

Scrutiny of EU documents during the post-transition period: Interim revised template for Explanatory Memoranda

EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND NORTHERN IRELAND PROTOCOL

C/(2022) 1706

COMMISSION IMPLEMENTING REGULATION (EU) 2022/434 of 15.3.2022 amending Regulation (EU) 2019/159 imposing a definitive safeguard measure against imports of certain steel products

Submitted by Department for International Trade on 12 May 2022

SUBJECT MATTER

This regulation replaces Annex IV of Regulation (EU) 2019/159 with a new Annex. Annex IV details the allocation of certain tariff-rate quotas to countries regarding certain steel products, as a result of the European Union's steel safeguard measure.

By Council Regulation (EU) 2022/355 and 2022/428, the European Union banned the import of certain steel products originating in Belarus and Russia and so the Commission decided to adjust the functioning of the safeguard measure to ensure that these import bans do not create a shortage of supply in the Union market in the categories affected, and that Union steel users can continue sourcing those volumes from other sources.

The replacement of Annex IV allows the Commission to proportionally redistribute product category volumes subject to country-specific tariff-rate quotas (CSTRQs) from Russia and Belarus among other exporting countries subject to the safeguard measure based on the most recent data available. It also establishes a share of imports for countries having a CSTRQ and a share of imports for countries falling under the residual quota respectively for each product category.

SCRUTINY HISTORY

[EU Regulation 2015/478](#) was not subject to scrutiny as it was a codification proposal. [EU Regulation 2015/755](#) was subject to scrutiny as EU document 11555/14, COM(14)323 on which the then BIS submitted an EM dated 21 July 2014. Neither Scrutiny Committee reported substantively on the proposal.

In 2020, EU document COM(20)375; Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the application of Union tariff rate quotas and other import quotas was subject to scrutiny. DIT submitted an EM dated 4 September 2020. The Commons European Scrutiny Committee reported on the proposal on 4 occasions in the context of the impact of the loss of EU tariff rate quotas on Northern Ireland, completing their scrutiny on 3 February 2021 (Report 35, 19/21).

The proposal has been retained under scrutiny by the Lords European Affairs Committee (Select) with the Committee noting in a letter of 27 May 2021 from Lord Jay to Minister Greg Hands MP, that whilst the EU Regulation had been adopted, the Committee looked forward to an update on discussions with the EU as negotiations progress. This EM provides an opportunity to update on those negotiations in the wider context.

MINISTERIAL RESPONSIBILITY

HM Treasury and the Department for International Trade both have responsibility for policy on tariffs, including tariff quotas. The Department for Environment, Food and Rural Affairs also has responsibility for tariff quota policy. The Foreign, Commonwealth and Development Office leads on oversight of the Protocol on Ireland/Northern Ireland. The Cabinet Office has overall oversight of the devolution consequences of EU exit. The Department for Business, Energy and Industrial Strategy has an interest from a business perspective.

INTEREST OF THE DEVOLVED ADMINISTRATIONS

International Trade policy is an area of reserved competence for the UK government. The proposal does not cover any area subject to the common framework. However, as it relates directly to the flow of goods into, and out from, Northern Ireland the Northern Ireland Executive will have an interest in the regulation.

LEGAL AND PROCEDURAL ISSUES

Legal Base: Article 20(2) of Regulation (EU) 2015/478 of the European Parliament and of the Council of 11 March 2015 on common rules for imports¹ and Article 16(2) of Regulation (EU) 2015/755 of the European Parliament and of the Council of 29 April 2015 on common rules for imports from certain third countries²

Voting Procedure: Not applicable. This is an implementing regulation so is adopted by the Commission following a qualified majority vote of a committee composed of representatives from Member States.

¹ OJ L 83, 27.3.2015, p. 16.

² OJ L 123, 19.5.2015, p. 33.

Timetable for adoption and implementation: The proposal was published in Official Journal L/88 on 16 March and came into force 17 March 2022.

POLICY IMPLICATIONS

EU Regulation 2019/159 which this act amends was not subject to scrutiny. It applies to Northern Ireland by virtue of the Withdrawal Agreement and Article 5 and Annex 2 of the Northern Ireland Protocol, subject to the amendments set out in the Decision 3/2020 of the Withdrawal Agreement Joint Committee.

Due to the low amount of Russian and Belarussian steel entering NI the impact on the UK is not expected to be significant, and the adjustment ensures that those TRQ volumes that were allocated to Russia and Belarus can continue to be used for imports from other countries.

CONSULTATION

As the Regulations have little to no impact on UK businesses, consultation was not deemed as necessary.

FINANCIAL IMPLICATIONS

There are no new financial implications for HMG.

MINISTERIAL NAME AND SIGNATURE

A handwritten signature in blue ink, appearing to read 'Penny Mordaunt', is centered on the page. The signature is fluid and cursive, with a large initial 'P' and 'M'.

Rt Hon Penny Mordaunt MP

Minister of State (Minister for Trade Policy)

Department for International Trade