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House of Lords
London
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Mark Lord Boswell

PROPOSED REGULATIONS FOR A CUSTOMS PROGRAMME AND A CUSTOMS CONTROL EQUIPMENT INSTRUMENT: 9929/18 COM (18) 442; AND 10325/18 COM (18) 474

I refer to the Chairman's sift 1701 of 18 July 2018 which set out that the proposed regulation establishing the Customs Programme had been sifted for examination to the Financial Affairs Sub-Committee and that the proposed regulation for an Instrument for financial support for customs control equipment had cleared scrutiny, but had been sent for information to the Financial Affairs Sub-Committee. I am writing to provide an update on the legislative developments in the Council of the EU on these two matters.

Both proposals have been discussed in meetings of the Council's Customs Union Working Party during the autumn. Good progress has been made on each and the Austrian Presidency has sought an informal mandate from COREPER for negotiations on the sectoral elements of the texts of both proposals with the European Parliament.

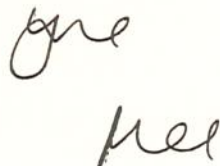
As you know, the UK could seek to participate in the Customs Programme if we expect to have continued access to shared IT systems following our withdrawal from the EU. Few changes have been made to the text of this proposal. They include amendments to the recitals indicating that the predecessor Customs 2020

Programme, at the Union level, has added real value to other customs cooperation frameworks, that top priority should be assigned to the IT systems which are necessary for the implementation of the Union Customs Code and that annual progress reports should be issued.

The proposed Customs Control Equipment instrument is not open to third countries and, therefore, has fewer implications for the UK. While some Member States, particularly the Eastern Member States, have welcomed the proposal, others have expressed concern over a number of matters, including the budget to be set, the process to determine whether equipment is required and the general administrative burden. In the light of this, the original text has been revised to make clear that customs controls remain a Member State competence, and that the reporting requirements should aim to provide feedback on the effectiveness of the Instrument without being overly burdensome.

Overall we can support the revised texts for both proposals as a basis for entering into trilogue negotiations with the European Parliament. We expect these trilogue negotiations to begin in the New Year under the Romanian Presidency.

I am writing in similar terms to Sir William Cash MP (Chair of the European Scrutiny Committee), and am copying this letter to the Clerks of both Committees (Chris Johnson, Lords; Jessica Mulley, Commons), to Les Saunders, Department for Exiting the European Union, and to Stuart Pyle, HMRC.

The image shows two handwritten signatures in black ink. The top signature is a cursive 'me' and the bottom signature is a cursive 'mel'. Both are positioned centrally on the page.

RT HON MEL STRIDE MP