



## Department for International Trade

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Sir William Cash MP  
Chair, European Scrutiny Committee  
House of Commons  
London  
SW1A 0AA

19 October 2020

Dear William,

### **EU/US mini-tariff deal: proposed Regulation on the elimination of customs duties on certain products (COM (20) 496)**

Thank you for your letter of 8 October 2020, regarding the EU/US mini-tariff deal: proposed Regulation on the elimination of customs duties on certain products. I acknowledge your Committee's interest and right to scrutinise this policy area and am happy to address your two follow up questions.

In response to your first question, both the UK and Canada agree on the importance of protecting our trading relationship beyond 2020, and securing a continuity agreement with Canada remains a top priority for the UK. We are engaging constructively with the Canadian government to this end. Negotiators have been in discussions since August, with a view to ensuring continuity arrangements are in place for the end of the transition period, to take effect on 1 January 2021.

Regarding your second request for an update on UK/US negotiations, the UK is also currently negotiating a comprehensive Free Trade Agreement (FTA) with the US, which would provide for removal of most duties on trade between the UK and the US and would go well beyond a "mini-deal" as agreed between the EU and the US. The fourth round of FTA negotiations took place in September, during which, Market Access offers that had been exchanged in advance were discussed.

For clarification, and as stated in the Explanatory Memorandum, both the US and EU agreed in the "mini deal" to reduce tariffs on certain products on a Most Favoured Nation basis. This means that the tariff reductions will apply to all countries. Therefore, the UK can benefit from the tariff reductions without agreeing a similar "mini deal" with the EU or US.

Concerning your third question, the proposed EU Regulation will apply in respect of Northern Ireland after the Transition Period ends by virtue of Article 5(3) of the Protocol on Ireland/Northern Ireland in conjunction with its Article 13(3). The proposed Regulation will apply to specific goods entering Northern Ireland (other than from the Union) that are considered to be “at risk” of subsequently being moved into the EU. The decision is yet to be taken by the UK/EU Withdrawal Agreement Joint Committee determining which goods brought into Northern Ireland from outside the EU are “at risk” of subsequently being moved into the Union and are subject to the EU tariffs. Full details will therefore be provided subsequent to that decision.

I am copying this letter to the Chair (Simon Hoare MP) and Clerk (Nick Beech) of the Northern Ireland Affairs Committee; the Chair (Angus MacNeil MP) and Clerk (Joanna Welham) of the International Trade Committee; the Chair (the Earl of Kinnoull) and Clerk (Stuart Stoner) of the EU Select Committee in the House of Lords; Edwina Osborne and Stephen Booth, Departmental Scrutiny Coordinators; and Les Saunders and Donald Harris in the Cabinet Office.

Yours ever,

A handwritten signature in blue ink, appearing to read 'G Hands', with a long horizontal flourish extending to the right.

**THE RT HON GREG HANDS MP**  
Minister of State  
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