

EXPLANATORY MEMORANDUM TO
THE STATISTICS OF TRADE (CUSTOMS AND EXCISE) (AMENDMENT) (No. 2)
REGULATIONS 2008

2008 No. 2847

1. This explanatory memorandum has been prepared by the Commissioners for Her Majesty's Revenue and Customs and is laid before Parliament by Command of Her Majesty.
2. **Purpose of the instrument**
 - 2.1 The instrument increases from £260,000 to £270,000 the threshold at or below which a business in the UK is exempt from providing Intrastat information. This is to comply with Community rules on the percentage of trade to be captured through Intrastat, the system of Community statistics about trade in goods between Member States.
 - 2.2 The instrument further increases from £14,500,000 to £16,000,000 the threshold above which an additional piece of information known as 'delivery terms' must be provided in the supplementary declaration.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**

None
4. **Legislative Context**
 - 4.1 The Community provisions governing Intrastat are European Parliament and Council Regulation (EC) No 638/2004 (OJ No L 103, 7.4.04, p1) and Commission Regulation (EC) no 1982/2004 (OJ No L 343, 19.11.04 p3).
 - 4.2 European Parliament and Council Regulation (EC) No 638/2004 was cleared by the House of Lords EU Scrutiny Committee on 11th February 2004 and by the House of Commons EU Scrutiny Committee on 14th February 2004, following its First Reading in the European Parliament. The Regulation was adopted following its Second Reading.
 - 4.3 Article 10 of Regulation (EC) No 638/2004 provides for simplification within the Intrastat system. Article 10(1) requires Member States to define each year thresholds expressed in annual values of intra-Community trade below which a business is exempt from providing any Intrastat information. Article 10(3) requires Member States to ensure when setting the exemption threshold that at least 97% of their total trade with other Member States (expressed in value) is captured by the Intrastat system.

- 4.4 Article 12 (1) of Regulation (EC) No 638/2004 requires Member States to transmit the statistical value of goods to the Commission once a month. Rather than requiring businesses to provide the statistical value of goods, the UK uses the data collected relating to delivery terms in order to calculate the statistical value.
- 4.5 The Statistics of Trade (Customs and Excise) Regulations 1992 (S.I. 1992/2790) set the Intrastat thresholds in domestic legislation as required by Community legislation. Regulation 3(2) sets the threshold at or below which a business is exempt from providing any Intrastat information. Regulation 4(2) sets the threshold above which a business must provide “delivery terms” information.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

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

7. Policy background

- 7.1 Intrastat is a common framework for the systematic production of Community statistics relating to the trading of goods between Member States.
- 7.2 The thresholds above which a business is required to provide Intrastat declarations and additional information on delivery terms have been increased to ensure the United Kingdom continues to capture within the Intrastat system data in respect of the required percentage of trade with other Member States.
- 7.3 The effect of these increases is to ensure that the Intrastat system captures both the correct number of traders required to submit Intrastat declarations and the number providing additional information on delivery terms.
- 7.4 No major policy changes in the United Kingdom result from this instrument.

8. Consultation outcome

No consultation has been carried out in conjunction with these increases as they are required to maintain collection of the specified percentage of trade to be captured by Intrastat, rather than increase or decrease the number of traders required to submit Intrastat declarations and the additional information on delivery terms.

9. Guidance

A Revenue and Customs Brief will be issued to announce the increases.

10. Impact

- 10.1 The impact on business, charities or voluntary bodies is nil.
- 10.2 The impact on the public sector is nil.
- 10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation applies to small business.

11.2 No provision is taken to minimise the impact of the requirements on firms employing up to 20 people, because the effect of this instrument is not to increase the regulatory requirements on such firms. Instead, the effect of the instrument is to ensure that businesses with the least intra-Community trade are exempt from providing Intrastat information.

12. Monitoring & review

The outcome of these increases will be subject to internal review after 12 months and the legislation may be amended accordingly. The increases will be monitored to ensure that Community rules on the percentage of trade to be captured through Intrastat are complied with and that there is no impact on the quality of information captured.

13. Contact

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