EXPLANATORY MEMORANDUM TO

THE TREATMENT OF CONFORMITY ASSESSMENT BODIES (COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT BETWEEN THE GOVERNMENT OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF INDIA) REGULATIONS 2026

2026 No. 40

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Business and Trade and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Minister Bryant, Minister of State at the Department for Business and Trade confirms that this Explanatory Memorandum meets the required standard.

2.2 Oliver Phillips and Verity Threlfell, joint Deputy Directors for Trade in Goods, at the Department for Business and Trade confirm that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Lucy Mustard and Yasmine Dong at the Department for Business and Trade can be contacted with any queries regarding the instrument. (Email: Lucy.mustard@businessandtrade.gov.uk, Yasmine.dong@businessandtrade.gov.uk and tbtimplementation@businessandtrade.gov.uk)

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This statutory instrument implements Article 7.7.9[1] of the Comprehensive Economic and Trade Agreement ("CETA") between the United Kingdom (UK) and India by giving Conformity Assessment Bodies (CABs) located in the other party, treatment at least as favourable as it gives to CABs domestically. This is often referred to as "national treatment of CABs" or "NTCABs". This will allow India-based CABs to apply for potential accreditation and approval in the UK, to provide services in accordance with specific UK regulations. UK CABs will also be able to apply to Indian accreditation bodies to be approved to test against Indian regulations.

4.2 To implement the UK's obligations in Article 7.7.9 of the CETA, the Department for Business and Trade (DBT) must amend 12 regulations to extend national treatment to CABs based in India.

4.3 This statutory instrument will come into force immediately after the CETA enters into force in accordance with Article 30.6 of the CETA. It will be possible to find out the date on which the CETA enters into force by referring to the UK – India Trade Agreement page on https://www.gov.uk/government/collections/uk-india-trade-deal.

[1] A copy of Chapter 7 can be found at: https:/www.gov.uk/government/publications/uk-india-ceta-chapter-7-technical-barriers-to-trade.

The Secretary of State will also publish a notice in the London Gazette of the date on which the CETA enters into force, as soon as it is reasonably practicable.

Where does the legislation extend to, and apply?

4.4 The extent of this Instrument (that is, the jurisdictions which the Instrument forms part of the law of) is England and Wales and Scotland.

4.5 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales and Scotland.

5. Policy Context

What is being done and why?

5.1 The UK and India agreed to accord NTCABs to each other as part of the CETA negotiations. NTCABs can help make trade easier and cheaper for businesses by allowing them to use accredited local CABs to test products to foreign product regulations instead of having to use foreign CABs. NTCABs does not change or undermine product safety, it only broadens the geographical requirements on how CABs can apply for accreditation. Accreditation in the UK is a public interest activity that provides the assurances that CABs are capable of delivering certification, inspection and testing services to the required regulatory requirements on product safety.

5.2 12 regulations need amending to extend the locality requirements in the regulations to India, which will allow CABs based in India to apply to the relevant UK body for accreditation, from which point the Government can then appoint them as an 'Approved Body'. Once approved, Indian CABs will be able to certify relevant products against UK product regulations for the Great Britain market, whilst being based in India, in the sectors specified in Annex 7A[2] of the CETA.

What was the previous policy, how is this different?

5.3 As part of this agreement, both parties (the UK and India) are obliged to give CABs located in each other's territories the same treatment as it gives to its own CABs, allowing CABs to apply for accreditation and potential approval.

5.4 The process of accreditation and approval will remain the same following implementation of NTCABs under the CETA. To become approved with regards to specific UK regulations needs Departmental agreement. The preferred route to acquire approval is to first gain accreditation from the UK Accreditation Service (UKAS). UKAS is the UK's National Accreditation Body and acts independently of government, operating under a Memorandum of Understanding (MoU) between UKAS and DBT. UKAS accredits CABs against specific standards.

5.5 UKAS issues certification to a CAB indicating that it is accredited and will then make a recommendation to the relevant Government Department. Once UKAS accredits a CAB, the relevant Government Department or Agency can choose to use that accreditation certificate as evidence for approval. Once this approval process is complete, the Secretary of State formally appoints the CAB, and its details appear on the UK Market Conformity Assessment Bodies[3] (UKMCAB) database as an approved

[2] A copy of Annex 7A can be found at: https:/www.gov.uk/government/publications/uk-india-ceta-chapter-7-technical-barriers-to-trade.

[3] A link to the UKMCAB database can be found at: https://find-a-conformity-assessment-body.service.gov.uk/.

CAB recognised for third-party conformity assessment against technical regulations applicable in Great Britain.

6. Legislative and Legal Context

How has the law changed?

6.1 The legislation being amended currently includes a restriction on where relevant CABs can be established. This restriction is typically that they must currently be a legal entity in the UK or based in the territory of another party to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP") which was signed at Santiago on 8 March 2018, including the UK Accession Protocol. Alternatively, the CAB may be based in a country with which the UK has a Mutual Recognition Agreement . This legislative position arose because of the UK's historic implementation of EU law as well as the implementation of Article 8.6 of the CPTPP by The Treatment of Conformity Assessment Bodies (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Regulations 2024 S.I. 2024/504.

6.2 The CETA negotiations concluded with a joint commitment to accord NTCABs by both the UK and India. Article 7.7.9 of the CETA requires each party to accord to CABs located in the territory of the other party treatment at least as favourable than that it accords to CABs located in its own territory.

6.3 This statutory instrument uses the powers in the Product Regulation and Metrology (PRAM) Act 2025 to implement Article 7.7.9 of the CETA by amending the current legislative requirements of CABs, so that they maintain their existing scope but that the locality requirements now extend to India.

6.4 This statutory instrument does not extend or apply to Northern Ireland. Under the terms of the Windsor Framework, sectoral EU goods legislation continues to apply to the UK in respect of Northern Ireland and sets the scope of establishment restrictions for CABs. The UK is only obliged to implement the requirements of the CETA to the extent that they do not conflict with the UK's existing obligations under the Windsor Framework. This is evidenced in Article 1.2.4 of the CETA.

Why was this approach taken to change the law?

6.5 The UK and India negotiated NTCABs within the CETA; to bring this commitment into effect, legislative changes are necessary to 12 regulations. The PRAM Act 2025 contains appropriate powers to make this statutory instrument.

7. Consultation

Summary of consultation outcome and methodology

7.1 The UK's negotiation strategy for the UK-India CETA was informed by a comprehensive consultation process, where we spoke to businesses and interest groups in every part of the UK. On 25 May 2021, the Department for International Trade (as it was then) launched a public consultation seeking views on the potential trade agreement with India from individuals, businesses, business associations, Non-Government Organisations (NGOs), and public sector bodies. The consultation response, containing a summary of the 283 responses, was published in January 2022[4].

[4] A copy of the consultation of the UK approach to negotiating a free trade agreement with India can be found at: https://www.gov.uk/government/publications/uk-approach-to-negotiating-a-free-trade-agreement-with-india

7.2 Respondents highlighted that to maintain consumer confidence and facilitate trade, the UK should promote and encourage the adoption of international standards. Respondents said any trade agreement should ensure transparency between the UK and India on differing regulatory practices, including at state level. Respondents also asked that the UK seek opportunities to enhance regulatory convergence on product testing and that the UK promote the use of international norms for labelling regulations.

7.3 Throughout negotiations DBT engaged with a range of stakeholders and experts through technical and strategic discussions to inform our negotiations and ensure we were representing the views of sectors across the UK economy. DBT has also continually worked with stakeholders to understand concerns and ensure that our negotiations benefit businesses and consumers across the UK.

7.4 DBT also carried out a targeted consultation before making this statutory instrument in compliance with the requirement in section 13(6) of the PRAM Act 2025[5] to consult such persons as the Secretary of State considers appropriate. DBT consulted with UKAS, Conformity Assessment Bodies via UKAS and Devolved Governments from 11th November 2025 to 2nd December 2025. The questions covered potential challenges for UK and Indian Conformity Assessment Bodies, anticipated market demand, and guidance needed to support businesses in realising the benefits of the proposed measures.

7.5 The Devolved Governments (DGs) were content overall with the proposals making no substantive comments on the consultation questions.

7.6 The response from UKAS was that they were supportive of the proposals and included constructive suggestions which DBT will take on board and work together with UKAS to implement. UKAS aims to help reduce costs for UK CABs by encouraging Indian Accreditation Bodies to subcontract to UKAS rather than require in-person visits, while adapting processes to meet Indian regulations under the CETA. UKAS also urged Government to maximise visibility of the CETA opportunities by: A) Collaborating with the Conformity Assessment sector and B) Delivering targeted outreach and education for UK CABs. UKAS will also explore providing a training and upskilling programme with Indian Accreditation Bodies for CABs seeking to use National Treatment provisions.

Devolved Governments (DGs):

7.7 The UK government is responsible for negotiating international trade agreements on behalf of all parts of the UK. However, DBT recognises that modern trade agreements interact with areas of devolved competence. The DGs were consulted regularly throughout negotiations, and their priorities were registered.

7.8 DBT consulted with the DGs in the development of this statutory instrument as discussed in paragraphs 7.4 and 7.5 above. During the development of this legislation, DBT kept the DGs informed on this statutory instrument, providing updates on implementation timelines for the trade agreement and sharing a draft of this statutory instrument. DGs were invited to raise questions on the SI and its implementation during the consultation. DBT remains committed to working collaboratively with the DGs to ensure the successful delivery of trade agreements.

[5] Section 13(6) of the Product Regulation and Metrology Act 2025 can be found at: https://www.legislation.gov.uk/ukpga/2025/20

8. Applicable Guidance

8.1 DBT will not be publishing guidance on this statutory instrument.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this statutory instrument because the impacts are expected to be de minimis (expected to be less than £10m per annum) and these regulations deal with a technical procedural issue. Impacts will be limited to familiarisation costs and indirect benefits of trade facilitation which National Treatment of Conformity Assessment Bodies (NTCABs) enables. UK CABs may incur costs from applying to Indian accreditation bodies, though this would be a voluntary and commercial decision by UK CABs to apply. There may be some scope for additional market access in India for UK CABs.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities, or voluntary bodies because NTCABs is limited to advancing equality of opportunity between CABs, as businesses providing a test service, in the UK and India. We do not expect the impact on businesses to be significant because the changes are technical in nature and do not alter how these organisations conduct their activities. Allowing NTCABs aims to provide businesses with more choice and reduce costs of exporting goods.

9.3 This legislation may result in an increase in the work of UKAS, as they may receive a greater number of applications for accreditation from Indian CABs, though this cost is recoverable through their charging fees. UKAS operates as an independent, non-profit-distributing private company, fulfilling a public authority role.

9.4 The legislation does not disproportionately impact small or micro businesses.

9.5 There is no, or no significant, impact on the public sector because they are very unlikely to be participating in activities related to the subject matter of this Statutory Instrument.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 DBT will monitor this legislation through the mechanisms within the CETA. DBT will undertake a review of the CETA within five years after the deal enters into force, and every five years subsequently, or as agreed by the parties to the CETA (UK and India). This review will consider the work of subsidiary bodies such as a subcommittee (the Subcommittee on Standards, Technical Regulations, and Conformity Assessment Procedures), and DBT will also take account of whether future updates need to be made to improve the implementation of the CETA. In addition, the underlying legislation already contains statutory review provisions which require the regulatory framework to be kept under regular review.

10.2 This statutory instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Chris Bryant, Minister of State at the Department for Business and Trade has made the following statement: ‘A review clause would not be appropriate as, in order to ensure that products placed on the GB market are safe, the government already keeps the

regulatory framework under regular review in accordance with existing statutory review requirements contained in underlying regulations.'

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 As the Instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").