

LORDS AMENDMENTS TO THE  
UNITED KINGDOM INTERNAL MARKET BILL

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*[The page and line references are to HL Bill 135, the bill as first printed for the Lords]*

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**After Clause 1**

**1** Insert the following new Clause—

**“Common frameworks process**

- (1) The United Kingdom market access principles shall not apply to any statutory provision or requirement that gives effect to a decision to diverge from harmonised rules that has been agreed through the common frameworks process.
- (2) No regulations may be made by a Minister of the Crown with regard to a matter that is under consideration under the common frameworks process while that process in relation to that matter is still in progress.
- (3) The “common frameworks process” is a means, established by the Joint Ministerial Committee on European Negotiations, by which a measure of regulatory consistency to enable a functioning internal market within the United Kingdom may be mutually agreed between the United Kingdom and devolved governments.”

**Clause 3**

**2** Page 2, line 21, leave out “any” and insert “a particular”

**3** Page 2, line 28, after first “requirement” insert “in relation to the sale”

**4** Page 3, line 25, leave out subsections (8) to (10)

**Clause 4**

**5** Page 3, line 38, after first “a” insert “particular”

**6** Page 3, line 38, leave out second “a” and insert “that”

**7** Page 4, line 12, leave out from “have” to “place” and insert “had the same effect in relation to the sale (if it had taken”

**Clause 6**

8 Page 5, line 23, leave out subsections (5) to (7)

**Clause 8**

9 Page 7, line 1, leave out subsections (7) and (8)

10 Page 7, line 4, at end insert—

“(8A) Before making regulations under subsection (7) the Secretary of State must consult the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.”

11 Page 7, line 4, at end insert—

“(8A) Before making regulations under subsection (7) the Secretary of State must obtain the consent of the Scottish Ministers, the Welsh Ministers, and the Department for the Economy in Northern Ireland.

(8B) But the Secretary of State may make regulations under subsection (7) without the consent required by subsection (8A) if that consent is not given within the period of one month beginning with the day on which the Secretary of State requests it.

(8C) If the Secretary of State makes regulations without the consent required by subsection (8A), the Secretary of State must publish a statement explaining why the Secretary of State has proceeded with making the regulations.”

**Clause 10**

12 Leave out Clause 10 and insert the following new Clause—

**“Exclusions from market access principles: public interest derogations**

(1) The United Kingdom market access principles do not apply to, and sections 2(3) and 5(3) do not affect the operation of, any requirements which—  
(a) pursue a legitimate aim,  
(b) are a proportionate means of achieving that aim, and  
(c) are not a disguised restriction on trade.

(2) A requirement is considered to pursue a legitimate aim if it makes a contribution to the achievement of—  
(a) environmental standards and protection,  
(b) animal welfare,  
(c) consumer standards, including digital and artificial intelligence privacy rights,  
(d) employment rights and protections,  
(e) health and life of humans, animals or plants,  
(f) cultural expression,  
(g) regional socio-cultural characteristics, or  
(h) equality entitlements, rights and protections.

(3) A requirement is considered disproportionate if the legitimate aim being pursued in the destination part of the United Kingdom is already achieved to the same or higher extent by requirements in the originating part of the United Kingdom.”

### Clause 11

- 13 Page 8, line 9, leave out subsections (6) and (7)
- 14 Page 8, leave out line 17 and insert “the European Union (Withdrawal) Act 2018”

### Clause 12

- 15 Page 8, line 31, at end insert –
- “(4A) Before issuing, revising or withdrawing any guidance under subsection (4), the Secretary of State must obtain the consent of the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.
- (4B) But the Secretary of State may issue, revise or withdraw any guidance without the consent required by subsection (4A) if that consent is not given within the period of one month beginning with the day on which the Secretary of State requests it.
- (4C) If the Secretary of State makes regulations without the consent required by subsection (4A), the Secretary of State must publish a statement explaining why the Secretary of State has proceeded with making the regulations.”

### After Clause 12

- 16 Insert the following new Clause –
- “Duty to review the use of Part 1 amendment powers**
- (1) In this section “the Part 1 amendment powers” are the powers conferred by sections 6(5), 8(7) and 10(2) (powers to amend certain provisions of Part 1).
- (2) The Secretary of State must, during the permitted period –
- (a) carry out a review of any use that has been made of the Part 1 amendment powers,
  - (b) prepare a report of the review, and
  - (c) lay a copy of the report before Parliament.
- (3) In carrying out the review the Secretary of State must –
- (a) consult the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland;
  - (b) consider any relevant reports made, or advice given, by the Competition and Markets Authority under Part 4; and
  - (c) assess the impact and effectiveness of any changes made under the Part 1 amendment powers.
- (4) The permitted period is the period beginning with the third anniversary of the passing of this Act and ending with the fifth anniversary.
- (5) If any Part 1 amendment power has not been used by the time the review is carried out, this section has effect –
- (a) as if the report required by subsection (2), so far as relating to that power, is a report containing –
    - (i) a statement to the effect that the power has not been used since it came into force, and
    - (ii) such other information relating to that statement as the Secretary of State considers it appropriate to give, and

- (b) as if the requirements of subsection (3) did not apply in relation to that power.”

#### **Clause 17**

17 Page 12, line 35, leave out subsections (2) to (4)

18 Page 12, line 45, at end insert –

- “(5) Before making regulations under subsection (2) the Secretary of State must consult the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.”

#### **After Clause 18**

19 Insert the following new Clause –

##### **“Common frameworks process**

- (1) The mutual recognition of authorisation requirements shall not apply to any regulatory requirement that gives effect to a decision to diverge from harmonised requirements that has been agreed through the common frameworks process.
- (2) No regulations may be made by a Minister of the Crown with regard to a matter that is under consideration under the common frameworks process while that process in relation to that matter is still in progress.”

#### **Clause 19**

20 Page 13, line 27, leave out “, and section 20,”

#### **Clause 20**

21 Page 13, line 34, leave out the second “a” and insert “an incoming”

22 Page 13, line 35, after “that” insert “incoming”

23 Page 13, line 36, leave out the second “a” and insert “an incoming”

24 Page 13, line 38, after “discriminate” insert “against the incoming service provider”

25 Page 13, line 39, leave out from “it” to end of line 41 and insert “puts the incoming service provider at a relevant disadvantage”

26 Page 13, line 44, at end insert –

“(2A) A regulatory requirement puts an incoming service provider at a relevant disadvantage if –

- (a) it puts the incoming service provider at a disadvantage in relation to the provision of services in the part of the United Kingdom in which the requirement applies, and
- (b) it does not put, or would not put, each local service provider at that disadvantage in relation to the provision of those services in that part (at all or to the same extent).”

- 27 Page 14, line 1, leave out subsections (3) and (4) and insert –
- “(3) A regulatory requirement puts a service provider at a disadvantage in relation to the provision of services in a part of the United Kingdom if it makes it in any way more difficult, or less attractive, for the service provider to provide the services in that part.
  - (4) A regulatory requirement has an adverse market effect if, by putting an incoming service provider (or incoming service providers) at a relevant disadvantage in relation to the provision of services, it has a significant adverse effect on competition in the market for those services in the United Kingdom.”
- 28 Page 14, line 16, at end insert –
- “(4A) For the purposes of subsections (1) to (4) –
- (a) an “incoming service provider” is a service provider that –
    - (i) provides the services in the part of the United Kingdom in which the regulatory requirement applies, but
    - (ii) does not have a relevant connection to that part;
  - (b) a “local service provider” is a service provider that –
    - (i) provides the services in the part of the United Kingdom in which the regulatory requirement applies,
    - (ii) has a relevant connection to that part, and
    - (iii) does not have a relevant connection to another part of the United Kingdom;
  - (c) a service provider has a “relevant connection” to a part of the United Kingdom if the service provider –
    - (i) has a registered office, place of business or residence in that part, or
    - (ii) provides the services from that part.”
- 29 Page 14, line 17, leave out subsection (5)
- 30 Page 14, line 25, leave out subsections (7) and (8)
- 31 Page 14, line 28, at end insert –
- “(8A) Before making regulations under subsection (7) the Secretary of State must consult the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.”
- 32 Page 14, line 28, at end insert –
- “(8A) Before making regulations under subsection (7) the Secretary of State must obtain the consent of the Scottish Ministers, the Welsh Ministers, and the Department for the Economy in Northern Ireland.
- (8B) But the Secretary of State may make regulations under subsection (7) without the consent required by subsection (8A) if that consent is not given within the period of one month beginning with the day on which the Secretary of State requests it.
- (8C) If the Secretary of State makes regulations without the consent required by subsection (8A), the Secretary of State must publish a statement explaining why the Secretary of State has proceeded with making the regulations.”

### After Clause 20

33 Insert the following new Clause—

**“Duty to review the use of Part 2 amendment powers**

- (1) In this section “the Part 2 amendment powers” are the powers conferred by sections 17(2) and 20(7) (powers to amend certain provisions of Part 2).
- (2) The Secretary of State must, during the permitted period—
  - (a) carry out a review of any use that has been made of the Part 2 amendment powers,
  - (b) prepare a report of the review, and
  - (c) lay a copy of the report before Parliament.
- (3) In carrying out the review the Secretary of State must—
  - (a) consult the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland;
  - (b) consider any relevant reports made, or advice given, by the Competition and Markets Authority under Part 4; and
  - (c) assess the impact and effectiveness of any changes made under the Part 2 amendment powers.
- (4) The permitted period is the period beginning with the third anniversary of the passing of this Act and ending with the fifth anniversary.
- (5) If either of the Part 2 amendment powers has not been used by the time the review is carried out, this section has effect—
  - (a) as if the report required by subsection (2), so far as relating to that power, is a report containing—
    - (i) a statement to the effect that the power has not been used since it came into force, and
    - (ii) such other information relating to that statement as the Secretary of State considers it appropriate to give, and
  - (b) as if the requirements of subsection (3) did not apply to that power.”

### Clause 25

34 Page 19, line 13, at end insert—

- “( ) Section 22(2) does not apply if the provision has been agreed through the common frameworks process.”

35 Page 19, line 24, at end insert—

- “(d) in relation to any part of the United Kingdom, the profession of patent attorney or trade mark attorney.”

36 Page 19, line 24, at end insert—

- “(7) Section 22(2) does not apply in relation to provision that limits the ability to practise the profession, or any profession, of school teaching.”

**Clause 27**

37 Page 20, line 35, at end insert—

“(1A) Provision that limits the ability referred to in subsection (1)(a) to individuals with certain qualifications or experience falls within section 22(1) only if the activities affected by the provision are, in a significant number of cases, essential to the practice of the profession in question.”

**Clause 29**

38 Page 22, line 43, at end insert—

“(2A) That objective includes, in particular, supporting the operation of the internal market—

- (a) in the interests of all parts of the United Kingdom, and
- (b) in the interests of consumers of goods and services as well as other classes of person with an interest in its operation.

(2B) The CMA must also, in carrying out its functions under this Part, have regard to the need to act even-handedly as respects the relevant national authorities.”

**After Clause 37**

39 Insert the following new Clause—

**“Laying of annual documents before devolved legislatures**

- (1) Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (the Competition and Markets Authority) is amended as follows.
- (2) In paragraph 12(3) (annual plan to be laid before Parliament), for “Parliament” substitute “—
  - (a) Parliament,
  - (b) the Scottish Parliament,
  - (c) Senedd Cymru, and
  - (d) the Northern Ireland Assembly”.
- (3) In paragraph 13(2) (proposals for annual plan to be laid before Parliament), for “Parliament” substitute “—
  - (a) Parliament,
  - (b) the Scottish Parliament,
  - (c) Senedd Cymru, and
  - (d) the Northern Ireland Assembly”.
- (4) In paragraph 14(3)(a) (performance report to be laid before Parliament), for “Parliament” substitute “—
  - (i) Parliament,
  - (ii) the Scottish Parliament,
  - (iii) Senedd Cymru, and
  - (iv) the Northern Ireland Assembly”.

**Clause 39**

- 40 Page 31, line 6, leave out “such” and insert “ –  
(a) each relevant national authority, and  
(b) such other”

**Clause 40**

- 41 Page 31, line 40, after “CMA,” insert –  
“(aa) each other relevant national authority,”

**Clause 42**

- 42 Leave out Clause 42

**Clause 43**

- 43 Leave out Clause 43

**Clause 44**

- 44 Leave out Clause 44

**Clause 45**

- 45 Leave out Clause 45

**Clause 46**

- 46 Leave out Clause 46

**Clause 47**

- 47 Leave out Clause 47

**Clause 48**

- 48 Leave out Clause 48

**Clause 49**

- 49 Leave out Clause 49

**After Clause 49**

- 50 Insert the following new Clause –

**“State aid and the Office for the Internal Market**

- (1) Within the period of six months beginning with the day on which section 30 comes into force, and within the existing budget, the Secretary of State must by regulations establish the Office for the Internal Market (“the OIM”) as independent of the CMA.



- (2) The Secretary of State must consult and seek the consent of Scottish Ministers, the Welsh Ministers, and the Department for the Economy in Northern Ireland on appointments to the OIM.
- (3) Following public consultation about the United Kingdom’s state aid provisions and with the consent of the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland the Secretary of State may by regulations make the OIM the competent body for –
  - (a) investigating harmful and distortive subsidies and subsidy races made by any administration within the United Kingdom and relating to harm in the United Kingdom;
  - (b) recommending to the Secretary of State and the Devolved Administrations changes to the test for a harmful subsidy, remedies, the scope of exemptions and time limits on approvals;
  - (c) recommending changes in its powers and functions.
- (4) After two years and before three years, beginning with the day on which section 30 comes into force, there shall be a review of the competences of the OIM.
- (5) Regulations under this section are subject to the affirmative resolution procedure.”

#### **Clause 50**

51 Leave out Clause 50

#### **Clause 52**

52 Page 43, line 13, leave out subsection (1) and insert –

“(1) Section 11 ceases to have effect when Articles 5 to 10 of the Northern Ireland Protocol cease to apply.”

53 Page 43, line 18, leave out “except the amendment made by subsection (3)”

54 Page 43, line 24, leave out subsection (3)

#### **Clause 56**

55 Page 45, line 21, leave out subsection (4)

#### **Schedule 1**

56 Leave out Schedule 1

#### **Schedule 3**

57 Page 54, line 8, at end insert –

“(2A) After sub-paragraph (1)(b) insert –

“(c) one person appointed to membership of the CMA Board by each of –

- (i) the Scottish Ministers,
- (ii) the Welsh Ministers, and

- (iii) the Department for the Economy in Northern Ireland.””

58 Page 54, line 9, at end insert –

- “(2ZA) In making appointments under paragraphs (iv) and (v) of sub-paragraph (1)(b) the Secretary of State must have regard to the desirability of securing that –
  - (a) a variety of skills, knowledge and experience is available among the members of the OIM panel, and
  - (b) there is an appropriate balance among the members of that panel of persons who have skills, knowledge or experience relating to the operation of the United Kingdom internal market in different parts of the United Kingdom.”

59 Page 54, line 11, leave out “consult” and insert “seek the consent of”

60 Page 54, line 14, at end insert –

- “(2B) Sub-paragraph (2C) applies if consent to an appointment is not given by any of those authorities within the period of one month beginning with the day on which it is sought from that authority.
- (2C) In that event the Secretary of State –
  - (a) may make the appointment without the consent of the authority or authorities concerned; and
  - (b) must, if the appointment is made, inform each authority which did not give consent of the reasons for the decision to proceed with the appointment.””

61 Page 55, line 3, at end insert –

“(2A) After sub-paragraph (2) insert –

- “(2A) Sub-paragraph (2) applies to a member of the CMA Board appointed under paragraph 1(1)(c) as if the reference to the Secretary of State were a reference to whichever of the Scottish Ministers, the Welsh Ministers or the Department for the Economy in Northern Ireland appointed the person.””

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LORDS AMENDMENTS TO THE  
**United Kingdom Internal Market Bill**

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