

Call for Evidence

Call for evidence

The House of Lords European Affairs Committee, chaired by Lord Kinnoull, has launched an inquiry into trade in goods between Great Britain (GB)^[1] and the EU. The launch of this inquiry follows the decision on 14 September 2021 by the UK Government to further delay the introduction of new import controls on goods entering GB from the EU, many of which will now not be introduced until 1 July 2022. The Committee is interested in your views on this delay and on preparations for the new controls, and the implications for you, your business or your policy area. The Committee is also interested in the overall impact to date of Brexit and the Trade and Co-operation Agreement (TCA) on GB-EU trade in goods in both directions, in the UK's first year outside the Single Market and Customs Union.

The Committee invites interested individuals and organisations to submit written evidence to this inquiry by **29 October 2021**. Public evidence sessions are expected to take place in October and early November, and the Committee aims to report to the House by early December.

Background

Following the conclusion of the UK-EU TCA and the end of the transition period on 31 December 2020, the UK formally left the Single Market and Customs Union.^[2] This led to the introduction of a series of new non-tariff barriers to trade between GB and the EU, including checks and controls on goods crossing the GB-EU border.

The UK Government adopted a phased approach to the introduction of checks and controls on goods imported into GB from the EU. Some checks and controls, particularly on controlled goods such as alcohol and tobacco, were introduced on day one. Others, particularly on food and animal products, were originally scheduled for introduction in April and July 2021. These were subsequently pushed back to October 2021, January 2022 and March 2022, and, more recently, delayed further to July 2022 in the case of many Sanitary and Phytosanitary (SPS) requirements. In announcing this delay, the Government stated that its "own preparations, in terms of systems, infrastructure and resourcing, remain on track to meet" the original timetable, and that the delay instead reflected the impact of the pandemic and wider pressures on supply chains.

In contrast to this approach, the EU introduced full import controls from 1 January 2021 – leading to an asymmetry between GB exports to the EU and GB imports from the EU, with the former facing more checks and

controls than the latter. The Government's latest timetable for the introduction of additional import controls is set out below.

a. From 1 January 2022:

- i. Pre-notification requirements introduced for Products of Animal Origin (POAO), certain animal by-products (ABP), and High Risk Food Not Of Animal Origin (HRFNAO). This was previously due to be introduced on 1 October 2021.
- ii. The scheme allowing deferral of customs declarations to end, as previously announced.

b. From 1 July 2022:

- i. Export Health Certificate requirements introduced for POAO and certain ABP. These were previously due to be introduced on 1 October 2021.
- ii. Physical checks introduced for products subject to SPS requirements, to take place at Border Control Posts (BCPs). These were previously due to be introduced from 1 January and 1 March 2022.
- iii. Pre-notification requirements and documentary checks, including phytosanitary certificates, introduced for low-risk SPS products. These were previously due to be introduced on 1 January 2022.
- iv. Existing physical checks on high-risk plants to take place at BCPs, rather than at the point of destination. These were previously due to be introduced on 1 January 2022.
- v. Safety and Security Declarations introduced for imported goods. These were previously due to be introduced on 1 January 2022.

Although the introduction of many SPS checks and controls has now been delayed to 1 July 2022, the requirement for full customs declarations from 1 January 2022 remains a significant milestone. As such, both the January and the July deadlines are of interest to the Committee's inquiry. 1 January 2022 is also the expiry date of a separate grace period waiving the requirement for traders to submit a Supplier's Declaration when seeking to claim zero-tariff treatment on the basis of a statement on the product's origin; this deadline is also of interest to the Committee's inquiry.

The Committee is interested both in the impact of the further delay to the introduction of import controls, and in preparedness for their introduction from January and July 2022, particularly in the context of the current challenges facing supply chains due to labour shortages. The Committee is also interested in the overall impact to date of Brexit and the TCA on GB-EU trade in goods in both directions, in the UK's first year outside the Single Market and Customs Union. The Committee would welcome views

on areas of interest that are cross-cutting and may impact a large number of sectors, as well as specific sectoral implications.

Diversity comes in many forms, and hearing a range of different perspectives means that Committees are better informed and can more effectively scrutinise public policy and legislation. Committees can undertake their role most effectively when they hear from a wide range of individuals, sectors or groups in society affected by a particular policy or piece of legislation. We encourage anyone with experience or expertise of an issue under investigation by a Select Committee to share their views with the Committee, with the full knowledge that their views have value and are welcome.

If you wish to contribute your experience and expertise to the inquiry, please respond to the questions below. **There is no obligation to answer every question.**

1. What have been the overall consequences to date of the implementation of the Trade and Cooperation Agreement and the end of the transition period for GB-EU trade in goods, in the UK's first year outside the Single Market and Customs Union?

a. What have been the key challenges of existing border controls for GB-EU trade in goods so far? To what extent have these challenges improved or worsened over the course of 2021, and how might they be mitigated further?

2. Do you agree with the Government's decision to delay further the introduction of certain checks and controls on imports of EU goods into GB? What are the advantages and disadvantages of this decision?

a. In your view, what were the key factors underpinning the decision to delay the introduction of import controls?

3. What are the implications of continued 'asymmetry' between GB and EU border controls, for example on the competitiveness of GB businesses, on border security, and on customs revenue? Are these asymmetric arrangements sustainable?

a. What, if any, are the legal implications of delaying the introduction of import controls with respect to the UK's international obligations, both under the TCA and as a member of the World Trade Organisation?

b. Have the UK authorities applied existing checks and controls consistently to imports from different EU Member States?

c. To what extent are businesses, ports, hauliers, the customs intermediary sector and other relevant groups ready for the introduction of full customs controls, and the expiry of other relevant grace periods, from 1

January 2022, and for additional SPS controls from 1 July 2022? Are there any particular challenges or concerns ahead of these deadlines? How do current levels of preparedness compare to previous preparedness for the end of the transition period on 31 December 2020?

4. Ahead of these changes, what is your assessment of the quality of existing Government communications, guidance, advice, funding and support for traders and ports? If there are any shortcomings, how should these be addressed?

a. Having made the decision to delay the introduction of certain checks, how should the Government best use this extra time?

b. Do you have confidence that the Government's revised timetable for the introduction of checks will be delivered on time?

5. Is disruption to trade flows or supply chains expected from the implementation of additional checks and controls from January and July 2022? If so, what form might any disruption take, and can it be mitigated by Government action?

6. What, if any, is the relationship between the timetable for the introduction of new checks and controls and the current challenges facing supply chains due to labour shortages?

7. How would you assess the checks and controls that GB exports to the EU have faced since January 2021, such as Sanitary and Phytosanitary requirements, customs formalities, Rules of Origin, and VAT?

a. What has been the impact of these checks and controls on British traders and hauliers?

b. Have these controls on GB exports been applied fairly, proportionately and consistently across EU Member States?

8. Are there any other concerns or issues relating to GB-EU goods trade, either to date or in the future, which you would like to highlight?

[1] Please note that goods trade relating to Northern Ireland is within the remit of the Sub-Committee on the Protocol on Ireland/Northern Ireland, and is therefore beyond the scope of this inquiry.

[2] However, under the Withdrawal Agreement's Protocol on Ireland/Northern Ireland, most EU Single Market goods regulations and customs legislation continue to apply to Northern Ireland.