EXPLANATORY MEMORANDUM TO

THE STATISTICS OF TRADE (CUSTOMS AND EXCISE) (AMENDMENT) REGULATIONS 2005

2005 No. 3371

1. This explanatory memorandum has been prepared by the Commissioners for Her Majesty's Revenue and Customs and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 The instrument increases from £221,000 to £225,000 the threshold above which a business in the UK must provide supplementary declarations for Intrastat, the system of Community statistics about trade in goods between Member States. The threshold, expressed in terms of annual value of intra-Community trade, applies separately for arrivals and dispatches of goods.

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

3.1 None.

4. Legislative Background

4.1 The instrument amends the supplementary national legislation for Intrastat so as to increase from £221,000 to £225,000 the national threshold above which a business is required to provide detailed statistical information for Intrastat in the form of a supplementary declaration.

4.2 The Community provisions governing Intrastat are European Parliament and Council Regulation (EC) No 638/2004 (OJ No L 102, 7.4.04, p 1) and Commission Regulation (EC) No 1982/2004 (OJ No L 343, 19.11.04, p 3).

4.3 Article 10(1) of Regulation (EC) No 638/2004 requires Member States to define each year thresholds expressed in annual values of intra-Community trade below which a business is exempted from providing any Intrastat information or may provide simplified information.

4.4 This instrument further amends the Statistics of Trade (Customs and Excise) Regulations 1992 (S.I. 1992/2790) ("the 1992 Regulations") which make the existing Community provisions workable and enforceable in the UK. (The 1992 Regulations have been amended by a number of instruments; only SI 2004/3284 is relevant here.)

4.5 Regulation 3 amends regulation 3(2) of the 1992 Regulations which sets the threshold above which a business is required to provide a supplementary declaration. Regulation 3(3) of the 1992 Regulations provides that this threshold applies separately for arrivals and dispatches of goods.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

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

7. Policy background

7.1 Intrastat is a common framework for the systematic production of Community statistics relating to the trading of goods between Member States.

7.2 The threshold above which a business is required to provide a supplementary declaration for Intrastat purposes has been increased so as to ensure that in relation to the information required no more than 97 % of the UK's total trade with other Member States (expressed in value) continues to be covered.

7.3 The effect of this increase is to keep to a minimum the number of businesses which are required to provide supplementary declarations for Intrastat, while ensuring users' needs for the statistical information are met.

7.4 No major policy changes in the United Kingdom result from this instrument.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies. No impact on the private or voluntary sector is foreseen.

8.2 The impact on the public sector is nil.

9. Contact

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