noble Lords who spoke in the debate. I am also depositing a copy of this letter in the Library of the House.

Yours Sincerely,

A handwritten signature in black ink, consisting of a large loop at the top and a horizontal line at the bottom.

Lord Leong CBE
Lord in Waiting (Government Whip)