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Room 382, Parliament Buildings
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12 October 2026

Regulation (EU) 2026/2108 of the European Parliament and of the Council of 16 September 2026 establishing the Union Customs Code and the European Union Customs Authority, and repealing Regulation (EU) No 952/2013.

Dear Marie,

Thank you for the letter from the Chair of the Democratic Scrutiny Committee to the Minister for Intergovernmental Relations and European Relations dated 1 October 2026, regarding Regulation (EU) 2026/2108. I am responding on behalf of the Minister.

Impact of the Regulation's Application in Northern Ireland

The Government's assessment of this Regulation has been set out in the Explanatory Memorandum from HM Revenue and Customs (HMRC) dated 28 September 2026, which I am attaching for completeness. This has been supplied by the Government in line with its scrutiny commitments. In addition, I can provide some further information to the Committee.

I would first like to offer reassurance regarding the facilitations secured under the Windsor Framework. The Windsor Framework is clear that NI remains in the UK customs territory and protects NI's unfettered access to GB and privileged access to the EU market. As the EU reform proposal stated: *"The revision of customs legislation set out in this Regulation will not affect the level of the facilitations referred to in Joint Committee Decision No 1/2023."*

In addition, the reforms aim to deliver a simpler, more modern and data-driven customs framework, which could offer benefits for businesses in NI. We do recognise that the extent of those benefits will depend on how the reforms are operationalised. This is why the UK and the European Commission have agreed to work collaboratively as the detailed arrangements are developed, alongside engagement with businesses and representative bodies at the relevant stages to ensure that practical considerations are understood and taken into account.

This joint approach is already reflected in the treatment of the first measure, the handling fee for e-commerce consignments. Under the draft UK-EU Joint Declaration on the handling fee, which was approved by the Council of the European Union on 5 October, ([Decision - EU - 2026/2232 - EN - EUR-Lex](#)), more than 99% of the total number of 'distance sales' into NI annually are expected to be classified as "not at risk" and therefore to move into NI with no



fee payable. The remaining less than 1% comprises the very small number of goods sent to consumers in NI that are not eligible to move under the UK Carrier Scheme, such as goods subject to sanctions.

The revenue generated from the handling fee in NI will be retained by the UK and will not be remitted to the EU.

Importantly, NI remains within the UK's customs territory, and therefore UK authorities will continue to administer and operate the customs arrangements that apply, including the facilitations secured under the Windsor Framework. The EU Customs Authority will primarily provide governance, coordination and support. The Regulation does not provide for the Authority to assume the operational customs functions currently exercised by national customs authorities, including those relevant to implementing the customs arrangements that apply in NI which will continue to be exercised by HMRC.

Taking all of this into account, the Government will continue to work jointly with the European Commission as the detailed arrangements are developed, to help maintain the existing Windsor Framework facilitations and approaches and ensure that the reforms are operationalised in a way that enables NI businesses to benefit from the changes.

Impact if the Regulation does not apply in Northern Ireland

The Government's assessment is that, if the reforms did not apply in NI, divergence between the customs frameworks in NI and the EU could risk NI's access to the EU market and its ability to benefit from dual market access. Securing dual market access while protecting NI's place in the UK internal market is central to the Windsor Framework arrangements.

The application of the customs code in NI provides assurance that goods entering the EU from NI are subject to equivalent customs arrangements. As the EU customs framework evolves, NI's customs arrangements must remain responsive to those changes so that businesses can continue to access the EU market. In recognition of NI's unique arrangements, individual elements of the reform will, where appropriate, be discussed between the UK and the European Commission as the detailed arrangements are developed.

Approach in England, Scotland and Wales

The UK faces many of the same pressures driving the modernisation of the EU Customs Union and is considering how its own customs regime should evolve to meet the demands of modern trade. Through its Call for Evidence on Customs Modernisation, the Government sought stakeholder views on how customs processes, data and technology could support future customs operations. Where opportunities are identified for alignment between UK and EU modernisation approaches that would support efficient trade, interoperability and simpler processes, these will be considered as part of the Government's wider customs strategy.



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Next Steps

The Government has been engaging closely with officials from DfE on their interests in this Regulation and will continue to work with them on implementation matters and guidance for businesses in due course.

I trust this information will be of assistance to the Committee.

Yours sincerely,

STEPHANIE HURLEY
DEPUTY DIRECTOR - EU RELATIONS SECRETARIAT

Mrs Ciara Ferguson MLA, Chairperson
Windsor Framework Democratic Scrutiny
Committee

REF: DSC 243/26

1 October 2026

Rt Hon Hamish Falconer MP
Minister of State (Minister for Intergovernmental Relations and
European Relations)

Issued via email to: wtf-sg@cabinetoffice.gov.uk

CC: ministerial.correspondence@cabinetoffice.gov.uk

Hamish, a chara,

At its meeting on 1 October 2026, the Windsor Framework Democratic Scrutiny Committee (DSC) considered [Regulation \(EU\) 2026/2108 of the European Parliament and of the Council of 16 September 2026 establishing the Union Customs Code and the European Union Customs Authority, and repealing Regulation \(EU\) No 952/2013](#). This act was notified to the DSC on 24 September 2026.

The DSC decided to hold an inquiry into the replacement EU act, pursuant to paragraph 8(1) of Schedule 6B to the Northern Ireland Act 1998.

Under paragraph 9(2)(a), the DSC must seek substantive discussion and engagement with the British Government. Therefore, further to the information provided in the Explanatory Memorandum dated 28 September 2026, the Committee is requesting your assessment of:

- Whether it appears likely that the application of the replacement EU act would have a significant impact specific to everyday life of communities here in a way that is liable to persist; and
- Whether it appears likely that not applying the replacement EU act would have a significant impact specific to everyday life of communities here in a way that is liable to persist.

In considering the potential for divergence, the Committee also requests details of the position in England, Scotland and Wales.

I would appreciate a response **by Monday 19 October 2026 at 11.00am**.

Le meas,



Ciara Ferguson, MLA
Chairperson, Windsor Framework Democratic Scrutiny Committee