

Julie James MS

Counsel General and Minister for Delivery

11 November 2025

Dear Julie

The United Kingdom Internal Market Act 2020

Thank you for your letter of 13 October 2025 outlining the Welsh Government's approach to legislation following the outcome of the review of the UK Internal Market Act 2020. The Committee considered your correspondence at its meeting on 20 October.

As a Committee we welcome the additional detail you have provided regarding the review's outcome, the next steps in responding to it, and the Welsh Government's position on the 2020 Act's impact on the effectiveness of legislation.

While we also welcome the UK Government's commitment to prioritise Common Frameworks as the main forum for managing the UK's internal market, we remain concerned that the 2020 Act may still exert influence where agreement cannot be reached through Common Frameworks.

We would be grateful for further information, when available, on how the UK Government's commitments are being translated into the "objective and proportionate mechanisms" referred to in your letter.

As you will be aware from the Committee's response to the review, we were disappointed that the UK Government ruled out any legislative changes to the 2020 Act and excluded the financial assistance powers in Part 6 from the scope of the review.

We note the Welsh Government's intention to "continue to pursue the issue of the use of financial assistance powers". We would therefore welcome further detail on the actions the Welsh Government intends to take on this and on its approach to pursuing broader reforms to the 2020 Act.

We would also appreciate further clarification of the Welsh Government's position on the impact of the 2020 Act on Welsh primary and secondary legislation. While we note your statement that the Welsh Government's legal argument has not been definitively tested in court, we would welcome the opportunity to better understand the basis of this position and how it has been developed. In particular, we would welcome clarification on why the Welsh Government believes that the 2020 Act applies to secondary legislation made under Acts of the UK Parliament, but not to secondary legislation made under Senedd Acts or to Senedd Acts themselves.

I would be grateful to receive a response from you by 14 January 2026.

Yours sincerely,

A handwritten signature in black ink that reads "Mike Hedges". The signature is written in a cursive style and is underlined with a single horizontal line.

Mike Hedges
Chair