

United Kingdom Internal Market Bill

LORDS INSISTENCE, NON-INSISTENCE, AMENDMENTS IN LIEU AND AMENDMENTS TO WORDS RESTORED

[The page and line numbers refer to HL Bill 135, the bill as first printed for the Lords]

LORDS AMENDMENTS 1, 19 AND 34

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.”

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 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.”

COMMONS REASON

The Commons disagree to Lords Amendments 1, 19 and 34 for the following Reason –

1A *Because they will create legal uncertainty, which would be disruptive to business.*

LORDS NON-INSISTENCE AND AMENDMENTS IN LIEU

The Lords do not insist on their Amendments 1, 19 and 34 to which the Commons have disagreed for their Reason 1A and do propose Amendments 1B, 1C and 1D in lieu –

After Clause 1

1B 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 and states that its purpose is to give effect to that agreement.
- (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 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 the devolved governments.”

After Clause 18

1C 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 rules that has been agreed through the common frameworks process and states that its purpose is to give effect to that agreement.
- (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 25

1D Page 19, line 13, at end insert—

“() Section 22(2) does not apply if the provision has been agreed through the common frameworks process and it states that its purpose is to give effect to that agreement.”

LORDS AMENDMENTS 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 30, 31, 32, 33 AND 56

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)

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)

Clause 17

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

Clause 20

- 30 Page 14, line 25, leave out subsections (7) and (8)

Schedule 1

- 56 Leave out Schedule 1

COMMONS REASON

The Commons disagree to Lords Amendments 8, 9, 12, 13, 17, 30 and 56 for the following Reason –

- 8A *Because the omission of Schedule 1 by Lords Amendment No. 56 in consequence of replacing clause 10 with the new clause proposed by Lords Amendment No. 12 and the omission of powers to amend provisions of Parts 1 and 2 (including Schedules 1 and 2) by Lords Amendments Nos. 8, 9, 12, 17 and 30, would result in the Secretary of State being unable to respond quickly to the changing needs of the UK internal market.*

Clause 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.”

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

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.”

Clause 20

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.”

COMMONS REASON

The Commons disagree to Lords Amendments 10, 11, 16, 18 and 31 to 33 for the following Reason—

10A *Because a number of the Lords Amendments were inconsistent with each other or with Lords Amendments proposing the deletion of powers to amend provisions of Part 1 or 2 and it is appropriate, following the restoration of those powers, for the Lords to reconsider the Lords Amendments.*

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.”

COMMONS REASON

The Commons disagree to Lords Amendment 15 for the following Reason –

- 15A** *Because the consents required by it are inappropriate for guidance relating to matters which are not devolved in Scotland, Wales or Northern Ireland.*

LORDS NON-INSISTENCE, AMENDMENTS IN LIEU, INSISTENCE AND REASON

The Lords do not insist on their Amendments 8, 9, 10, 11, 12, 15, 16, 17, 18, 30, 31, 32 and 33 to which the Commons have disagreed for their Reasons 8A, 10A and 15A, do propose Amendments 8B to 8D and 8F to 8K in lieu, do propose Amendment 8L in lieu of the words restored to the Bill by the Commons disagreement to Amendment 12 and do insist on their Amendments 13 and 56 for Reason 15B –

Clause 6

- 8B** Page 5, line 28, leave out “consult” and insert “seek the consent of”
- 8C** Page 5, line 29, at end insert –
- “(7A) If consent to the making of the regulations 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, the Secretary of State may make the regulations without that consent.
- (7B) If regulations are made in reliance on subsection (7A), the Secretary of State must publish a statement explaining why the Secretary of State decided to make the regulations without the consent of the authority or authorities concerned.”

Clause 8

- 8D** Page 7, line 4, at end insert –
- “(8A) Before making regulations under subsection (7), the Secretary of State must seek the consent of the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.
- (8B) If consent to the making of the regulations 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, the Secretary of State may make the regulations without that consent.
- (8C) If regulations are made in reliance on subsection (8B), the Secretary of State must publish a statement explaining why the Secretary of State decided to make the regulations without the consent of the authority or authorities concerned.”

Clause 12

8F Page 8, line 31, at end insert—

“(4A) Before issuing, revising or withdrawing guidance under subsection (4), the Secretary of State must consult the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.”

After Clause 12

8G 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

8H Page 12, line 43, leave out subsection (4) and insert—

- “(4) Before making regulations under subsection (2), the Secretary of State must seek the consent of the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.
- (5) If consent to the making of the regulations 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, the Secretary of State may make the regulations without that consent.

- (6) If regulations are made in reliance on subsection (5), the Secretary of State must publish a statement explaining why the Secretary of State decided to make the regulations without the consent of the authority or authorities concerned.”

Clause 20

8J Page 14, line 28, at end insert—

- “(8A) Before making regulations under subsection (7), the Secretary of State must seek the consent of the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.
- (8B) If consent to the making of the regulations 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, the Secretary of State may make the regulations without that consent.
- (8C) If regulations are made in reliance on subsection (8B), the Secretary of State must publish a statement explaining why the Secretary of State decided to make the regulations without the consent of the authority or authorities concerned.”

After Clause 20

8K 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—
- carry out a review of any use that has been made of the Part 2 amendment powers,
 - prepare a report of the review, and
 - lay a copy of the report before Parliament.
- (3) In carrying out the review the Secretary of State must—
- consult the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland,
 - consider any relevant reports made, or advice given, by the Competition and Markets Authority under Part 4, and
 - 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—
- as if the report required by subsection (2), so far as relating to that power, is a report containing—
 - a statement to the effect that the power has not been used since it came into force, and
 - 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 10

8L 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) protection of public health, or
 - (g) 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.””

15B *Because the Lords wish the Commons to consider the matter again.*

LORDS AMENDMENTS 14 AND 52 TO 55

Clause 11

14 Page 8, leave out line 17 and insert “the European Union (Withdrawal) Act 2018”

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)

COMMONS REASON

The Commons disagree to Lords Amendments 14 and 52 to 55 for the following Reason –

- 14A** *Because they were consequential upon Lords Amendments Nos. 42 to 47 and so the changes they made are no longer needed as a result of the Commons disagreement to Lords Amendments Nos. 42 to 47.*

LORDS INSISTENCE AND REASON

The Lords insist on their Amendments 14 and 52 to 55 for the following Reason –

- 14B** *Because the Lords wish the Commons to consider the matter again.*

LORDS AMENDMENT 44

Clause 44

- 44** Leave out Clause 44

COMMONS REASON

The Commons disagree to Lords Amendment 44 for the following Reason –

- 44A** *Because the regulation-making power conferred by clause 44 provides a necessary safety net to ensure Ministers can secure that qualifying Northern Ireland goods have full, unfettered access to the whole of the UK internal market.*

LORDS INSISTENCE AND REASON

The Lords insist on their Amendment 44 for the following Reason –

- 44B** *Because the Lords wish the Commons to consider the matter again.*

LORDS AMENDMENT 45

Clause 45

- 45** Leave out Clause 45

COMMONS REASON

The Commons disagree to Lords Amendment 45 for the following Reason –

- 45A** *Because it is necessary for the Secretary of State to have the power to ensure there is no confusion or ambiguity in UK law about the interpretation of Article 10 of the Northern Ireland Protocol.*

LORDS INSISTENCE AND REASON

The Lords insist on their Amendment 45 for the following Reason –

- 45B** *Because the Lords wish the Commons to consider the matter again.*

LORDS AMENDMENT 47

Clause 47

47 Leave out Clause 47

COMMONS REASON

The Commons disagree to Lords Amendment 47 for the following Reason –

47A *Because the Commons consider it necessary, in order to avoid confusion in domestic law about clauses 44 and 45 and regulations made under them and provide clarity for courts, businesses, and public bodies, for those clauses and regulations to have effect notwithstanding possible inconsistency or incompatibility with any relevant national or international law.*

LORDS INSISTENCE AND REASON

The Lords insist on their Amendment 47 for the following Reason –

47B *Because the Lords wish the Commons to consider the matter again.*

LORDS AMENDMENTS 48 AND 49

Clause 48

48 Leave out Clause 48

Clause 49

49 Leave out Clause 49

COMMONS REASON

The Commons disagree to Lords Amendments 48 and 49 for the following Reason –

48A *Because they would alter financial arrangements made by the Commons, and the Commons do not offer any further Reason, trusting that this Reason may be deemed sufficient.*

LORDS NON-INSISTENCE AND AMENDMENTS TO WORDS RESTORED

The Lords do not insist on their Amendments 48 and 49 to which the Commons have disagreed for their Reason 48A and do propose Amendments 48B and 48C to the words restored to the Bill by the Commons disagreement to Amendment 48 –

Clause 48

48B Page 40, line 41, at end insert –

“(1A) The powers in subsection (1) may only be exercised –

- (a) after consultation with the relevant authority on the principles under which financial assistance may be provided by a Minister of the Crown;
- (b) after publication of such principles; and

- (c) with the consent of the relevant authority where the financial assistance is assistance that could be given by a relevant authority.”

48C Page 41, line 10, at end insert –

““relevant authority” means the Welsh Ministers in respect of Wales, the Scottish Ministers in respect of Scotland, and the Northern Ireland Executive in respect of Northern Ireland.”

LORDS AMENDMENTS 50, 57 AND 61

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.”

COMMONS REASON

The Commons disagree to Lords Amendment 50 for the following Reason –

50A *Because it would involve a charge on the public funds and the Commons do not offer any further Reason, trusting that this Reason may be deemed sufficient.*

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.””

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.””

COMMONS REASON

The Commons disagree to Lords Amendments 57 and 61 for the following Reason —

57A *Because the existing functions of the Competition and Markets Authority and the functions under Part 4 need to be kept separate and it is inappropriate for the devolved authorities to appoint members of the Board of that Authority.*

LORDS NON-INSISTENCE AND AMENDMENTS IN LIEU

The Lords do not insist on their Amendments 50, 57 and 61 to which the Commons have disagreed for their Reasons 50A and 57A, but do propose Amendments 50B and 50C in lieu —

After Clause 40

50B Insert the following new Clause—

“40A Duty to review arrangements for carrying out Part 4 functions

- (1) The Secretary of State must, within the permitted period—
 - (a) carry out a review of the appropriateness, for the purpose of securing the most effective and efficient performance of the Part 4 functions, of—
 - (i) the provision made by section 30(1) and the amendments made by Schedule 3, and
 - (ii) any arrangements made under or in connection with that provision and those amendments;
 - (b) prepare a report of the review (see subsection (4) for specific requirements relating to the report), and
 - (c) lay a copy of the report before Parliament, the Scottish Parliament, Senedd Cymru and the Northern Ireland Assembly.

- (2) The review must, among other things, assess –
 - (a) the way in which Part 4 functions have been carried out by the CMA through Office for the Internal Market task groups authorised under section 30(1), and
 - (b) any advantages or disadvantages of continuing with –
 - (i) the provision made by section 30 and the amendments made by Schedule 3, and
 - (ii) the arrangements made under or in connection with that provision or those amendments,
 as compared with other possible ways of providing for the Part 4 functions to be carried out (including possible arrangements not involving the CMA).
- (3) In carrying out the review the Secretary of State must consult the other relevant national authorities.
- (4) Before finalising the report required by subsection (1)(b) the Secretary of State must –
 - (a) send a draft of the proposed report to each of the other relevant national authorities, inviting the authority to make representations as to the content of the proposed report within a period specified by the Secretary of State, and
 - (b) consider any representations duly made in response to that invitation and determine whether to alter the report in the light of that consideration.
- (5) The Secretary of State need not consult the devolved authorities further if the draft is altered as mentioned in subsection (4)(b) (but is free to do so if the Secretary of State thinks fit).
- (6) The permitted period for the review is the period beginning with the third anniversary of the day on which section 30 comes into force (or first comes into force to any extent) and ending with the fifth anniversary.
- (7) In this section “Part 4 functions” means functions of the CMA under this Part.”

Clause 50

50C Page 41, line 27, at beginning insert –

“(A1) Subsections (1), (2) and (3) shall take effect when the Welsh Ministers, the Scottish Ministers and the Northern Ireland Executive have agreed with the Secretary of State a common framework applicable to the United Kingdom to regulate the provision of subsidies by a public authority to persons supplying goods or services in the course of a business or, if agreement cannot be reached, three years after the passing of this Act.””

LORDS AMENDMENT 51

Clause 50

51 Leave out Clause 50

COMMONS REASON

The Commons disagree to Lords Amendment 51 for the following Reason –

- 51A** *Because it is necessary to reserve to the United Kingdom Parliament the right to legislate for a system to regulate the provision by public bodies of subsidies which are or may be distortive or harmful and to avoid the risk of inconsistent regulation of such subsidies in the different parts of the United Kingdom.*

LORDS NON-INSISTENCE AND AMENDMENT IN LIEU

The Lords do not insist on their Amendment 51 to which the Commons have disagreed for their Reason 51A, but do propose Amendment 51B in lieu –

After Clause 50

- 51B** Insert the following new Clause –

“50A UK subsidy control consultation: engagement with the devolved authorities on the Government response

- (1) For the purposes of this section –
 - (a) “the UK subsidy control consultation” is the consultation announced by the Secretary of State for Business, Energy and Industrial Strategy in a written Ministerial statement made in the House of Commons on 9 September 2020 (consultation on whether the United Kingdom should go further than its existing international commitments in relation to subsidy control, including whether legislation is necessary);
 - (b) a “relevant report” is a report containing the whole or part of the Government’s response to that consultation (and for this purpose “response” includes any conclusions and proposals, resulting from that consultation, as to arrangements in the United Kingdom for controlling the provision by public authorities of subsidies which are or may be distortive or harmful);
 - (c) subsidies are “distortive or harmful” if they distort competition between, or otherwise cause harm or injury to, persons supplying goods or services in the course of a business, whether or not established in the United Kingdom;
 - (d) the “devolved authorities” are the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.
- (2) The Secretary of State must, before publishing any relevant report relating to the UK subsidy control consultation –
 - (a) provide a draft of the proposed Government response to each devolved authority, inviting it to make representations about the proposed response within a period specified by the Secretary of State, and
 - (b) consider any representations duly made by any of the devolved authorities in response to that invitation and determine whether to alter the report in the light of that consideration.
- (3) The Secretary of State need not consult the devolved authorities further if the draft is altered as mentioned in subsection (2)(b) (but is free to do so if the Secretary of State thinks fit).
- (4) The consultation required by subsection (2) is in addition to any engagement with the devolved authorities in the course of the UK subsidy control consultation.”

LORDS INSISTENCE, NON-INSISTENCE,
AMENDMENTS IN LIEU AND
AMENDMENTS TO WORDS RESTORED
TO THE
United Kingdom Internal Market Bill

*Ordered, by The House of Commons,
to be Printed pursuant to Standing Order
Nos. 78 and 57A, 9th December 2020.*

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