

**EXPLANATORY MEMORANDUM TO**  
**THE IMPORT AND EXPORT LICENSING (MISCELLANEOUS AMENDMENTS)**  
**REGULATIONS 2021**

**2021 No. 1358**

**1. Introduction**

- 1.1 This explanatory memorandum has been prepared by the Department for Environment, Food and Rural Affairs and is laid before Parliament by Command of Her Majesty.

**2. Purpose of the instrument**

- 2.1 This instrument revokes the requirement for general licences for imports of rice and ethyl alcohol of agricultural origin and export licences for rice, as set out in retained EU law in Commission Delegated Regulation (EU) 2016/1237 and Commission Implementing Regulation (EU) 2016/1239.
- 2.2 General licenses for these commodities have been required under retained EU law but no longer serve a policy function in the United Kingdom. The license requirements burden United Kingdom importers with unnecessary administrative and financial costs.

**3. Matters of special interest to Parliament**

*Matters of special interest to the Joint Committee on Statutory Instruments*

- 3.1 None.

**4. Extent and Territorial Application**

- 4.1 The territorial extent of this instrument is the whole of the United Kingdom.
- 4.2 The territorial application of this instrument is the whole of the United Kingdom.

**5. European Convention on Human Rights**

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

**6. Legislative Context**

- 6.1 The Import and Export Licences (Amendment etc.) (EU Exit) Regulations 2019 were made in 2019 under the European Union (Withdrawal) Act 2018. They made operability amendments to Commission Delegated Regulation (EU) 2016/1237 and Commission Implementing Regulation (EU) 2016/1239 so that the general import and export licensing regime could function properly in the United Kingdom post EU exit.
- 6.2 Both retained EU Regulations are made under Chapter 1 of Part III of Regulation (EU) No 1308/2013 of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (“the CMO Regulation”), to which operability amendments were made by S.I. 2019/1422.

- 6.3 This instrument uses powers conferred by Articles 177 and 178 in Chapter I of Part III of the CMO Regulation, read with Article 227(4) of that Regulation, to amend Commission Delegated Regulation (EU) 2016/1237 by omitting sections of the Annex which specify import licensing requirements for rice and ethyl alcohol and export licensing requirements for rice respectively. Corresponding amendments are made in respect of these products in Annex II of Commission Implementing Regulation (EU) 2016/1239.
- 6.4 The powers under section 8C(1) of the European Union (Withdrawal) Act 2018 implement the Protocol on Ireland/ Northern Ireland to the withdrawal agreement (“the Protocol”). Because Chapter 1 of Part III of the CMO Regulation is included in Annex 2 to the Protocol, the requirement for import licences in Northern Ireland still applies under the CMO Regulation, which remains directly applicable in Northern Ireland.

## **7. Policy background**

### *What is being done and why?*

- 7.1 The requirement for import licences for rice and ethyl alcohol and export licences for rice originates from EU market monitoring policy, which was designed to track imports of these goods into the single market. The EU also used this system to set rice tariffs based on the volume of import and export licences issued. A licence is required for any imports of various rice types over 1000 kg and ethyl alcohol of agricultural origin over 100 hl, and any exports of various rice types over 500 kg.
- 7.2 Now the United Kingdom has left the EU, the opportunity arose to assess whether any benefit of the licence requirement outweighs the added burden and costs for both operators and national authorities.
- 7.3 While these requirements no longer serve a policy purpose in the United Kingdom, they do impose an administrative and financial burden to traders. For every licence a trader applies for, they are required to lodge a financial security. Once they have used this licence, they have to apply for the release of the security, which can be a significant sum for those trading large volumes of these products.
- 7.4 This statutory instrument revokes the general licence requirement for imports of rice and ethyl alcohol and exports of rice for the United Kingdom in retained EU law. However, in respect of Northern Ireland, the import licence requirement remains in place as it directly applies in EU legislation made under the relevant powers in the CMO Regulation. This is unlikely to have a significant impact on Northern Ireland importers, given that the movement of goods into Northern Ireland from the EU will not require a licence and very few licences have been issued to Northern Ireland based businesses for third country imports. The export licence requirement for rice has already been removed from Commission Delegated Regulation 2016/1237 as it applies in EU law and so will not remain in place in Northern Ireland.

## **8. European Union Withdrawal and Future Relationship**

- 8.1 This instrument uses section 8C(1) of the European Union (Withdrawal) Act 2018 to implement the Protocol.

## **9. Consolidation**

- 9.1 This instrument does not consolidate any previous legislation.

## **10. Consultation outcome**

10.1 No consultation on this instrument has taken place.

## **11. Guidance**

11.1 Guidance on the release of financial securities held by the Rural Payments Agency will be published here <https://www.gov.uk/government/collections/notice-to-traders>.

## **12. Impact**

12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

12.2 There is no, or no significant, impact on the public sector.

12.3 An Impact Assessment has not been prepared for this instrument because there is minimal to no impact expected for UK businesses as result of this instrument. This is because the instrument will remove financial and administrative burdens on businesses.

## **13. Regulating small business**

13.1 The legislation applies to activities that are undertaken by small businesses.

13.2 The legislation will remove financial and administrative burdens on businesses.

## **14. Monitoring & review**

14.1 Defra does not expect the impacts of the measure to be significant. Defra and its agencies will, however, monitor and review the impact of this instrument as part of its standard policy-making procedures, and will ensure that the provisions are adhered to.

## **15. Contact**

15.1 Ruari Bride at the Department for Environment, Food and Rural Affairs, Telephone: 02080 267486 or email: [ruari.bride@defra.gov.uk](mailto:ruari.bride@defra.gov.uk) can be contacted with any queries regarding the instrument.

15.2 Balwinder Dhoot, Deputy Director for Agri-Food Chain Policy, at the Department for Environment, Food and Rural Affairs can confirm that this Explanatory Memorandum meets the required standard.

15.3 Victoria Prentis MP, Minister of State at the Department for Environment, Food and Rural Affairs can confirm that this Explanatory Memorandum meets the required standard.