EXPLANATORY MEMORANDUM TO

THE PLEASURE CRAFT (ARRIVAL AND REPORT) (AMENDMENT) (NO. 2) REGULATIONS 2026

2026 No. 819

1. Introduction

1.1 This Explanatory Memorandum has been prepared by His Majesty's Revenue and Customs ("HMRC") and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Dan Tomlinson MP, Exchequer Secretary to the Treasury confirms that this Explanatory Memorandum meets the required standard.

2.2 Joanne Cheetham, Deputy Director for Customs Compliance, Audit and Law at HMRC confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Jayne Wood at HMRC can be contacted by email at the following address with any queries regarding the instrument: enquiries.excisecustomslawteam@HMRC.gov.uk. Alternatively, the department can be contacted by telephone: 03000 510779.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument revokes and replaces the Pleasure Craft (Arrival and Report) (Amendment) Regulations 2026 (S.I. 2026/707) ("the original amendment Regulations") which were erroneously made without a completed commencement date.

4.2 This instrument rectifies that error by revoking the original amendment Regulations and then replicating the content of those Regulations with a correct commencement date.

4.3 As was the intention behind the original amendment Regulations, this instrument amends the Pleasure Craft (Arrival and Report) Regulations 1996 (S.I. 1996/1406) ("the 1996 Regulations") which detail the requirements for reporting the arrival of pleasure craft in the UK. A pleasure craft is a vessel which is being used for private recreational purposes when it arrives in the UK.

4.4 The amendments made by this instrument provide clear provision for electronic reporting and remove outdated requirements. Electronic reporting for pleasure craft is already applied under Commissioners' Directions issued under the Customs and Excise Management Act 1979 (c. 2) and the amendments made by this instrument will align those Directions with the 1996 Regulations to ensure they operate effectively together.

4.5 The 1996 Regulations apply to pleasure craft which arrive from a place outside the United Kingdom other than the Isle of Man. Reports are not required for journeys between Great Britain and Northern Ireland.

Where does the legislation extend to, and apply?

4.6 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the United Kingdom.

4.7 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the United Kingdom.

5. Policy Context

What is being done and why?

5.1 The original amendment Regulations were laid before Parliament on 1st July 2026 but contained a substantive error due to the lack of a commencement date in regulation 1. As the original amendment Regulations will not come into force without an effective commencement provision, they are being revoked and replaced with this instrument. The policy intention behind the amendments made by this instrument remains the same as the original amendment Regulations.

5.2 The 1996 Regulations currently refer to outdated methods for reporting the arrival of pleasure craft into the UK. The majority of reports are now made electronically. The amendments made by this instrument therefore include provision for electronic reporting in the 1996 Regulations and remove outdated provisions which refer to reporting by the posting of a form into a Customs and Excise post box. The 1996 Regulations therefore now align with the Commissioners' Directions made under sections 35(1) and 64(2)(b) of the Customs and Excise Management Act 1979 which already refer to reporting by electronic means.

What was the previous policy, how is this different?

5.3 The policy for this instrument remains the same as the policy for the original amendment Regulations.

5.4 The 1996 Regulations required reports of pleasure craft to be submitted via a 'Customs and Excise' post box, where one is provided, but such post boxes no longer exist. In the absence of such post boxes, the 1996 Regulations required reports to be delivered to HMRC Officers or delivered to the Customs and Excise office for the port of arrival. In practice all reports are now delivered electronically or by hard copy, via the postal service. The 1996 Regulations are therefore updated to reflect this.

6. Legislative and Legal Context

How has the law changed?

6.1 Electronic reporting is not specifically referred to in the 1996 Regulations. The amendments made by this instrument to the 1996 Regulations, to include reference to electronic reporting and remove outdated reporting methods, align the 1996 Regulations with the Commissioners' Directions issued under sections 35(1) and 64(2)(b) of the Customs and Excise Management Act 1979. This ensures there is consistency in the law governing the reporting procedure.

Why was this approach taken to change the law?

6.2 The 1996 Regulations did not align with modern practices so they have been amended to achieve this.

7. Consultation

Summary of consultation outcome and methodology

7.1 This is a minor amendment that seeks to align the 1996 Regulations with the current reporting process. Reporting electronically is already widely used and there is no practical impact on users. In light of this, a consultation was not considered necessary.

8. Applicable Guidance

8.1 Guidance on making a report electronically is already available on the gov.uk website[1].

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 there will be no additional economic impact on users of the electronic reporting system or who report by post. There is no cost to reporting via the electronic system.

Impact on businesses, charities and voluntary bodies

9.2 There is no impact on businesses, charities or voluntary bodies because reporting as a pleasure craft is required when it is a private vessel that is being used for private recreational purposes. Businesses and charities that are sailing specifically for training purposes are required to report the arrival, however there is no cost to them should they wish to use the electronic service.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no impact on the public sector because electronic reporting remains in place and continues to be used as the preferred method of reporting.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 A review of this legislation is not required as there is no significant impact on businesses or individuals.

10.2 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act Dan Tomlinson has made the following statement "A statutory review clause is not included in the instrument because the instrument relates to a tax or duty, and therefore meets the requirements of the exemption set out in section 28(3)(a) of the Small Business, Enterprise and Employment Act 2015".

[1] Pleasure Craft Report Guidance: www.gov.uk/guidance/submit-a-pleasure-craft-report

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 This instrument is being made to correct a substantive error in the original amendment Regulations (S.I. 2026/707) and therefore this instrument is using the free issue procedure.

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").