

**Regulation (EU) 2026/2108 establishing the Union Customs Code and
the European Union Customs Authority, and repealing Regulation (EU)
No 952/2013**

Consultation Response – Inter-Trade UK Business Association

Submitted on 2026-10-16 10:54:45

Impact of EU Act

1. Does it appear likely that the EU act would have a significant negative impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist?

Yes

Tell us why :

We consider that applying this Regulation is likely to have a significant negative impact on Northern Ireland's communities that is liable to persist, because it risks compounding the existing harm to Northern Ireland's position within the UK internal market.

The ITUKBA Board brings decades of lived experience in manufacturing and logistics, including the practical management of customs requirements since the end of the Brexit transition period. Our concerns are grounded in direct experience of systems that have added declarations, data requirements, cost and delay rather than facilitating trade.

The experience of the Trader Support Service (TSS) and TSS2, supplementary declarations, origin and commodity-code requirements, and the need to reconcile information across different systems demonstrates that these burdens are real. They consume staff time and resources, with a disproportionate impact on smaller businesses and their suppliers.

Further EU customs reform risks making these difficulties worse through increasingly centralised, data-intensive and interconnected compliance requirements. The role of the European Customs Authority, based in Lille, and the Regulation's higher penalties also warrant scrutiny. Businesses need less complexity in an already difficult trading environment.

These risks must be considered cumulatively. Even incremental additions can have a disproportionate effect when layered onto an existing system. If supplying Northern Ireland becomes even more costly or commercially unattractive, businesses may

further reduce their product ranges, withdraw from the market or pass costs down the supply chain.

Evidence presented to Parliament indicates a fall in the proportion of GB businesses supplying Northern Ireland between 2020 and 2024. Proper investigation is needed to confirm sectors have been impacted most and how much trade has been diverted to other markets. We believe that this is impossible until the Westminster Government acknowledges the scale of the problem. No headline, cherry-picked trade values should be taken as proof that the arrangements are working.

The Committee should require a transparent, independent assessment of these expected effects before endorsing further change. Establishing a baseline of what has already gone wrong and assessing the risks of increasing changes that will amplify harm, would be prudent steps. Even incremental additions can have a disproportionate effect when layered onto an already complex system.

2. Does it appear likely that NOT APPLYING the EU act would have a significant negative impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist?

No

Tell us why:

We do not consider that not applying this Regulation would, in itself, be likely to have a significant negative impact on the everyday life of Northern Ireland's communities that is liable to persist.

A central argument for applying the Regulation is that Northern Ireland would otherwise lose the advantages of dual market access. This claim requires much closer scrutiny. What is the demonstrable economic value of dual market access, how has it been quantified, and where is the evidence of additional investment or lasting benefits attributable to it?

The ability to sell goods into the EU is not an unqualified advantage if Northern Ireland businesses cannot obtain the goods and inputs they need from their largest domestic market, Great Britain, without additional customs requirements, cost and uncertainty. The opportunity to sell into one market cannot sensibly be assessed separately from the ability to source competitively from another.

Manufacturers know, that this is not an abstract constitutional argument but a practical commercial issue. If essential inputs are unavailable at the right price in RoI, or sourcing them from GB becomes more burdensome, the ability to sell finished goods into the EU may be of little value. Northern Ireland's longstanding integration with the UK economy must be considered alongside any claimed benefits from access to the EU market.

Neither Invest NI nor the Department for the Economy has, to our knowledge, identified a new inward-investment case motivated by dual market access.

The Committee should seek the underlying evidence and establish whether the claimed benefits are demonstrable, additional and attributable to these arrangements.

Businesses trading predominantly between NI and the RoI may benefit from closer alignment with the EU Single Market for Goods, but that does not establish a net economic benefit for Northern Ireland as a whole.

Potential Service sector growth is obscuring the difficulties faced by manufacturers and other businesses trading in goods. There is little or no empirical evidence to support the argument that not applying this Regulation would sacrifice dual market access benefits. The Committee cannot accept those who assert theoretical benefits without quantification and qualification.

If the objective is to ensure that goods ultimately entering the EU are subject to appropriate controls, the Committee should examine alternatives, including whether the at-risk test could be applied at the point of sale, allowing the intra-UK supply chain to be unshackled by unnecessary customs burdens. If the proposals advanced to achieve this are accepted, dual market access is still available. This possibility must be properly assessed before the Committee concludes that applying the Regulation is necessary to protect that access.

In the absence of clear evidence that applying this Regulation would deliver benefits sufficient to outweigh these risks, we do not consider that not applying it would cause a comparable or significant persistent detriment to Northern Ireland's communities. The burden of proof should not be reversed:

Northern Ireland businesses and consumers should not be expected to accept further restrictions on the strength of unquantified claims about dual market access.

3. Are there any other matters regarding the EU act that you wish to draw to the Committee's attention? Please note, any information provided should be of an evidential nature rather than a commentary.

Yes

Tell us why :

The Committee's conclusions should be grounded in the evidence submitted, the practical experience of affected businesses and independent scrutiny of the claimed economic benefits. The absence of complete data must not become a reason to disregard credible evidence of harm, nor should the timetable for reporting prevent meaningful examination of the issues.

- Cumulative impact of customs legislation on businesses trading GB to NI

- using a holistic approach
 - not considering individual requirements which appear manageable in isolation
 - particularly for smaller traders and manufacturers.
- A scrutiny process sufficiently rigorous to
 - ☐ test the evidence,
 - ☐ examine practical alternatives,
 - ☐ consider evidence of competing assertions or a reliance on headline trade statistics.
 - The Committee should seek a clear assessment of:
 - measurable economic benefits attributable to dual market access,
 - the impact of existing arrangements on GB supplier participation,
 - the additional compliance, administrative and delay costs that already exist
 - the feasibility of applying the at-risk test at the point of sale and other proportionate alternatives that protect legitimate EU interests without unnecessarily burdening intra-UK trade.

Further legislative change should not proceed on the assumptions that existing facilitations are sufficient or that dual market access necessarily delivers a net benefit to NI.