



## Department for International Trade

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14 June 2021

Dear George,

Thank you for your letter of 2 June to the Rt Hon Elizabeth Truss MP, Secretary of State for International Trade and President of the Board of Trade, on behalf of your constituent [redacted] regarding the UK-Australia Free Trade Agreement (FTA) and Investor State Dispute Settlement (ISDS). The Secretary of State asked me to respond.

The precise details of the UK-Australia FTA are a matter for formal negotiations, and we would not seek to pre-empt these discussions.

The Government is clear that when negotiating FTAs, we will continue to protect our right to regulate in the public interest, including in such areas as the environment and labour standards. This right to regulate is recognised in international law.

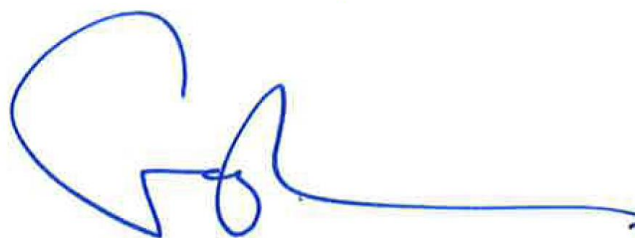
If it is deemed that a legal mechanism is appropriate for resolving investment disputes, the mechanism will reflect modern practice, deliver fair outcomes of claims, require high ethical standards for arbitrators and include transparent proceedings.

ISDS tribunals cannot overrule the sovereignty of Parliament, overturn or force any changes to law; they can only award compensation if a foreign investor's rights under the treaty have been breached – for example, if the investor is found to have been treated in an arbitrary and discriminatory manner.

There has never been a successful Investor State Dispute Settlement claim against the UK, nor has the threat of potential claims affected our legislation.

I hope this letter is helpful

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'G Hands', with a long horizontal line extending to the right.

**THE RT HON GREG HANDS MP**  
Minister of State for Trade Policy  
Department for International Trade