

Wendy Morton MP

Minister for the European Neighbourhood and the Americas

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The Earl of Kinnoull, Chair European Union Committee House of Lords London SW1A 0PW

15 December 2020

Dea Lard Kinnowy,

COM(2020) 690: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS: Commission Work Programme 2021, A Union of vitality in a world of fragility

Thank you for your letter dated 2 December regarding our Explanatory Memorandum (EM) of 4 November on COM(2020) 690 from the European Commission. I am replying as the Minister for the European Neighbourhood and the Americas.

In your letter, you asked about the HMG approach to Northern Ireland in relation to the Protocol on Ireland and Northern Ireland as well as the relevance of the 2021 Commission Work Plan to Gibraltar after the Transition Period.

First, we welcome the political agreement by co-chairs of the EU-UK Joint Committee, European Commission Vice-President Maroš Šefčovič and the UK Chancellor of the Duchy of Lancaster, the Rt Hon Michael Gove where they addressed the outstanding issues related to the implementation of the Withdrawal Agreement. This will ensure that the Withdrawal Agreement, in particular the Protocol on Ireland and Northern Ireland, is fully operational at the end of the Transition Period.

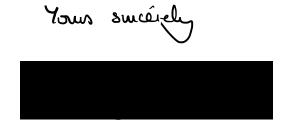
Regarding specific legislative proposals applying to Northern Ireland, the arrangements for the future governance of the Protocol after the end of the Transition Period are established by that Protocol. Article 15 of the Protocol establishes a Joint

Consultative Working Group (JCWG) which is the forum through which the EU will inform the UK about forthcoming EU laws considered to be in the scope of the Protocol. The EU's position on the Rules of Procedure for the JCWG were adopted by the Council of the European Union on 23 October. The UK and EU Commission will now appoint the respective co-chairs who will then agree a date for the first meeting of the JCWG. At that meeting, the rules of procedure will be co-decided and the JCWG can begin its work.

Furthermore, we work closely with the Northern Ireland Executive, and as set out in the New Decade, New Approach deal, we will ensure that representatives from the Northern Ireland Executive are invited to be part of the UK delegation in any meetings of the UK-EU Specialised or Joint Committees. In addition, we have agreed that representatives from the Northern Ireland Executive should attend meetings of the JCWG, ensuring that they are closely engaged on forthcoming legislation considered to be within the scope of the Protocol.

Regarding Gibraltar, the UK Government has committed to negotiating the future arrangements for implementing the Joint Political Declaration on behalf of all territories for whose external relations the United Kingdom is responsible, including Gibraltar. Talks continue with Spain regarding UK-EU future relationship issues relating to Gibraltar. Prior to the conclusion of these negotiations with Spain, it is difficult accurately to predict the potential impact of the Commission's Work Programme. However, we judge that Gibraltar will, as will the UK, have an interest in those Work Programme initiatives that relate to any future relationship agreement that is reached. The FCDO as lead department will consider relevance and potential application on a case by case basis when legislative proposals are published.

A copy of this letter will be sent to Sir William Cash, Chair of the House of Commons European Scrutiny Committee, the Clerks of both Committees, Les Saunders at the Cabinet Office, Adam Nutley, FCDO Scrutiny Coordinator, Jennifer Burch, FCDO Parliamentary Adviser, and Olivia Cormack, FCDO Select Committee Liaison Officer.



Wendy Morton MP

Minister for the European Neighbourhood and the Americas



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Lord Kinnoull Chair of the European Union Committee House of Lords London SW1A 0PW

17 December 2020

Dear Charles,

Thank you for your letter of 2 December 2020, in response to the Explanatory Memorandum on the European Union's proposed regulation on a Customs Single Window (CSW).

The intention behind the statement that the legislative proposal "does not impact" Great Britain was to make the point that, as the UK has left the European Union and the transitional arrangements will end before the proposed legislation could come into force, customs formalities in Great Britain will not be required to deliver the EU CSW requirements.

The implementation of the regulation will have some effect on traders in Great Britain who engage in cross border trade with the European Union, though it is important to note that European customs law requires that most types of customs declarations are made by a person who is established in the customs territory of the Union. Notwithstanding impacts on issues relating to Northern Ireland, changes to EU declaration requirements will predominantly affect EU established businesses or EU established agents representing UK trade.

I address each of your questions in turn below.

At a practical level, the EU Single Window programme is expected to improve customs formalities in two ways. First, the programme will consolidate the information gateway for customs and non-customs documentation, creating a 'one-stop-shop' for information relating to border formalities. In practice, the vast majority of businesses will wish to continue to use commercial software to create the data that they need to submit to border agencies; the Single Window will simplify that process, however, allowing data to be submitted through a single Application Programming Interface (API).

Second, the Single Window programme will standardise and expand the way in which Government systems digitally verify the customs and non-customs information they receive.

These objectives simplify digital exchanges between the trade and Government whilst reducing clearance times and improve customs controls. This, in turn, will reduce costs on both sides and facilitate trade.

As part of the Parliamentary Scrutiny process, the Government welcomes the views of the Northern Ireland Executive and all devolved administrations on explanatory memoranda (EMs), particularly where they flag an interest in the content of an EU proposal. In the case of EU COM (2020) 673, the Northern Ireland Executive raised their interest in this proposal. The Executive were provided with a draft of the explanatory memoranda, and they confirmed they had no additional comments.

The Government will continue to work closely with the Northern Ireland Executive. As set out in the New Decade, New Approach publication, the Government will ensure that representatives from the Northern Ireland Executive are invited to be part of the UK delegation in any meetings of the UK-EU Specialised or Joint Committees. In addition, the Government has agreed that representatives from the Northern Ireland Executive should attend meetings of the Joint Committee Working Group (JCWG), ensuring that they are closely engaged on forthcoming legislation considered to be within the scope of the Protocol.

Over the Summer, the Border Protocol Delivery Group consulted with trade on the UK's 2025 border strategy and the importance of the creation of a UK Single Trade Window was emphasised by stakeholders. As announced at the Spending Review, the Government will be investing in the creation of a UK STW and will set out further detail on this in the 2025 Border Strategy due to be published shortly. Government welcomes the development of Single Window programmes by all trading partners, as they simplify border processes which benefits UK businesses trading internationally. It is therefore good to see the progress on the EU's Single Window initiative.

After the end of the Transition Period it is possible that UK customs and/or non-customs regulatory requirements will diverge from those of the EU. Even where regulatory requirements remain the same, customs information on border formalities that occur in Great Britain will not be shared with the European Union. The UK and the EU will, however, continue to work according to the same basic principles of border control. Both sides will enforce customs and non-customs regulation at the border and both will want to maximise the degree to which such controls are integrated. There will be two separate Single Window programmes, but these will have similar objectives and will ultimately greatly simplify the process of submitting customs data.

In essence, the Trader Support Service provides a customs agent for businesses interacting with Northern Ireland, whilst the Single Window will simplify the process of submitting customs documentation, it will not reduce the declaration or licensing requirements needed for customs and non-customs control. Therefore, It is unlikely that a Customs Single Window will remove the need for trade to employ customs experts or to seek the assistance of a customs agent to support trade.

It is part of the Government's wider international approach to borders to work with the EU and other trading partners in order to make processes simpler and strive towards common data standards and systems interoperability, where this is to the benefit of UK traders.

On that basis, since the EU and UK STWs will be developed separately but over a similar timeline, the Government will work with the EU and the commercial customs software market to ensure that NI traders enjoy the benefits of both an EU and UK STW, so that wherever possible interoperability and common standards remove duplication from end-to-end trade.

It is not possible to assess the cost of implementing a single window system that is interoperable with the EU equivalent until the technical requirements are clear. These will be discussed with European counterparts.

As you have noted, Article 15 of the Northern Ireland Protocol sets out an important role for the Joint Committee Working Group (JCWG) in implementation of the Protocol. The Government will work with the Commission team to progress towards setting up the JCWG as a working body, to establish its mode of operation, and to arrange a date for the first meeting of the Group.

The Government is considering the question you raise of whether the Northern Ireland Protocol immediately applies the Single Window Regulation to customs operations in Northern Ireland. If it is determined that the application of the Regulation is not automatic, the Government will consider whether it is in the interests of the UK to adopt the Commission's approach. As I have set out, however, the Single Window will govern how customs and non-customs requirements are fulfilled under EU law, and it may be necessary to implement elements of the Single Window in order to process border requirements effectively.

As the legal position is still being considered, it has not yet been determined whether the Regulation has direct effect.

Future scrutiny arrangements for the UK Parliament and the NI Assembly will need to be agreed in forthcoming conversations between our officials. The Government fully recognises Parliament's continued role in scrutinising new EU legislative proposals that will affect the implementation of the Protocol. Future arrangements should in parallel reflect the key role of the Northern Ireland Assembly in scrutinising the actions of the Executive, which will hold responsibility for practical implementation of the Protocol in many respects.

As ever,

RT HON JESSE NORMAN MP



Committee for the Executive Office

Lord Kinnoull
Chair of the House of Lords European Union Committee
House of Lords
London
SW1A 0PW



10 December 2020

Dear Lord Kinnoull

EUROPEAN COMMISSION WORK PROGRAMME 2021 – CORRESPONDENCE DATED 2 DECEMBER 2020

At its meeting on 9 December 2020, the Committee for the Executive Office considered a copy of your correspondence, as Chair of the House of Lords European Union Committee, to Nigel Adams MP, Minister of State at the Foreign, Commonwealth and Development Office, regarding the European Commission Work Programme 2021.

The Committee noted the specific issues you raised in relation to the implications of the Commission's Work Programme for Northern Ireland and agreed that I write to you to request a copy of the response from the Minister of State when received.

Your co-operation in this matter would be greatly appreciated.

Yours sincerely



Colin McGrath MLA Chairperson, Committee for the Executive Office

Committee for the Executive Office

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