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STATUTORY INSTRUMENTS

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**2020 No. 1621 (C. 45)**

**EXITING THE EUROPEAN UNION**

The United Kingdom Internal Market Act 2020  
(Commencement No. 1) Regulations 2020

Made - - - - 21st December 2020

The Secretary of State makes the following Regulations in exercise of the power conferred by section 59(3) of the United Kingdom Internal Market Act 2020<sup>(1)</sup>.

**Citation**

1. These Regulations may be cited as the United Kingdom Internal Market Act 2020 (Commencement No. 1) Regulations 2020.

**Provisions coming into force on IP completion day**

2. The following provisions of the United Kingdom Internal Market Act 2020 come into force on IP completion day—

- (a) sections 1 to 16 (Part 1: UK market access: goods);
- (b) sections 17 to 23 (Part 2: UK market access: services);
- (c) sections 24 to 29 (Part 3: UK market access: professional qualifications and regulation);
- (d) section 30(10) (functions of the CMA under Part 4: general provisions);
- (e) section 32 (Office for the Internal Market panel and task groups);
- (f) section 39 (general advice and information with regard to exercise of functions);
- (g) sections 46 to 49 (Part 5: Northern Ireland Protocol);
- (h) sections 50 and 51 (Part 6: financial assistance powers);
- (i) section 52 (regulation of distortive or harmful subsidies);
- (j) section 53 (UK subsidy control consultation: engagement with the devolved authorities on the Government response);
- (k) section 54 (protection of Act against modification);
- (l) section 55 (further provision in connection with the Northern Ireland Protocol);
- (m) section 56 (regulations: general);

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- (n) section 57 (regulations: references to parliamentary procedures);
- (o) section 58 (interpretation: general);
- (p) Schedule 1 (exclusions from market access principles);
- (q) Schedule 2 (services exclusions);
- (r) Schedule 3 (constitution etc of Office for the Internal Market panel and task groups).

21st December 2020

*Paul Scully*  
Parliamentary Under Secretary of State  
Department for Business, Energy and Industrial  
Strategy

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Regulation 2 of these Regulations brings into force on IP completion day certain provisions of the United Kingdom Internal Market Act 2020 (c.27) (“the Act”). IP completion day is defined in Schedule 1 to the Interpretation Act 1978 (c.30) by reference to section 39(1) to (5) of the European Union (Withdrawal Agreement) Act 2020 (c.1) where it is stated to mean 31st December 2020 at 11.00 p.m.

Part 1 (UK market access: goods) governs the UK internal market for goods by establishing the market access principles of mutual recognition (sections 2 to 4) and non-discrimination (sections 5 to 9). Sections 4 and 9 exclude from the application of the principles certain requirements or provisions which existed on the day before IP completion day. Schedule 1 makes further exclusions for specified cases.

Part 2 (UK market access: services) limits the application and effect of legislation which requires a service provider either to have the permission of a regulator (an “authorisation requirement” (see section 17(3))) or to satisfy a requirement (a “regulatory requirement” (see section 17(4))) in order to carry on a particular service. The principles of mutual recognition of authorisation requirements (section 19) and non-discrimination in the regulation of services (sections 20 and 21) apply as set out. Schedule 2 contains lists of services and requirements which are excluded from certain provisions in Part 2.

Part 3 (UK market access: professional qualifications and regulation) applies to provisions in one part of the UK which limit the ability to practise a profession in that part of the UK to individuals who have certain qualifications or experience. A qualified UK resident (see section 25) is to be treated as if they had the qualifications or experience required (section 24), subject to certain exceptions (sections 26 and 28).

Section 30(10) provides that “the CMA” means the Competition and Markets Authority. Section 32 permits the CMA to authorise an Office for the Internal Market task group (constituted under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (c.24) as amended by the Act) to do anything that is to be done by the CMA under Part 4 of the Act (independent advice on and monitoring of UK internal market). Under section 39 the CMA must prepare and publish general advice and information about how it expects to exercise its functions under sections 33 to 36. Schedule 3 contains provision about the Office for the Internal Market panel and task groups.

Part 5 (Northern Ireland Protocol) requires public authorities to have special regard to the need (among other things) to maintain Northern Ireland’s integral place in the UK internal market and customs territory, when dealing with matters arising from the Northern Ireland Protocol in the EU withdrawal agreement (“the Protocol”) (section 46). It prohibits such authorities from imposing new checks, controls or administrative processes on goods from Northern Ireland except as stated (section 47). It also requires the Secretary of State to publish guidance on the practical application of Article 10 of the Protocol (State aid) (section 48); and provides that only the Secretary of State can make a state aid notification to the European Commission under that Article (section 49).

Part 6 (financial assistance powers) permits the provision of financial assistance, out of money provided by Parliament, to any person for a range of purposes: economic development; infrastructure; culture; sporting activities; and educational and training activities and exchanges (sections 50 and 51).

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In Part 7 (final provisions) section 52 amends the Scotland Act 1998 (c.46), the Northern Ireland Act 1998 (c.47) and the Government of Wales Act 2006 (c.32) so that the ability to legislate for a subsidy control regime (to regulate the provision of distortive or harmful subsidies by a public authority) is a matter solely for the UK Parliament.

Section 53 provides that the Secretary of State must, before publishing any relevant report relating to the UK subsidy control consultation (see section 53(1)), provide a draft of the proposed Government response to the devolved authorities, inviting them to make representations, and then consider any representations which are made by the devolved authorities.

Section 54 makes the Act a protected enactment under the Scotland Act 1998 and the Government of Wales Act 2006, and an entrenched enactment under the Northern Ireland Act 1998. This means that the Act cannot be modified by legislation enacted by the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly.

Section 55 makes further technical provision in connection with the Protocol.

Section 56 makes provision in respect of powers to make regulations under the Act. Section 57 sets out the parliamentary procedures which apply to such regulations.

Section 58 defines certain terms used in the Act.

Section 59 (extent, commencement and short title) came into force on Royal Assent (17th December 2020).