

The Customs and Trade bills

I welcome the fact that the government is pressing on with taking the necessary legal powers to run our own customs and trade policies. They tell us the bills will allow them to set tariffs, impose trade penalties and do what it takes to be a full voting member of the WTO. So far so good. I support that.

Buried in the detail of the legislation are some areas where I and others sought reassurance or amendment. The government has agreed to make improvements. The government should not have the power to put us back into a customs union or similar arrangement without needing primary legislation. Parliament has agreed to leave the EU Customs Union – voting decisively three times on this matter after extensive debate. Any wish to reverse this decision should also need substantial debate and a formal legislative process. I agree with Dominic Grieve's line on the need for primary legislation in such circumstances, as he required us to do for the Article 50 letter and all aspects of leaving the EU in the Withdrawal Act.

We also want to see the UK outside the EU VAT system. On March 29 2019 VAT must become a UK tax which we can change as we see fit. The government agrees.

The government supports an amendment that rules out a customs or tax border between the island of Ireland and the UK. All parties to the negotiations tell us they do not want such a border, so we might as well make that clear in legislation. The amendment proposed makes clear Northern Ireland will be part of the same customs and tax arrangements as the rest of the UK. I have always thought the Irish border issue was much exaggerated by the EU for their own purposes. It already is a Vat, Excise and currency border, but these matters are settled away from the border itself. The UK government does not want to put in big barriers and seek to calculate customs or VAT at the border point, nor does it need to. What we have today can handle customs as well if that becomes necessary as it already does for non EU trade.

The government has also agreed to accept an amendment which says that the UK would not collect EU customs duties for the EU unless the EU collected UK customs for the UK.

Yesterday's debate was dominated by people who have never run complex supply chains who were unwilling to accept they work fine with non EU as well as with EU parts. We needed to explain all over again how TIR, Authorised Economic Operators, the WTO Facilitation Agreement, electronic manifests and calculations and checking loads away from the border currently operate to speed goods across borders. The electronic paperwork is detailed and sometime complicated, but it is also needed by the customer and required for product audit purposes. If you supply a part into the supply chain for a complex and safety crucial product like a plane or truck, you do need to supply the customer with very detailed information about where it came from, when and how it was made, and how it has been tested. Your computer can share the

parts of this information that is needed with the Customs, Vat, Excise and other authorities electronically.