



Department for
International Trade

Raising awareness of WTO TBT obligations through the United Kingdom's Regulation Impact Assessment

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Introduction

- During 2019-2020, the United Kingdom Government's Regulatory Policy Committee carried out a 1-year pilot period, trialling a new question in our Regulatory Impact Assessment template.
- The question evaluates impacts on international trade and investment arising from new policy design for regulatory measures, by Departments and Regulators that follow our [Better Regulation Framework](#).
- The question is:

Is this measure likely to impact on international trade or investment? Y / N

- This question guides new regulations to analytically consider international trade and investment impacts, and helps ensure we meet our international (bilateral and multilateral) legal obligations. These arise from WTO commitments and preferential trade agreements.
- For many UK Departments and Regulators, this question offers a new conceptual, analytical and legal challenge
- This has presented an opportunity for the Department for International Trade (DIT) to engage across Government, raising awareness of WTO obligations and providing training.



Features and implications of the trade question

Is this measure likely to impact on international trade or investment? Y / N

Short, simple and direct

- Short and direct question to invite **engagement** and **further consideration**.

Large breadth and scope

- Open question keeps scope broad for **direct or indirect** policy impacts.
- As Departments and Regulators are likely to be aware of direct trade impacts anyway, this exercise particularly helps identify **indirect/less obvious impact**.

Invites Sub-Questions

- Breadth of question enables the question to be broken down and brainstormed.
- This is a key feature of the question design as useful in organising the guidance around it.

Requires a judgement call

- **“Likely” indicates that there is a judgement call** to be made based on the Department or Regulator’s specialist knowledge.
- The onus is on the Department or Regulator to involve DIT as needed, depending on the regulatory measure.

Qualitative, proportionate Response

- No mention of quantifiers like **“significant”**, as there is no threshold.
- Emphasis is on the **strength of the qualitative narrative of trade and investment impacts**.
- **ONLY** If needed, work with DIT to develop quantitative impact analysis.



Process for Departments/Regulators before submission of RIA



- The RIA Template can be found [online here](#). The relevant question is on page 1.

Is this measure likely to impact on international trade or investment? Y / N

- Initial guidance is provided on page 5.
- The Better Regulation Framework (including Annexes) can be found [online here](#). The relevant guidance is in Annex 3, pages 40-41.

- Regulatory Measures & Market Access Impact
- Regulatory Measures as Potential Non-Tariff Measures or Non-Tariff Barriers
- What Types of Regulatory Measures Count as Non-Tariff Measures?

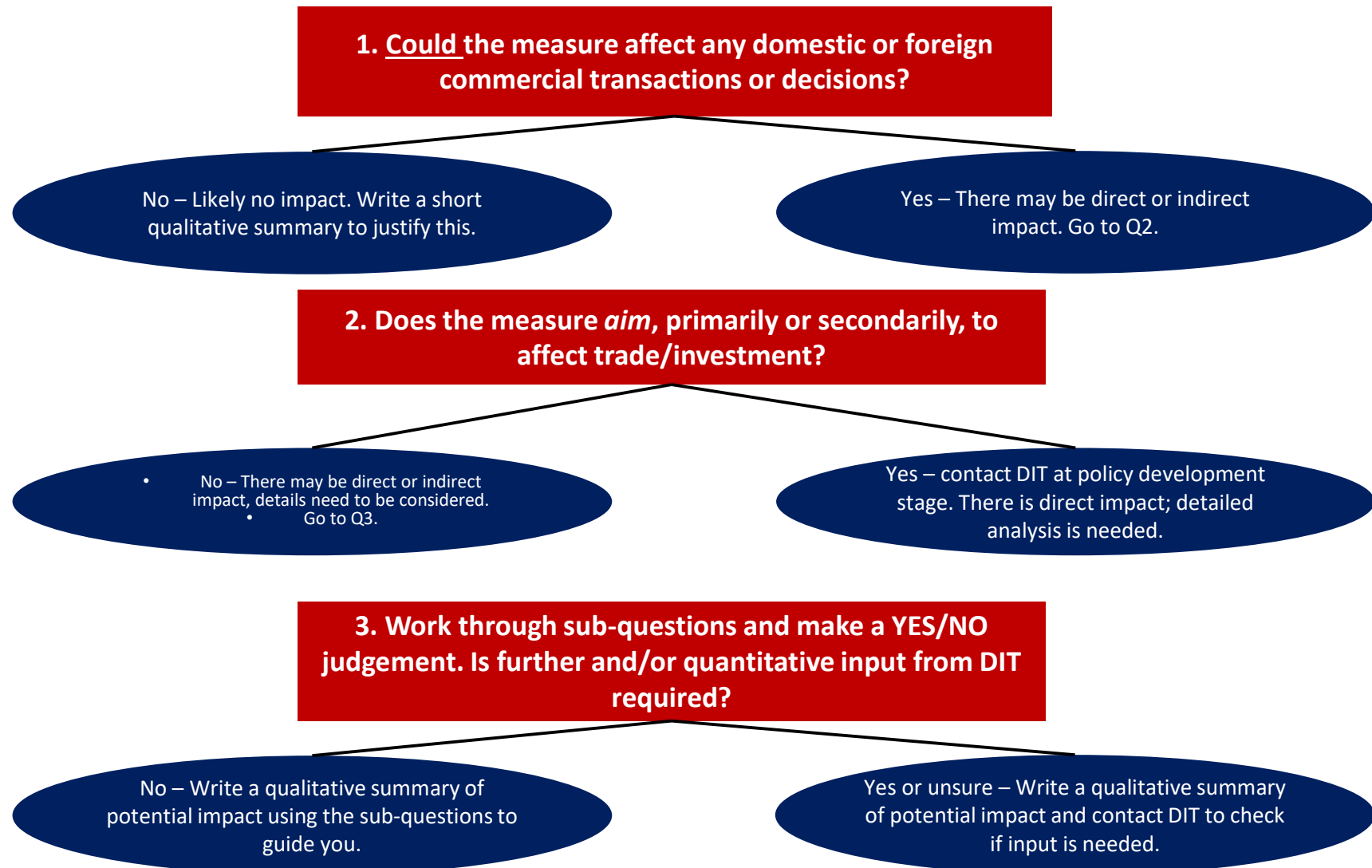
- Economic Framework: Where Do International Trade and Investment Fit In?
- Step 1: Establish Likely Direct/Indirect/No Impact
- Step 2: Consider and Work Through Sub-Questions
- Step 3: Write a Qualitative Summary of Impact

- WTO Commitments
- Bilateral and multilateral free trade agreements if relevant
- Bilateral Investment Treaties and other agreements.

DIT maintains contact throughout



Analysis Step 1: Establish if there is Likely Direct/Indirect/No Impact to Determine YES/NO and Level of DIT Involvement





Analysis Step 2: Consider and Work Through Sub-Questions

- There is no set format but we encourage policy makers to consider the following YES/NO sub-questions to break the trade impact question down.
- **Notably A and B focus on economic impact, while C and D focus on legal implications relating to the WTO concept of 'Most Favoured Nation'.**

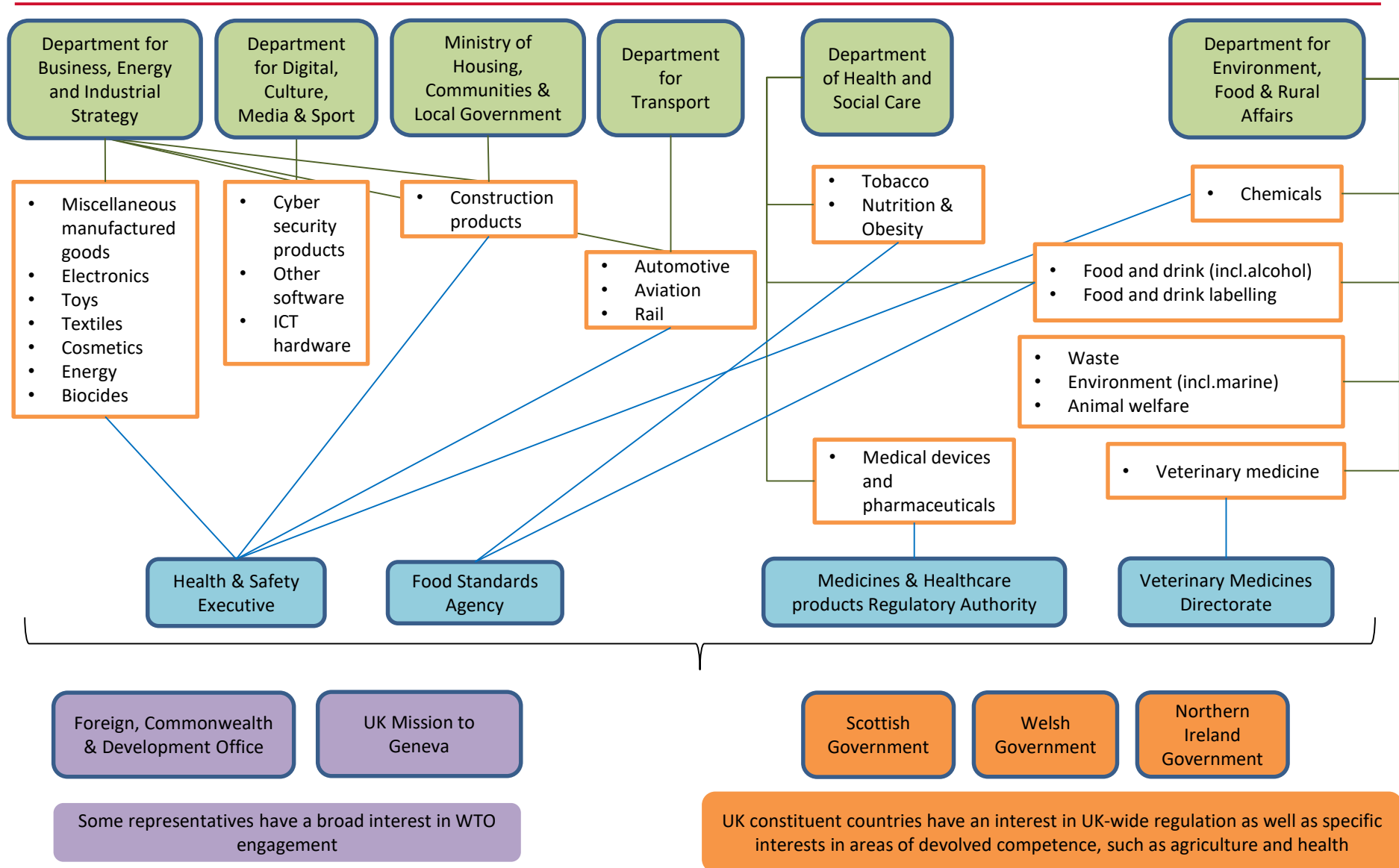
Considerations for assessing impacts on trade and investment		
A	Does this measure have potential impacts on [the value of] imports or exports of a specific good or service, or groups of goods or services?	YES/NO
B	Does this measure have a potential direct or indirect impact on the value of overall trade or investment flows between two or more countries?	YES/NO
C	Does this measure include different requirements for domestic and foreign businesses? - i.e. are imported and locally produced goods/services treated equally? - i.e. are any particular countries disadvantaged compared to others?	YES/NO
D	If the answer to C is Yes, is the basis for different treatment anything other than that it enables foreign businesses to operate on a level playing field in the UK?	YES/NO



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Cross-Government stakeholders

*This is not a complete picture of UK Government, but an indicative, non-exhaustive picture of cross government engagement and sector interests





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Any questions?

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