EXPLANATORY MEMORANDUM TO

THE SINGLE TRADE WINDOW (ESTABLISHMENT, OPERATION AND INFORMATION) REGULATIONS 2024

2024 No. 285

1. Introduction

1.1 This explanatory memorandum has been prepared by His Majesty's Revenue and Customs (HMRC) on behalf of His Majesty's Treasury and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Nigel Huddleston MP, Financial Secretary to the Treasury confirms that this Explanatory Memorandum meets the required standard.

2.2 Charlotte Axson, Deputy Director (Customs Strategy and Capability), at HMRC confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Lauren Walsh at His Majesty's Revenue and Customs can be contacted at: lauren.walsh@hmrc.gov.uk with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument permits HMRC to establish and operate a new electronic system ("the Single Trade Window (STW)"). STW will be a single platform used to collect and process information that the Government needs from traders about the import, export or transit of goods. The instrument specifies which authorities will require information to be processed by the STW. It also permits HMRC to disclose information collected by the STW to these authorities and requires HMRC to transmit certain information from those authorities to traders and other STW users.

Where does the legislation extend to, and apply?

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

4.3 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 One of the ambitions the Government set out in the 2025 UK Border Strategy is to have the most effective border in the world. The STW, which will be operated by HMRC, will play a major part in achieving this ambition.

5.2 The purpose of the STW is to make international trade easier for UK-based traders. It will be a single platform where traders will submit information that the Government needs which is connected to, or arises from, the import, export or transit of goods. This information will then be shared via this platform with all relevant authorities. Provision of information via a single platform will be more convenient for traders and will reduce the need for traders to provide the same information to different authorities, via different platforms.

5.3 The Trade and Cooperation Agreement (TCA) between the United Kingdom of Great Britain and Northern Ireland, of the one part, and the European Union and the European Atomic Energy Community, of the other part, provides at Article 118 that both parties to the Agreement should endeavour to establish a single window that enables traders to submit documentation or data required for importation, exportation, or transit of goods through a single-entry point to the participating authorities.

5.4 In future, the Government intends to expand the information sharing powers set out in this instrument to support the development of STW and will introduce further legislation to allow additional authorities start to use STW for collection of information. This approach is intended to ensure the powers remain proportionate to what is required to support information sharing.

What was the previous policy, how is this different?

5.5 Currently, traders are required to submit information that the Government requires concerning the import, export and transit of goods to a number of different authorities, via different platforms. HMRC currently does not have the powers to collect, process and disclose information about import, export and transit of goods for HMRC to operate the STW. This instrument will enable HMRC to establish and operate the STW. Information concerning import, export or transit of goods can therefore be collected and processed on behalf of various authorities, using a single platform. This will implement Article 118 of the TCA.

6. Legislative and Legal Context

How has the law changed?

6.1 HMRC's functions to collect and share information are contained in legislation: principally the Commissioners for Revenue and Customs Act 2005 and other free-standing legislation.

6.2 In May 2023, the Single Trade Window (Preparation) Regulations 2023 (S.I. 2023/431) came into force which gave HMRC the powers to incur expenditure for the purpose of, or in connection with, the establishment of a single trade window.

6.3 Regulation 3 of this instrument creates a new legislative function for HMRC. It will enable HMRC to establish and operate the STW to process information connected to, or arising from, the import, export or transit of goods, which is necessary for the exercise of certain functions of an authority or agency specified in the Schedule. The information to be processed by HMRC using STW will be that which is required by these authorities. Regulation 3 also sets out which types of functions the information must be relevant to, what information can be collected by STW, and some examples of the activities HMRC can carry out when operating STW (such as requesting, receiving and processing information).

6.4 Regulation 4 of this instrument ensures that HMRC can disclose information processed on STW to authorities specified in the Schedule, providing that information

is necessary or expedient for the exercise of functions of those authorities. It sets out how an authority or agency should treat information that has been disclosed to it by HMRC and makes further provision in connection with the interaction between this instrument and other legislation relating to information sharing.

6.5 The authorities specified in the Schedule to this instrument are:

- the Department for Environment, Food and Rural Affairs (DEFRA)
- the Food Standards Agency (FSA)
- the Forestry Commission
- the Marine Management Organisation.

6.6 Regulation 5 of this instrument obliges HMRC to disclose information within regulation 3(4)(c), which is provided by an authority or agency in the Schedule for onward transmission to a particular person to that person. The intended recipient for onward transmission might be, for example, a trader who is using the STW.

6.7 STW will be available for use by traders later this year.

Why was this approach taken to change the law?

6.8 This instrument provides standalone legislation concerning the establishment and operation of STW by HMRC. STW is a new system that will be used by HMRC to collect information on behalf of a range of different authorities. Establishing new standalone legislation is a more appropriate approach than amending the existing legislation that permits HMRC to collect and use information for its own purposes.

7. Consultation

Summary of consultation outcome and methodology

7.1 The UK Single Trade Window consultation on features to inform design and legislation ran from 21 July to 15 September 2022. It sought views on the principles underpinning the legislative changes that will be required to deliver the STW. 51 responses were received from a range of stakeholders including:

- those involved in importing and exporting goods across the UK border;
- those who provide services to businesses who import and/or export goods or transit goods (such as intermediaries, haulage firms, carriers);
- IT/software developers, Community System Providers (CSPs); and
- from Small and Medium-sized Enterprises (SMEs), large businesses and Business Representative Organisations (BROs).

7.2 The Cabinet Office also received feedback through two consultation events which were attended by around 50 stakeholders in total including SMEs, large businesses, as well as BROs, Software Developers and ports.

7.3 Respondents broadly welcomed the functionality outlined in the consultation, expressing support for the prospect of possible features of the STW, such as self-serve features such as data reuse, pre-population and collaborative filing, allowing multiple parties to collaborate on a declaration. Respondents considered this could reduce duplicative data entry across multiple government systems and the associated administrative and cost burdens on traders and intermediaries. Respondents also appreciated the potential for opportunities to simplify and streamline customs processes via the STW. On the proposed international interoperability features of STW, respondents felt that UK business could benefit from international harmonisation and the standardisation of the forms and templates from which data is

extracted. The Government noted feedback from respondents that they were comfortable with their information being shared with authorities.

8. Applicable Guidance

8.1 Guidance concerning the submission of relevant information by traders using the STW will be provided on GOV.UK when STW goes live later this year and before the powers in this instrument are exercised.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 An Impact Assessment has not been prepared for this instrument because the instrument will not impose new legal obligations on business and other persons involved in the import, export, and transit of goods. Therefore, no significant costs or administrative burden should be incurred as a result of this instrument, which only confers powers on HMRC to establish and operate the STW, and to disclose information.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies because this instrument does not impose any legal requirements on these bodies.

9.3 The legislation does not impact small or micro businesses.

9.4 There is an impact on the public sector because HMRC will be administering the STW and collecting, processing and disclosing information that it has not previously. In January 2022, having received funding of £180 million over the Spending Review 21 period, the STW programme moved from Cabinet Office to HMRC. The Programme has whole lifecycle costs of around £330 million.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring of this legislation is through ongoing stakeholder engagement, to ensure that this instrument meets the policy objectives set out in section 5 of this Explanatory Memorandum.

10.2 The instrument does not include a statutory review clause because a statutory review of the legislation would be disproportionate considering the limited costs or administrative burdens on businesses as a result of the instrument.

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 the negative resolution procedure and does not amend primary legislation no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is made under section 31(1) and (2) of the European Union (Future Relationship) Act 2020 and therefore relates to the UK's future relationship with the European Union. The enabling powers for making this instrument give a "relevant national authority" (which includes His Majesty's Treasury) the power to make any provision by regulations (including provision that could be made by an Act of Parliament) that it considers appropriate in order to implement international agreements such as the TCA.