

United Kingdom Internal Market Bill

COMMONS REASON

[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.”

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.
- (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)

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.

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