
EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations are made by the Treasury further to Part 1 of the Taxation (Cross-border Trade) Act 2018 (c. 22) (“the Act”) and sections 24(3) and 26(1) of the Finance Act 2003 (c. 14). This is an EU Exit statutory instrument.

Regulation 1 provides for citation and commencement. The Regulations will largely be brought into force by way of a separate statutory instrument made under section 52 of the Act, but certain provisions will be brought into force 21 days after the Regulations are laid.

Regulation 3 inserts a new section A1 into Chapter 3 of Part 4 of the Customs (Import Duty) (EU Exit) Regulations 2018 (S.I. 2018/1248) (“the import duty regulations”). New section A1 makes provision for a procedure called the transitional EIDR simplified Customs declaration process. This is a process of simplified Customs declarations by way of making a declaration in two parts, a transitional simplified Customs declaration and a transitional supplementary Customs declaration. Provision includes who may use the process and when the parts of the Customs declaration must be made. New section A1 also provides for a procedure known as the transitional EIDR procedure whereby a transitional simplified Customs declaration is made by entering details in the declarant's electronic system. The transitional EIDR simplified Customs declaration process may not be used to declare goods imported, or to be imported, on or after 1st July 2021.

Regulation 3 also makes consequential amendments to other parts of the import duty regulations. Regulations 2, 4, 5, 7, 8 and 9 make amendments, which are consequential on the insertion of new section A1 by regulation 3, to the Customs Traders (Accounts and Records) Regulations 1995 (S.I. 1995/1203), the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 (S.I. 2018/1249), the Customs (Contravention of a Relevant Rule) (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1260), the Taxation (Cross-border Trade) (Miscellaneous Provisions) (EU Exit) Regulations (S.I. 2019/486), the Customs (Crown Dependencies Customs Union) (EU Exit) Regulations 2019 (S.I. 2019/385) and the Customs and Excise (Miscellaneous Provisions and Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1215).

Regulation 6(2)(c) and (e) amends regulations 31(8) and 37(7) of the import duty regulations, prospectively inserted by the Customs (Import Duty, Transit and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/326), so that Customs agents may only use the simplified Customs declaration process and the EIDR procedure acting as a direct agent if the principal of the agent is established in the United Kingdom. The Customs (Crown Dependencies Customs Union) (EU Exit) Regulations 2019 are also consequentially amended by regulation 8(2)(a).

Regulations 3, 5, 6, 7, 8 and 9 provide for the removal of transitional authorisations for use of the simplified Customs declaration process and the EIDR procedure and amend other related Customs easements.

The notices referred to in the amendments made by regulation 3(4)(c) and (5) (see in particular inserted regulations 29B(3), 29C(1)(b)(ii) and (4)(d) and 29F(2)) will be published at <https://www.gov.uk/government/collections/customs-vat-and-excise-uk-transition-legislation-from-1-january-2021>. A person unable to access the notices electronically may access them, while government advice on social distancing and unnecessary travel applies, in hard copy by post free of charge on application to 07741835049, and otherwise by inspection free of charge at HMRC, 100 Parliament Street, London SW1A 2BQ.

A Tax Information and Impact Note covering this instrument will be published on the GOV.UK website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

Changes to legislation:

There are currently no known outstanding effects for the The Customs (Transitional Arrangements) (EU Exit) Regulations 2020.