



Huw Irranca-Davies MS  
Chair  
Legislation, Justice and Constitution Committee  
Welsh Parliament  
Cardiff Bay  
CF99 1SN

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19 December 2023

Dear Huw

I am grateful to your Committee's officials for drawing our attention to the fact that a reply had not been received to a letter from you of September 2022. I apologise that a reply did not reach you; outlined below is a response, initially drafted at the time, to points raised in your letter.

**1. Could you provide further information about the changes the Regulations would make to the exceptions in the United Kingdom Internal Market Act 2020 and the impact this would have on devolved functions and the ability of the Senedd to legislate?**

As noted in my letter dated 22 August 2022, the effect of these Regulations is to amend Schedule 2 (Services Exclusions) to UKIMA. The regulations:

- Amend the wording of the existing social services exclusions to clarify the scope;
- Add new exclusions to Part 1 (mutual recognition) for gas, electricity, water supply and sewerage services, waste sector services, qualifications-awarding services and heat network services; and
- Remove existing exclusions for financial services, postal services, electronic communications services, services of temporary work agencies, and services of a statutory auditor from their respective entries in Part 1 (mutual recognition) and Part 2 (non-discrimination).

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The proposed removal of existing exclusions (for example postal services, financial services) do not relate to devolved matters and there is no direct impact on devolved competence.

**2. Can you clarify why you did not engage with Members before making the decision to consent?**

At the time when the consent request came to us, there was insufficient time to engage Senedd members as the UK Government aimed to lay the regulations in July of that year. However, I did try to inform you at the earliest opportunity that I had given my consent. We have made a commitment to ensure the Senedd is informed, but on this occasion, there were extenuating circumstances due to the tight turnaround.

**3. It appears that the Scottish Government has used the consultation run by the UK Government to seek exclusions from the 2020 Act. Did the Welsh Government respond to this consultation or consider it an avenue to seek exclusions from the Act?**

We were consulted by the UK Government in the course of their consultation to seek exclusions from the UKIMA. Rather than providing a formal response to the consultation, officials engaged across the Welsh Government and did not identify areas for exclusion. This is in the context of our position that the UK Internal Market Act 2020 does not constrain the ability of the Senedd to legislate. The UK Government confirmed they engaged directly with Welsh stakeholders in relation to their consultation.

**4. At the time of issuing this letter the Regulations have yet to be made. Could you inform the Committee and Senedd Members when the Regulations are made?**

The [Regulations](#) were laid before the House of Commons and the House of Lords on the 20<sup>th</sup> July 2023.

Yours sincerely,



**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy