



Department for
Business & Trade

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By email: george.howarth.mp@parliament.uk

10 November 2023

Dear Sir George,

Thank you for your email of 27 October, to the Secretary of State, on behalf of your constituent, regarding the Investor-State Dispute Settlement (ISDS) provisions within the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). I am responding as this agreement falls within my portfolio.

CPTPP is a comprehensive agreement that provides investors with investor protection provisions that seek to guarantee the treatment they can expect to receive when accessing and operating in CPTPP markets. The agreement contains a modern, transparent ISDS mechanism for investors to seek independent legal redress should they not receive this treatment.

These provisions play an important role in protecting UK investors abroad and levelling the playing field. Current treaties containing such provisions protect more than £200 billion of British investment overseas from arbitrary and discriminatory treatment, and expropriation without compensation. Upon the UK's accession to CPTPP, British investments in Canada, which totalled £40.6 billion in 2021, will now be covered by these protections for the first time.

The UK provides a welcoming investment environment with a non-discriminatory regulatory regime, strong rule of law and good governance. The UK has investment agreements containing investment protections and ISDS provisions with over 90 trading partners, and there has never been a successful ISDS claim brought against the UK.

The Government is clear that where we negotiate investment protection and ISDS provisions in investment agreements, we will not hinder our right to regulate in the public interest, including in areas such as the environment and labour standards. This right to regulate is recognised in international law, and CPTPP contains protections for the rights of states to regulate proportionately, fairly and in the public interest. These include exceptions throughout the treaty as well as in the investment chapter, and provisions reaffirming states' right to regulate.

Joining CPTPP will complement our existing Trade Continuity Agreement with Canada and our future modernised free trade agreement. It will upgrade our bilateral relationship with additional preferential tariffs and provide new opportunities to collaborate on our shared priorities such as protecting the environment, tackling climate change, and supporting free and fair trade. As a member of CPTPP the UK will continue to be a natural ally on these issues with Canada, working closely together to advance the agreement's high standards and impact.

Thank you again for your email. I hope this response is helpful in responding to the issues raised

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nigel Huddleston', is centered on the page.

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