

Margot James MP  
Department for Business, Energy and Industrial Strategy  
1 Victoria Street  
London  
SW1H 0ET

Thursday, 13 April 2017

Dear Margot,

### **Exiting the European Union: some key issues for co-operatives**

I am writing to you as Secretary General of Co-operatives UK, the national network representing the UK's co-operative businesses. We request assurances that key aspects of competition, consumer and employment law in the European Union (EU) will be retained through the Brexit process.

In response to the UK's vote to leave the EU Co-operatives UK set out an overarching principle that co-operatives should not be put in a disproportionately worse position by the Brexit process. Now, with Article 50 triggered and policymakers' attention turning towards the Great Repeal Bill, we believe it is timely to put forward our key positions in relation to this principle.

We have been working with our member co-operatives to identify what specifically needs to be safeguarded for co-operatives during the Brexit process. In identifying our Brexit safeguards we have focused on areas of public policy that will be central to the Brexit process, namely the repatriation of EU law into UK law, and the replacement (or otherwise) of EU policy and competency with UK policy and competency. Within this we have focused on aspects where co-operatives have a distinct interest and have defined what we believe needs to be safeguarded.

#### Competition policy

We have identified the existing accommodations for economic co-operation in EU competition law as something essential that need to be safeguarded through the Brexit process. Our requests in relation to these are as follows:

- Specific accommodations for agricultural co-operatives within EU competition law should be retained in full
- Other sector-specific accommodations of economic co-operation within EU competition law should be retained in full
- More general accommodations for economic co-operation provided by the 'acquis' of EU law, including Block Exemptions and case law, should all be retained in full

Co-operatives UK is the network for Britain's thousands of co-operative businesses. We work together to promote, develop and unite member-owned businesses across the economy.

I include with this letter a concise briefing setting out our 'Brexit Safeguards' with some essential detail, with **part 3** dealing specifically with EU competition law. I ask that you ensure these details are considered by officials tasked to domesticating EU competition law.

Co-operatives UK would be happy to provide government with further representations and information on this issue if this is deemed useful.

Our request in relation to EU competition policy has also been included in a letter to David Jones, Minister of State in the Department for Exiting the European Union.

### Consumer and employment law

The internationally-recognised Values and Principles of co-operatives require that they promote decent standards for consumers and workers in the course of their business. The UK's consumer retail co-operatives and worker-owned co-operatives, among others, have long been at the forefront of progress in these areas and are overwhelmingly ethical, mission-led businesses.

Thus our member co-operatives have a significant interest in ensuring the protections for consumers and workers provided by EU law are not degraded through Brexit. If these protections are degraded, co-operatives, along with other mutuals, mission-led business and social enterprises, could be put at a competitive disadvantage, as they lose out to less scrupulous firms in a damaging and irresponsible 'race to the bottom.' We require an economy after Brexit in which doing the right thing is rewarded.

Our key positions are as follows

- The Great Repeal Bill and related legislation should ensure the retention of protections for consumers and workers currently provided by EU law on 'Brexit day'
- We oppose the use of 'delegated powers' by government after Brexit to alter current protections for consumers and workers without proper public consultation and Parliamentary scrutiny

Co-operatives UK would be happy to provide government with further representations and information on this issue if this is deemed useful.

Our requests in relation to consumer and employment law have also been included in a letter to Robin Walker, Parliamentary Under-Secretary of State at the Department for Exiting the European Union.

### Final remarks

I look forward to a reply and hope you can provide the assurances sought by co-operatives in the UK. I anticipate this is a very busy time, so if it is more expedient please feel free to initiate a response from the relevant officials rather than your ministerial office.

Yours sincerely



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Secretary General

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