EXPLANATORY MEMORANDUM TO

THE CUSTOMS (TARIFF QUOTAS) (EU EXIT) (AMENDMENT) REGULATIONS 2022

2022 No. 980

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Environment, Food and Rural Affairs and is laid before the House of Commons by Command of His Majesty.

2. Purpose of the instrument

2.1 This purpose of this instrument is to make an amendment to the Customs (Tariff Quotas) (EU Exit) Regulations 2020 (S.I. 2020/1432) to open an Autonomous Tariff Quota ("ATQ") (05.2795) for shrimp and prawns, in order to meet increased UK demand. This instrument also corrects a transposition error relating to the quota volumes for two cheese quotas, 05.4521 and 05.4522. The quota volumes at column (5) of the table have been swapped in order to apply the correct volume to the correct quota number.

3. Matters of special interest to Parliament

Matters of special interest to the Select Committee on Statutory Instruments

3.1 None.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is the whole of the United Kingdom.

4.2 The territorial application of this instrument is the whole of the United Kingdom.

5. European Convention on Human Rights

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

6. Legislative Context

6.1 Section 11 of the Taxation (Cross-border Trade) Act 2018 gives HM Treasury the power to make regulations establishing Tariff Rate Quotas ("TRQs") to manage domestic imports into the UK. A TRQ allows a fixed volume of goods to be imported at zero duty or at a lower rate of duty than would be applied under the standard rate of import duty. A TRQ allows the UK to manage the volume of the goods that are imported into the country. An ATQ can be opened unilaterally should HM Treasury consider it appropriate for the goods concerned to be subject to a quota. Section 11 also gives powers to Secretary of State to determine the licensing or allocation system that goods subject to a quota will be subject to.

7. Policy background

What is being done and why?

7.1 The Customs (Tariff Quotas) (EU Exit) Regulations 2020 set out the legislative mechanism through which TRQs are established and administered. This statutory instrument amends the definition of "Quota Table" in Regulation 2(1) of the Customs (Tariff Quotas) (EU Exit) Regulations 2020 to refer to an updated version of the table which is entitled "Tariff Quotas, version 3.2, dated 20th September 2022".

7.2 The updated version of the Quota Table introduces another ATQ for shrimp and prawns for 3,200 tonnes until 31 December 2022, following a review of the quota volume of the existing quota. The regulations also correct the quota volumes for two cheese quotas which were transposed by error.

8. European Union Withdrawal and Future Relationship

8.1 This instrument is not being made under the European Union (Withdrawal) Act 2018 but relates to the withdrawal of the UK from the European Union because withdrawal made it necessary for the UK to replace the EU's customs regime with a UK-specific customs regime.

9. Consolidation

9.1 This instrument does not consolidate any previous legislation

10. Consultation outcome

10.1 No consultation on this instrument has taken place.

11. Guidance

11.1 Guidance on the customs tariff is currently available from HMRC. This guidance will continue to be published and available in its current format.

12. Impact

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

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

12.3 An Impact Assessment has not been prepared for this instrument because the effect of the Statutory Instrument is to maintain, as far as possible, the position prevailing currently i.e. access to a quota for the good in question.

13. Regulating small business

13.1 The legislation applies to activities that are undertaken by small businesses.

14. Monitoring & review

14.1 The approach to monitoring of this legislation is to review the wider context of the customs tariff legislation.

14.2 The instrument does not include a statutory review clause because the instrument relates to a tax or duty and, in line with the Small Business, Enterprise and Employment Act 2015 meets the requirements for exemption.

15. Contact

15.1 Darren Stretton at the Department for Environment, Food and Rural Affairs, email: darren.stretton@defra.gov.uk can be contacted with any queries regarding this instrument.

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

15.3 Richard Fuller MP, Economic Secretary to the Treasury, can confirm that this Explanatory Memorandum meets the required standard.