

**EXPLANATORY MEMORANDUM TO**  
**THE CUSTOMS (TARIFF AND MISCELLANEOUS AMENDMENTS)**  
**REGULATIONS 2024**

**2024 No. 406**

**1. Introduction**

- 1.1 This explanatory memorandum has been prepared by HM Treasury and the Department for Business and Trade and is laid before the House of Commons by Command of His Majesty.
- 1.2 This memorandum contains information for the Select Committee on Statutory Instruments.

**2. Purpose of the instrument**

- 2.1 This instrument makes amendments to subordinate legislation previously made under the Taxation (Cross-border Trade) Act 2018 (“TCTA”), which provided for the United Kingdom’s Customs, Value Added Tax (“VAT”) and Excise regimes to be in place after the end of the Transition Period following the withdrawal of the United Kingdom (“UK”) from the European Union (“EU”).
- 2.2 This instrument updates reference documents which detail the classifications and duty rates of goods that are included in the UK’s tariff schedule. Specifically, the reference documents updated in this instrument have been given legal effect by the following Regulations:
  - The Customs Tariff (Suspension of Import Duty Rates) (EU Exit) Regulations 2020 (S.I. 2020/1435) (the “Suspensions Regulations”).
  - The Customs (Additional Duty) (Russia and Belarus) Regulations 2022 (2022 (S.I. 2022/376) (“the Additional Duty Regulations”).
- 2.3 This instrument contains policy and technical updates. On policy, this instrument:
  - Brings into effect new tariff suspensions on 126 product lines in the “Suspensions of Import Duty Rates Document” applied for by stakeholders in 2023 and accepted by the government. These measures will be in force from 11 April 2024 until 30 June 2026;
  - Additionally, and in response to applications received during the 2023 application window to re-apply existing suspensions that resulted from the 2021 application window, which were implemented on 1 January 2023 and are due to expire on 31 December 2024, tariff suspensions on 11 product lines in the “Suspensions of Import Duty Rates Document” will be extended to 30 June 2026;
  - Separately, the instrument also rectifies an error identified in version 1.4 of the “Belarus Additional Duties Document”, which was introduced by The Customs (Additional Duty) (Russia and Belarus) (Amendment) Regulations 2023 (S.I. 2023/1203) and laid before the House of Commons on 13 November 2023. Specifically, in version 1.4 of the “Belarus Additional Duties Document” the additional duty rate of 35 percentage points for metal wire is omitted. Version 1.5 will include the 35 percentage point duty rate for metal

wire. This additional duty was introduced as part of a broader response which includes diplomatic pressure and financial sanctions against Russia and Belarus in respect of actions undermining the territorial integrity, sovereignty, and independence of Ukraine.

- 2.4 This instrument also contains technical amendments to update commodity code structures and descriptions, as well as correcting errors, in the “Suspensions of Import Duty Rates Document”.

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

#### *Matters of special interest to the Select Committee on Statutory Instruments*

- 3.1 These Regulations amend the reference to the reference document entitled “Suspensions of Import Duty Rates Document” to version 2.4 dated 17 March 2024. However, the version numbers of this reference document are amended non-sequentially, i.e., version 2.2 becomes version 2.4. This is because, since this definition was last amended by The Customs Tariff (Miscellaneous Amendments) Regulations 2023 (S.I. 2023/1339), a public notice was published on 2 February 2024 under section 32A(2) of the TCTA, which modified the relevant statutory reference to refer to a new version of that document, version 2.3 dated 31 January 2024.
- 3.2 These Regulations amend the definition of the “relevant Additional Duties Document” in relation to specified goods originating from Belarus from version 1.4 dated 7 November 2023 of the “Belarus Additional Duties Document”, to version 1.5 dated 17 March 2024 of the “Belarus Additional Duties Document”.

### **4. Extent and Territorial Application**

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

### **5. European Convention on Human Rights**

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

### **6. Legislative Context**

- 6.1 The TCTA confers powers on HM Treasury to make provision in regulations for the purposes of establishing duties applicable to imports entering the UK. The TCTA requires that in exercising these powers HM Treasury has regard to any recommendation made to them by the Secretary of State for the Department for Business and Trade. The TCTA also confers powers on the Secretary of State for the Department for Business and Trade to make regulations varying the amount of import duty applicable to certain goods where a dispute or other issue has arisen between His Majesty’s Government and the government of another country or territory. In exercising these functions under Part 1 of the TCTA, HM Treasury and the Secretary of State for the Department for Business and Trade have had regard to relevant international arrangements to which the government is a party.

### Tariff Suspensions

- 6.2 Section 12 of the TCTA gives HM Treasury the power to make regulations that, for a specified period, make provision for the rate of import duty applicable to specified goods to be lower than the applicable rate in the customs tariff in its standard form.
- 6.3 In considering what provision to include in regulations made under section 12(1) of the TCTA, the Treasury has had regard to recommendations made to them by the Secretary of State for the Department for Business and Trade in accordance with section 12(5) of the TCTA.

### Additional tariffs on imports from Russia and Belarus

- 6.4 Section 15 of the TCTA gives the Secretary of State for the Department for Business and Trade the power to make regulations varying the amount of import duty applicable to certain goods where a dispute or other issue has arisen between His Majesty's Government and the government of another country or territory, in this instance goods imported to the UK which originate from Russia and Belarus. In addition, if His Majesty's Government considers (having regard to the matters set out in section 28 of the TCTA and any other relevant matters) it is appropriate to deal with the issue by varying the amount of import duty in the case of goods originating from Russia or from Belarus.

## **7. Policy background**

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

#### Tariff Suspensions

- 7.1 The Suspensions Regulations brought into effect the UK's tariff suspensions regime. Tariff suspensions enable the government, on a temporary basis, to fully or partially lower tariffs applicable to goods imported under the UK Global Tariff, usually by suspending tariffs on goods used as inputs to domestic production. These Regulations give effect to the "Suspensions of Import Duty Rates Document" which sets out the goods that are to be suspended, the rate of tariff suspension, and the duration of the suspension.
- 7.2 This instrument updates the "Suspensions of Import Duty Rates Document" to version 2.4 dated 17 March 2024 to introduce a series of policy and technical updates:
- Following the conclusion of the 2023 tariff suspensions application window, 126 product lines in the "Suspensions of Import Duty Rates Document" will have a new tariff suspension applied. Between 12 June and 6 August 2023, the Secretary of State for the Department for Business and Trade invited applications from the UK and Crown Dependencies (Guernsey, the Isle of Man and Jersey) stakeholders for tariff suspensions. The objective of this process was to help UK and Crown Dependency businesses remain competitive in the global marketplace by suspending import duties on certain goods normally used as inputs to domestic production. These tariff suspensions will be in place from 11 April 2024 to 30 June 2026. The Crown Dependencies (Guernsey, the Isle of Man and Jersey) will implement these measures in parallel.
  - Additionally, and in response to applications received during the 2023 application window to extend existing suspensions that resulted from the 2021 application window, which were implemented on 1 January 2023 and are due

to expire on 31 December 2024, tariff suspensions on 11 product lines in the “Suspensions of Import Duty Rates Document” will be extended to 30 June 2026.

- This instrument updates the “Suspensions of Import Duty Rates Document” to reflect changes to commodity codes (which are used to classify goods). These amendments will help to ensure that UK’s international trade policy can be delivered, and avoids unnecessary complications for businesses.

Additional tariffs on imports from Russia and Belarus

- 7.3 The Additional Duty Regulations came into force following Russia’s illegal invasion of Ukraine, intending to isolate Russia and Belarus from the global economy. These measures were introduced as part of a broader response which includes diplomatic pressure and financial sanctions, against Russia and Belarus.
- 7.4 This instrument rectifies an omitted rate for metal wire in version 1.4 of the “Belarus Additional Duties Document”.
- 7.5 This product will now be subject to an additional tariff of 35 percentage points. The use of additional tariffs rather than import bans mitigates supply chain risks for UK businesses, by allowing for more scope for importers to adjust to changing conditions. When designing this policy, the government looked at relevant considerations, including balancing the impacts on the UK economy against wider objectives.
- 7.6 To lessen the impact on UK traders who have already shipped metal wire originating in Belarus, but which have yet to reach the UK customs border, the Additional Duty Regulations contain a transitional provision. The effect of this is that the additional duty will not apply to specified goods originating from Russia and Belarus which were exported from those territories prior to the regulations coming into force. This provision continues to apply for this package of goods, meaning the exemption applies if the goods left Russian and Belarusian territories before the coming into force of this instrument on 11 April 2024.

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

- 8.1 This instrument is not being made under the European Union (Withdrawal) Act 2018 and does not directly relate to the withdrawal of the UK from the EU but does amend legislation that was itself related because withdrawal required the UK to replace the EU’s customs regime with UK-specific customs regime.

**9. Consolidation**

- 9.1 These Regulations do not provide for any consolidation of existing legislation, and none is necessary in the circumstances.

**10. Consultation outcome**

- 10.1 No consultation in relation to this instrument has been undertaken. This instrument includes a series of amendments to maintain the current position, such as updating goods classifications or correcting errors identified in legislation to correctly align with what is occurring operationally, and as policy intended. These changes are consistent with the principles underlying the UK Global Tariff which were previously consulted on.

## **11. Guidance**

- 11.1 Since the end of the Transition Period, the UK Global Tariff has applied to all goods imported into the UK unless an exception applies, such as a tariff relief or tariff suspension, the goods are imported from countries that have tariff-free access granted unilaterally, or as part of a preferential trading arrangement. Further guidance is available at <https://www.gov.uk/guidance/duty-suspensions-and-tariff-quotas>.

## **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 A full Impact Assessment has not been prepared for this instrument because it largely maintains the position of existing legislation which was covered by an overarching Tax Information and Impact Note: The UK's Integrated Tariff Schedule – GOV.UK ([www.gov.uk](http://www.gov.uk)).

## **13. Regulating small business**

- 13.1 The legislation applies to activities that are undertaken by small businesses.
- 13.2 No specific action is proposed to minimise regulatory burdens on small businesses.
- 13.3 The basis for the final decision on what action to take to assist small businesses is that import tariffs cannot be varied with the size of importing businesses.

## **14. Monitoring & review**

- 14.1 The approach to monitoring this legislation is in line with the government's general approach to tariff legislation, which is kept under review to ensure that it meets the policy objectives set out above in section 7 of this Explanatory Memorandum and ensure burdens on business are carefully monitored.
- 14.2 The instrument does not include a statutory review clause as the content relates to a tax or duty and therefore meets the requirements of the Small Business, Enterprise and Employment Act 2015.

## **15. Contact**

- 15.1 Dylan Cunningham at HM Treasury, [dylan.cunningham@hmtreasury.gov.uk](mailto:dylan.cunningham@hmtreasury.gov.uk), can be contacted with any queries regarding the instrument.
- 15.2 Catherine Stewart, Deputy Director for Trade Policy, at HM Treasury can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Nigel Huddleston MP, Financial Secretary to the Treasury can confirm that this Explanatory Memorandum meets the required standard.
- 15.4 Ria Carter at the Department for Business and Trade, [ria.carter@businessandtrade.gov.uk](mailto:ria.carter@businessandtrade.gov.uk), can be contacted with any queries regarding the Suspensions and Tariff of the UK provisions in this instrument.
- 15.5 Benedict Collins, Deputy Director for Tariffs, Imports, Professions and Strategy (TIPS) at the Department for Business and Trade, can confirm that this Explanatory Memorandum meets the required standard.

15.6 Greg Hands MP, Minister of State for Trade Policy and Minister for London at the Department for Business and Trade, can confirm that this Explanatory Memorandum meets the required standard.