



Department for International Trade

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Sir William Cash MP
Chairman, European Scrutiny Committee
House of Commons
London
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3rd March 2021

Dear Sir William,

Northern Ireland Protocol: application of EU preferential rules of origin (Commission Implementing Regulation (EU) 2020/2163) (41759)

Thank you for your letter of 10th February 2021 regarding the Commission Implementing Regulation (EU) 2020/2163 of 18th December 2020 which reaffirmed rules of origin required for EU trade partners to obtain EU preferential rates for their imports into Northern Ireland. I am grateful for your consideration of this matter, and I have provided answers to your questions in the Annex to this letter.

The Implementing Regulation is intimately linked to the Decision in the Withdrawal Agreement Joint Committee on the determination of goods not at risk of onward movement into the EU which put in place a new UK Trader Scheme that allows authorised businesses to undertake that the goods they are moving into Northern Ireland are “not at risk”, and therefore not liable to pay EU tariffs. As a result, it will only be goods destined for the EU, or where there is uncertainty or genuine risk of onward movement into the EU single market, where tariffs will be charged. EU preferences will only be applied to those goods. For goods remaining within the UK customs territory, or traded indirectly with Northern Ireland via Great Britain, traders using the UK Trader Scheme for movements from GB into NI would not need to complete origin certification; and if goods could not qualify for tariff-free trade under a Free Trade Agreement’s Rules of Origin requirements, they could still be traded tariff-free under this deal by those businesses within the Scheme.

Please find enclosed Annex A, where I have sought to answer the questions and clarify the issues that you have highlighted.

I am copying this letter to Simon Hoare, Chairman of the Northern Ireland Affairs Committee and Nick Beech, Clerk of the Northern Ireland Affairs Committee; Angus MacNeil, Chairman of the International Trade Committee and Joanna Welham, Clerk of the International Trade Committee; the Earl of Kinnoull, Chairman of the EU Select Committee in the House of Lords and Christopher Johnson, Clerk of the Lords EU Select Committee; Edwina Osborne and Stephen Booth (DIT 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
Department for International Trade