EXPLANATORY MEMORANDUM TO

THE SINGLE TRADE WINDOW (PREPARATION) REGULATIONS 2023

2023 No. 431

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. Purpose of the instrument

2.1 This instrument will enable HMRC to spend money as required on developing the United Kingdom's (UK's) single trade window (STW).

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments.

3.1 None.

4. Extent and Territorial Application

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

4.2 The territorial application of this instrument (that is, where the instrument produces a practical effect) is 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 HMRC's functions are confined to those contained in legislation (principally sections 5 and 6 of the Commissioners for Revenue & Customs Act 2005). HMRC can only incur expenditure and engage in activity which relates to its functions or where the Commissioners consider activity is necessary, expedient, incidental or conducive to the exercise of that function. Examples of HMRC's functions include (but are not limited to) the collection and management of tax, the performance of safety and security checks and the collection of trade statistics.

6.2 The enabling powers for making this instrument are contained in section 31(1) and (2) of the European Union (Future Relationship) Act 2020 which gives a "relevant national authority" (which includes the 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 (inter alia) the Trade and Cooperation Agreement (TCA). Article 118 of the TCA provides that: "*each party should endeavour to establish a single trade 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 or agencies". It is intended that this objective will be achieved by means of the UK's STW.

7. Policy background

What is being done and why?

7.1 One of the ambitions the government set out in the 2025 UK Border Strategy was "to have the most effective border in the world". Developing a STW for the UK was identified as being a key feature of achieving this ambition. HMRC was identified as the department that would build, operate and host the STW.

7.2 The STW intends to make international trade easier for UK based traders. It will achieve this by having a single platform where traders will submit all their border declarations, collecting this information and then sharing it with all relevant government departments and their agencies. Therefore, this statutory instrument will enable HMRC to spend money as required where it relates to developing the UK's STW.

8. European Union Withdrawal and Future Relationship

8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

8.2 This instrument does relate to the implementation of the Trade and Cooperation Agreement and in particular the requirement under Article 118 that the parties endeavour to establish a single window.

9. Consolidation

9.1 No consolidation is required for this instrument.

10. Consultation outcome

10.1 No consultation took place regarding this instrument. The scope of this instrument is restricted to giving HMRC the ability to spend money on STW and there would be no impacts on taxpayers, businesses, devolved nations or other relevant stakeholders as a direct result of this legislation. Therefore, a consultation was not required.

11. Guidance

11.1 The powers set out in the instrument will not be used by any departments or agencies other than HMRC, and even then, only for the use of incurring expenditure where it relates to developing functionality of the STW. Therefore, guidance explaining the obligations of this instrument, and how to fulfil those obligations, is not required.

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 there will be no impact on business arising from its provisions.

13. Regulating small business

13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

14.1 There are no plans to monitor or review this legislation. This is because there are no wider impacts on external stakeholders.

14.2 As this instrument is made under the European Union (Future Relationship) Act 2020, no review clause is required. The instrument does not require a statutory review clause because the net impact on businesses will be minimal, and a review would not be proportionate to the limited scope of this instrument. It therefore meets the requirements of the exemption set out in section 28(3)(a) of the Small Business, Enterprise and Employment Act 2015.

15. Contact

15.1 Stuart Purnell at the His Majesty's Revenue and Customs Telephone: 0300 052 4513 or email: stuart.purnell@hmrc.gov.uk can be contacted with any queries regarding the instrument.

15.2 David Bilyard, Deputy Director for Customs Strategy and Capability, at His Majesty's Revenue and Customs can confirm that this Explanatory Memorandum meets the required standard.

15.3 Victoria Atkins MP, Financial Secretary to the Treasury, can confirm that this Explanatory Memorandum meets the required standard.