

# United Kingdom Internal Market Bill

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## LORDS NON-INSISTENCE AND AMENDMENTS IN LIEU

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

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### 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.”

**COMMONS REASON**

*The Commons disagree to Lords Amendments 1B, 1C and 1D for the following Reason –*

**1E** *Because the Lords Amendments will create legal uncertainty, which would be disruptive to business.*

**LORD NON-INSISTENCE AND AMENDMENTS IN LIEU**

*The Lords do not insist on their Amendments 1B, 1C and 1D to which the Commons have disagreed for their Reason 1E but do propose Amendments 1F, 1G, 1H, 1J, 1K and 1L in lieu –*

**Clause 10**

**1F** Page 7, line 23, at end insert—

“( ) The Secretary of State must by regulations under subsection (2) exclude the application of the United Kingdom market access principles to a statutory provision or requirement that gives effect to a decision to diverge from harmonised rules that has been agreed through the common frameworks process.”

**Clause 15**

**1G** Page 9, line 27, at end insert—

“( ) “Common frameworks process” means the process, 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.”

**Clause 17**

**1H** Page 12, line 42, at end insert—

“( ) The Secretary of State must by regulations under subsection (2) add the services referred to in a statutory provision or requirement that gives effect to a decision to diverge from harmonised rules that has been agreed through the common frameworks process to the authorisation requirements in Part 3 of Schedule 2 or the list of regulatory requirements, as the case may be, to which section 18 (mutual recognition) or sections 19 and 20 (non-discrimination) do not apply.”

**Clause 21**

**1J** Page 14, line 35, at end insert—

““common frameworks process” means the process, 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;”

**Clause 25**

**1K** Page 19, line 24, at end insert—

“( ) The Secretary of State must by regulations subject to the affirmative resolution procedure exclude the application of section 22(2) to a provision which has been agreed through the common frameworks process.”

**Clause 27**

**1L** Page 21, line 19, at end insert—

““common frameworks process” means the process, 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;”

LORDS AMENDMENTS 12, 13 AND 56

**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.

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.

- (1) 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)

**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.*

**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 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.*

COMMONS DISAGREEMENT, INSISTENCE AND AMENDMENT IN LIEU

*The Commons disagree to Lords Amendment 8L, insist on their disagreement to Lords Amendments 13 and 56, and propose the following Amendment in lieu of Lords Amendments 8L, 13 and 56 –*

**Clause 10**

**15C** Page 7, line 25, at end 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.”

LORDS NON-INSISTENCE, AGREEMENT AND AMENDMENT TO WORDS RESTORED TO THE BILL

*The Lords do not insist on their Amendment 8L to which the Commons have disagreed, do not insist on their insistence on their Amendments 13 and 56 to which the Commons have insisted on their disagreement, do agree with the Commons in their Amendment 15C and do propose Amendment 8M as an amendment to the words restored to the Bill by non-insistence on Amendments 8L, 13 and 56 –*

**Schedule 1**

**8M** Page 48, line 47, at end insert –

- “5A (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) make a contribution to the achievement of –
- (i) environmental standards and protection, or
- (ii) protection of public health,
- (b) are a proportionate means of achieving that aim, and
- (c) are not a disguised restriction on trade.
- (2) For the purposes of subparagraph (1)(b), a requirement is considered disproportionate if the aim being pursued in the destination part of the United Kingdom is already achieved to the same or a higher extent by requirements in the originating part of the United Kingdom.”

## COMMONS REASON

*The Commons disagree to Lords Amendments 1F, 1G, 1H, 1J, 1K, 1L and 8M for the following Reason –*

- 8N** *Because the Lords Amendments would be detrimental to the clarity, simplicity and certainty of the United Kingdom internal market regime to be established by the Bill.*

## LORDS NON-INSISTENCE AND AMENDMENTS IN LIEU

*The Lords do not insist on their Amendments 1F, 1G, 1H, 1J, 1K, 1L and 8M to which the Commons have disagreed for their Reason 8N, but do propose the following amendments in lieu –*

## Clause 10

- 8P** Page 7, line 23, at end insert –

- “(2A) The power under subsection (2) may, for example, be exercised to give effect to an agreement that –
- (a) forms part of a common framework agreement, and
  - (b) provides that certain cases, matters, requirements or provision should be excluded from the application of the market access principles.
- (2B) A “common framework agreement” is a consensus between a Minister of the Crown and one or more devolved administrations as to how devolved or transferred matters previously governed by EU law are to be regulated after IP completion day.
- (2C) References in this section to devolved or transferred matters include reference to corresponding matters in England.
- (2D) When determining whether a matter is a devolved or transferred matter for the purposes of this section, the following provisions are to be ignored –
- (a) section 30A of the Scotland Act 1998;
  - (b) section 109A of the Government of Wales Act 2006;
  - (c) section 6A of the Northern Ireland Act 1998.
- (2E) In making regulations under subsection (2), the Secretary of State must have regard to the importance of facilitating the access to the market within Great Britain of qualifying Northern Ireland goods.”

- 8Q** Page 7, line 25, at end insert –

- “(7) In this section –
- “devolved administrations” means –
- (a) the Scottish Ministers,
  - (b) the Welsh Ministers, and
  - (c) a Northern Ireland department;
- “qualifying Northern Ireland goods” has the same meaning as in section 43.”

**Clause 17**

**8R** Page 12, line 40, at end insert—

- “(2A) The power under subsection (2) may, for example, be exercised to give effect to an agreement that—
- (a) forms part of a common framework agreement, and
  - (b) provides that certain cases, matters, requirements or provision should be excluded from the application of this Part.
- (2B) A “common framework agreement” is a consensus between a Minister of the Crown and one or more devolved administrations as to how devolved or transferred matters previously governed by EU law are to be regulated after IP completion day.
- (2C) References in this section to devolved or transferred matters include reference to corresponding matters in England.
- (2D) When determining whether a matter is a devolved or transferred matter for the purposes of this section, the following provisions are to be ignored—
- (a) section 30A of the Scotland Act 1998;
  - (b) section 109A of the Government of Wales Act 2006;
  - (c) section 6A of the Northern Ireland Act 1998.”

**8S** Page 12, line 45, at end insert—

- “(7) In this section “devolved administrations” means—
- (a) the Scottish Ministers,
  - (b) the Welsh Ministers, and
  - (c) a Northern Ireland department.”

**Clause 31**

**8T** Page 23, line 39, at end insert—

- “(c) any interaction between the operation of those Parts and common framework agreements;
- (d) the impact of common framework agreements on the operation and development of the internal market in the United Kingdom.”

**8U** Page 24, line 16, at end insert—

- ““common framework agreements” has the meaning given by section 10;”



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LORDS NON-INSISTENCE AND  
AMENDMENTS IN LIEU TO THE  
**United Kingdom Internal Market Bill**

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