

My speech during the debate on Exiting the European Union (Value Added Tax), 3 February 2021

I have declared my business interests in the Register of Members' Financial Interests.

As the Minister has told us, these are two important statutory instruments for the facilitation of trade generally and for the facilitation of trade within Northern Ireland and between GB and Northern Ireland, and to the extent that they make things easier and allow zero rating of important services and goods, I welcome them wholeheartedly. But, of course, as others have said in this debate, we meet today against the background of clear difficulties and problems in the implementation of the Northern Ireland protocol, where it appears that a number of important impediments to GB-Northern Ireland trade have been inserted, and it is crucial that the talks go well and we get rid of them as quickly as possible.

So when we look at the administration of VAT, which is an important part of the trade process, I would like an assurance from the Minister that these regulations, and all the other VAT and excise rules applying in Northern Ireland and throughout the United Kingdom, will be solely administered and enforced by United Kingdom authorities, because I have much more confidence in them.

Will he also assure me that the aim of these statutory instruments, and the wider VAT legislation that they add to and amend, is to ensure that the movement of goods from Great Britain to Northern Ireland, or the other way, will be as smooth and easy as the movement from London to Surrey or from Manchester to north Wales, because that is what I thought we had agreed and signed up to—that Northern Ireland was a fully integrated part of the United Kingdom single market, under our single market and taxation rules? I would like the reassurance through these statutory instruments that we are intending for that to be true.

Will the Minister also confirm that there has for many years during our period in the European Union been an important VAT border between the United Kingdom and the Republic of Ireland, but that it has always worked very smoothly and was not enforced at the physical border, in accordance with the spirit of agreements and not wanting barriers at the land border?

It was an electronic border and adjustments were made by computer or by correspondence so that these things could be sorted out in a sensible and decent manner without having to have people queuing at borders to make complex calculations and submissions.

If that is the case, does the Minister agree that it is in that spirit that we need to find the answer to the current impositions and difficulties

affecting our trade across those borders? It seems very odd that we cannot replicate that success of our past trading, where electronic manifests, trusted trader schemes and so forth, and proper electronic VAT registration worked very well. Surely the UK authorities, if we are the proper and sole enforcement authority in Northern Ireland, can work with trusted traders, VAT-registered hauliers and ferry companies and so forth, and we can accept their certification or word that the goods on their load are entirely GB-Northern Ireland or Northern Ireland-GB. We can then accept, therefore, that there are no other considerations and the loads can then move as smoothly as from London to Guildford or Manchester to north Wales. It would be very helpful to hear the Minister's views on how that can be achieved and how quickly we can get to that point.

It is absolutely crucial to the people of Northern Ireland, as we have heard from their representatives, that they can trade smoothly with the rest of the United Kingdom. That was fundamental to the spirit of the agreements that the United Kingdom entered into with the European Union over the issue of trade with and between Great Britain, Northern Ireland and the Republic of Ireland. I hope the Minister will have good news for us and that these things can be sorted out quickly.