**EXPLANATORY MEMORANDUM TO**

# THE CUSTOMS (TARIFF AND MISCELLANEOUS AMENDMENTS) (NO. 7) REGULATIONS 2026

**2026 No. 1155**

## 1. Introduction

1.1 This Explanatory Memorandum has been prepared by HM Treasury and the Department for Business, Innovation, Science and Trade and is laid before the House of Commons by Command of His Majesty.

## 2. Declaration

2.1 Lucy Rigby KC MP, Economic Secretary to the Treasury confirms that this Explanatory Memorandum meets the required standard.

2.2 Catherine Stewart, Deputy Director for Trade Policy at HM Treasury, confirms that this Explanatory Memorandum meets the required standard.

2.3 Lord Sarwar, Minister of State for Trade at the Department for Business, Innovation, Science and Trade, confirms that this Explanatory Memorandum meets the required standard.

2.4 Benedict Collins, Deputy Director for Tariffs and Import Policy and Systems at the Department for Business, Innovation, Science and Trade, confirms that this Explanatory Memorandum meets the required standard.

2.5 Malte Werner, Deputy Director for Trade Defence Strategy at the Department for Business, Innovation, Science and Trade, confirms that this Explanatory Memorandum meets the required standard.

## 3. Contact

3.1 Eva Agerbæk at HM Treasury can be contacted by email at the following address with any queries regarding the instrument: eva.agerbaek@hmtreasury.gov.uk.

3.2 Ria Carter at the Department for Business, Innovation, Science and Trade can be contacted by email at the following address with any queries regarding the tariff amendments set out in the instrument: tariff.implementation@businessandtrade.gov.uk. Alternatively, the department can be contacted by telephone: +44 (0) 20 4551 0011.

3.3 Alexander Keeler at the Department for Business, Innovation, Science and Trade can be contacted by email at the following address with any queries regarding the steel tariff amendments set out in the instrument: tariff.implementation@businessandtrade.gov.uk. Alternatively, the department can be contacted by telephone: +44 (0) 20 4551 0011.

## Part One: Explanation, and context, of the Instrument

## 4. Overview of the Instrument

***What does the legislation do?***

4.1 This instrument makes amendments to subordinate legislation previously made under the Taxation (Cross-border Trade) Act 2018 ("TCTA"), which provided for the

United Kingdom's Customs, Value Added Tax ("VAT") and Excise regimes to be in place after the end of the Transition Period following the withdrawal of the United Kingdom ("UK") from the European Union ("EU").

4.2 This instrument:

- provides for changes to allow certain imported steel products to benefit from duty relief through the authorised use customs procedure where those products are used in the production of bright bar, wire, and linepipe steel products; and
- introduces tariff suspensions for kerosene, fertilisers, and 101 agricultural and food products imported into the UK, such that the rate of import duty is 0%.

4.3 The following Regulations are updated or amended to give legal effect to these changes:

- The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 (S.I. 2018/1249) ("the Special Procedures Regulations");
- The Customs (Reliefs from a Liability to Import Duty and Miscellaneous Amendments) (EU Exit) Regulations 2020 (S.I. 2020/1431) ("the Reliefs Regulations"); and
- The Customs Tariff (Suspension of Import Duty Rates) (EU Exit) Regulations 2020 (S.I. 2020/1435) ("the Suspensions Regulations").

**Where does the legislation extend to, and apply?**

4.4 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales, Scotland, and Northern Ireland.

4.5 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales, Scotland, and Northern Ireland.

## 5. Policy Context

***What is being done and why?***

5.1 This instrument amends the Special Procedures Regulations and the Reliefs Regulations to give effect to updated versions of the "Authorised Use: Eligible Goods and Rates" and "Authorised Use: Eligible Goods and Authorised Uses" reference documents (together, the "Authorised Use reference documents"). These updates introduce duty relief through the authorised use customs procedure to reduce the rate of import duty to 0% on nine commodity codes relating to steel used in the manufacture of bright bar (a precision finished steel product) and wire, as well as six commodity codes relating to steel used in the manufacture of linepipe (a steel used in the construction of pipelines to transport oil, gas and other fluids). These changes are intended to support UK steel production by allowing for import duty relief on steel input products which are not currently produced within the UK.

5.2 This instrument also amends the Suspensions Regulations to refer to a new version of the "Tariff Suspension Document" to give effect to the following amendments:

a) Suspending the tariff rates on 115 goods including kerosene, fertilisers, and 101 agri-foods to mitigate the inflationary impacts on consumers resulting from the conflict in the Middle East ("the Cost-of-Living Suspensions"). The Cost-of-Living Suspensions are introduced as exceptional duty suspensions at 0% on 115 commodity codes, reflecting the outcome of a public consultation that was run between 27 May and 24 June 2026. The suspensions on agri-foods and kerosene will be in place until 31 December 2028; the suspensions on fertilisers will be in place until 31 December 2027; and

b) Applying a condition to the Cost-of-Living Suspensions, which excludes goods originating from Russia and Belarus from benefiting from these suspensions.

***What was the previous policy, how is this different?***

5.3 Paragraphs 5.1-5.2 above set out the previous policy and the changes being made.

## 6. Legislative and Legal Context

***How has the law changed?***

*Authorised Use*

6.1 Section 19 of the TCTA gives HM Treasury the power to make regulations that make provision for full or partial relief from a liability to import duty, including in the case of goods that are declared for an authorised use procedure. As described in paragraph 5.1 above, the Authorised Use reference documents are updated to provide full relief from liability to import duty for the specified steel goods.

*Tariff Suspensions*

6.2 Section 12 of the TCTA gives HM Treasury the power to make regulations that, for a specified period, make provision for the rate of import duty applicable to specified goods to be lower than the applicable rate in the customs tariff in its standard form. As described in paragraph 5.2 above, the Tariff Suspensions Document has been updated to reduce the rate of import duty to 0% for specified goods. In considering what provision to include in regulations made under section 12 of the TCTA, HM Treasury has had regard to the recommendation made to them by the Secretary of State for Business, Innovation, Science and Trade in accordance with section 12(5) of the TCTA.

6.3 Regulation 10 of the Suspensions Regulations sets out the exceptional circumstances by which the Secretary of State may recommend suspensions to HM Treasury, in the absence of a request by businesses. That recommendation has been given by the Secretary of State for Business, Innovation, Science and Trade.

*General considerations*

6.4 In considering making the changes in this instrument, as set out in paragraphs 5.1-5.2 and 6.1-6.3, and in making the relevant recommendations referred to in those paragraphs, HM Treasury and the Secretary of State for Business, Innovations, Science and Trade have had regard to the matters set out in section 28 of the TCTA.

***Why was this approach taken to change the law?***

6.5 The TCTA gives primary powers for the UK to create its own customs regime, including a system of import duty rates, allowing import duty to be applied to chargeable goods entering the UK.

6.6 This instrument amends the regulations detailed above at paragraph 4.3. Further details of the UK's import duty regime are set out in reference documents provided for in the regulations (see paragraphs 5.1-5.2 for further details). The regulations are therefore amended to give effect to the relevant updated reference documents. As these changes do not increase the rates of import duty applied in the standard case, the negative procedure is adopted pursuant to section 32(6) of the TCTA.

## 7. Consultation

***Summary of consultation outcome and methodology***

7.1 The Cost-of-Living Suspensions underwent a four-week public consultation which ran between 27 May and 24 June 2026. This package was proposed in the context of the conflict in the Middle East to attempt to mitigate the impact of rising consumer prices.

7.2 The government assessed all consultation responses according to criteria such as impacts on domestic producers, consumers, the UK's international obligations, developing country interests, and other relevant considerations. The government response is available at https://www.gov.uk/government/consultations/call-for-input-on-goods-for-cost-of-living-tariff-suspensions/outcome/government-response-call-for-input-on-goods-for-cost-of-living-tariff-suspensions.

## 8. Applicable Guidance

8.1 Since the end of the Transition Period, the UK Global Tariff has applied to all goods imported into the UK unless an exception applies, such as a tariff relief or tariff suspension, goods imported from countries that have tariff-free access granted unilaterally, or as part of a preferential trade arrangement. Further guidance is available at https://www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports.

8.2 Further guidance on the operation of the suspension and new authorised use measures covering steel goods (see paragraphs 5.2 - 5.3) is available at: https://www.gov.uk/government/publications/uks-steel-trade-measure-from-1-july-2026/uks-steel-trade-measure-from-1-july-2026.

# Part Two: Impact and the Better Regulation Framework

## 9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because it maintains the position of existing legislation, which is covered by an overarching Tax Information and Impact Note: https://www.gov.uk/government/publications/the-uks-integrated-tariff-schedule/the-uks-integrated-tariff-schedule.

***Impact on businesses, charities and voluntary bodies***

9.2 The amendments set out in paragraphs 5.1 above are expected to have a positive impact on some UK steel producers of bright bar, wire, and linepipe products. Feedstock for bright bar production and plate steel used to manufacture linepipe is not currently available domestically. These amendments will provide tariff-free access only where goods are used for the manufacture of bright bar, wire and linepipe steel products and are intended to support increased UK domestic production of these products.

9.3 There is no, or no significant, impact on business, charities or voluntary bodies.

9.4 The legislation does not impact small or micro businesses.

9.5 There is no, or no significant, impact on the public sector.

## 10. Monitoring and review

***What is the approach to monitoring and reviewing this legislation?***

10.1 The approach to monitoring this legislation is in line with the general approach to tariff legislation, which is kept under review to ensure that it meets the policy objectives set out above in paragraph 5 of this Explanatory Memorandum and ensure burdens on business are carefully monitored.

10.2 The amendments in this instrument relating to import duty relief under the authorised use customs procedure for certain steel imports will be included in the 12-month review of the steel trade measure, implemented in July 2026 under The Customs (Tariff and Miscellaneous Amendments) (No.4) Regulations 2026 (S.I. 2026/572) and The Customs (Tariff and Miscellaneous Amendments) (No. 5) Regulations 2026 (S.I. 2026/703).

10.3 The instrument does not include a statutory review clause as the content relates to a tax or duty and therefore meets the requirements of the Small Business, Enterprise and Employment Act 2015.

## Part Three: Statements and Matters of Particular Interest to Parliament

### 11. Matters of special interest to Parliament

11.1 None.

### 12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

### 13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts"). It does, however, relate to the withdrawal of the United Kingdom from the European Union because withdrawal required the UK to replace the EU's customs regime with a UK-specific customs regime.