



## Department for International Trade

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The Rt Hon the Lord Whitty  
Chair of the EU Internal Market Sub-Committee  
EU Internal Market Sub-Committee  
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15<sup>th</sup> November 2017

Dear John,

Thank you for your letter of 3 November 2017 and for the opportunity to inform your Committee about the UK Trade Remedies Authority (TRA). You may be aware that the Trade Bill was introduced in the House of Commons on Tuesday 7 November. This Bill will bring forward measures to establish this new arms-length body. As a result, documentation which accompanies the introduction of new bills, including explanatory memoranda and impact assessments, have been made available to Parliament which would provide you and your Committee members with additional details should you want them about the Government's intentions with regard to this new body.

In response to your specific questions, the remit of the TRA is based on World Trade Organisation (WTO) rules.<sup>1</sup> These rules enable members to create a safety net to protect domestic industry against unfair and injurious trade practices – specifically dumped and subsidised imports. Provision is also made for unforeseen and injurious surges in imports. They allow members to impose measures (usually a duty) on imports of specific products following an investigation. Currently the European Commission undertakes trade remedies investigations, and imposes any remedies, on behalf of Member States, including the UK. Once we leave the EU, we will no longer be part of this process.

It is crucial that the UK can continue to provide a safety net to domestic industries, particularly against unfair and injurious trading practices. That is why the Government has now introduced the Trade Bill to Parliament. Among other things, this will establish a new independent body, the TRA, which will be responsible for conducting trade remedies investigations.

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<sup>1</sup> Agreement on the Implementation of Article VI [i.e. 6] of the General Agreement on Tariffs and Trade 1994; The Agreement on Subsidies and Countervailing Measures; and the Agreement on Safeguards

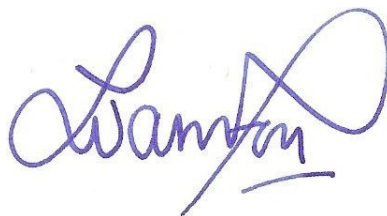
The Government's intention is that the TRA will be set up as an executive non-departmental public body of the Department for International Trade. It will have its own Chair and Accounting Officer and would be governed by the Department according to the Cabinet Office's public body governance principles. It is appropriate that the new body is set up as an arm's length body in order to demonstrate and preserve its impartiality; decisions on trade remedies cases can have significant impacts on markets. Our analysis of other countries' trade remedies authorities revealed many have elements of the process delivered by authorities independent of the executive. The TRA's arm's-length status will help ensure that it has the appropriate degree of separation from the Department for International Trade in order to create an impartial and objective investigation process that businesses will have full confidence in.

The TRA will be staffed with the required resources to ensure it has the capability and capacity to deliver effective investigations and evidence-based conclusions. The estimated cost of funding the TRA is between £15-20 million annually, paid out of the Consolidated Fund. The final amount and timing of any financial implications depends on the outcome of negotiations with the EU and on policy decisions yet to be taken.

You have asked about the decision making process for investigations, and what route there is for interested parties to appeal decisions. The Government has now tabled resolutions for the upcoming Taxation (Cross-border Trade) Bill. This legislation will include further details on the processes through which trade remedies will be investigated and applied, including the role of Ministers in this process. It will also include details on the domestic appeals regime for trade remedies, which is a mandatory requirement set out by the WTO.

By the time the UK leaves the EU, the TRA will be required to investigate and propose trade remedies measures, operating within a framework that is consistent with our WTO obligations. The Government's intention is to ensure that UK companies have continuous access to a trade remedies service as the UK leaves the EU. Therefore, officials in the Department for International Trade are taking the necessary steps to ensure the TRA is operational in time to meet this commitment.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Liam Fox', with a stylized flourish at the end.

**THE RT HON DR LIAM FOX MP**  
Secretary of State, Department for International Trade  
& President of the Board of Trade