

Democratic Scrutiny Committee – Follow-up Questions

1. Are the proposed changes to EU Customs Code compatible with the Trusted Trader Scheme?

The proposals are at early stages of consideration and their application in Northern Ireland is still under consideration/subject to further engagement with the European Commission. However, the legislative text states explicitly that the reforms will not affect the level of facilitations under the Windsor Framework (Source: [C\(2023\) 258](#))

2. What are the implications of the proposed changes to rules of origin for Northern Ireland?

The proposals are at early stages of consideration and their application in Northern Ireland is still under consideration/subject to further engagement with the European Commission. HMG will examine the detail of these proposals as they progress through the EU legislative process and engage the European Commission on the package via the governance structures provided by the Withdrawal Agreement.

3. Can you provide more detail on the proposed changes to the Import Control System (ICS2)?

The EU is upgrading its old safety and security declaration system to a new system called ICS2. ICS2 has been implemented in phases, with air and bulk maritime movements already transitioning to the ICS2 system to submit their safety and security declarations. Road movements, including roll-on roll-off movements, are the final group to transition and have until 1 September to switch to ICS2.

Movements using freight processes into NI including those below 150 euros, currently need a safety and security declaration. This is for goods moved both under and outside the simplified processes for internal market movements. The transition to ICS2 does not impact this.

The upgraded ICS2 system introduces some additional data requirements, such as 6-digit commodity codes, and new processes such as Arrival and Presentation of Goods (POG) Notifications. HMRC is engaging with all parts of

industry to ensure data required for ICS2 can be provided. The free Trader Support Service will continue to be available to support hauliers to make their safety and security declarations and move goods 'not-at-risk' by sharing Internal Market Movement Information, which will not be affected by these changes. HMRC is also building a technical facilitation that will automate submission of Arrival and POG Notifications on behalf of carriers moving through GVMS ports. We will continue to engage with industry to help them understand what they need to do to be prepared for 1 September.

4. Which has primacy in Northern Ireland – EU or UK customs regulation?

The Windsor Framework is clear that Northern Ireland remains part of the UK customs territory, and preserves longstanding commitments to ensure Northern Ireland's businesses have full unconditional and unfettered access to their most important market in Great Britain, while maintaining their privileged access to the whole of the EU market.

5. The proposed EU act would remove the customs duty exemption for movements worth less than €150. Was consideration given by the European Commission to lowering the threshold rather than removing it?

We are unable to comment on the specific considerations behind the EU's policy decisions.

6. Can you provide a breakdown of the potential costs to businesses for gaining "Trust and Check" status?

The EU's Customs Reform package is still under negotiation so we are unable to provide more detail. Typically we would not provide any analysis of costs to businesses for a specific measure.

7. Have any data protection concerns been raised around the creation of a Data Hub?

We expect any concerns regarding the creation of a data hub and data protection will have been raised with the Commission directly.

8. Can you provide more information on the proposed optional simplified customs rates for online sales to consumers?

Information is available online on the EU Commission website.



██████████, Senior Assistant Clerk
Windsor Framework Democratic Scrutiny
Committee (DSC)

Ref: DSC 165/25
30 May 2025

██████████, Trade Regulation, Department for the Economy
Issued via email to: ██████████

Dear ██████████,

COM/2023/258 Proposal for a Regulation establishing the Union Customs Code and the European Union Customs Authority, and repealing Regulation (EU) No 952/2013

Thank you for attending the meeting of the Windsor Framework Democratic Scrutiny Committee (DSC) on 29 May 2025 to provide oral evidence on the above proposed EU act.

Members of the DSC asked a series of questions and in response to some of these, you stated that you would provide further information following consultation with HMRC. I have included the questions below and would be grateful for a response by 19 June 2025.

1. Are the proposed changes to EU Customs Code compatible with the Trusted Trader Scheme?
2. What are the implications of the proposed changes to rules of origin for Northern Ireland?
3. Can you provide more detail on the proposed changes to the Import Control System (ICS2)?
4. Which has primacy in Northern Ireland – EU or UK customs regulation?
5. The proposed EU act would remove the customs duty exemption for movements worth less than €150. Was consideration given by the European Commission to lowering the threshold rather than removing it?
6. Can you provide a breakdown of the potential costs to businesses for gaining “Trust and Check” status?
7. Have any data protection concerns been raised around the creation of a Data Hub?
8. Can you provide more information on the proposed optional simplified customs rates for online sales to consumers?

Yours sincerely,



[Redacted], Senior Assistant Clerk
Windsor Framework Democratic Scrutiny Committee