

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio



Ein cyf/Our ref: MA/RE/00924/25

Mike Hedges MS
Chair of Legislation, Justice and Constitution Committee
SeneddLJC@assembly.wales

Llywodraeth Cymru
Welsh Government

09 September 2025

Dear Mike,

I am writing to inform you that the UK government has written to me setting out its intention to extend Section 2 of the Trade Act 2021.

Section 2(1) of the Trade Act enables the UK government to implement international trade agreements that the UK signs with countries who previously had an international trade agreement with the EU before 31 January 2020. These are often referred to as the UK's trade continuity agreements.

The power under Section 2(1) was subject to a 'sunset' clause which would be activated on 31 December 2025; however, the UK government will use the power under Section 2(10)(b) of the Trade Act to postpone the sunset for a period of five years. With several key negotiations still taking place, the UK government believes that these powers will allow it to implement and maintain key agreements with our international trading partners.

The Welsh Government initially laid a legislative consent memorandum (LCM) stating our view that it was appropriate to deal with the issue covered by Section 2 in a UK bill.

However, as the Trade Act does contain devolved powers which were consented to in 2020, I believe that it is important the Senedd is made aware of the UK government's intention to postpone the sunset of those powers so that they will be available for use by Welsh Ministers (and the other UK governments) for a further 5 years. With the current degree of uncertainty in international trade, it is difficult to clearly identify in which areas powers will be needed for future agreements; therefore, I feel that the extension of the powers is prudent.

While the UK government has provided written assurance that the powers in section 2(1) will not normally be used in areas of devolved competence without our consent, and never without consultation, I have written to the UK government to make clear our expectation that this will continue to be the case for the duration of the five-year extension.

Yours sincerely,

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
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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.