Michael Russell MSP,
Cabinet Secretary for the Constitution,
Europe and External Affairs
Scottish Government

BY E-MAIL

24 September 2020

Dear Michael,

FUTURE RELATIONSHIP NEGOTIATIONS: CHECKS ON GOODS IMPORTED INTO THE EUROPEAN UNION

I am writing to you regarding the Culture, Tourism, Europe and External Affairs Committee scrutiny of the future relationship negotiations between the UK Government and the European Union. On 17 September 2020, the Committee heard evidence from customs and trade consultant Dr Anna Jerzewska regarding the trade of goods across the European Union’s external borders. Specifically, the Committee was interested in finding out about the different types of procedures and checks which are undertaken on goods entering the EU. I attach a link to the Official Report of the meeting below—

Under the Northern Ireland Protocol, Northern Ireland will operate under the EU’s customs and single market rules. At present, it is not clear how the protocol will be implemented but it is expected that certain goods moving from Great Britain to Northern Ireland will be subject to a range of checks and controls and customs formalities as those goods will effectively be entering the EU single market from a third country. In research commissioned by the Committee, Dr Jerzewska makes the point that border procedures aren’t just about checks and queues at the border but also about the bureaucracy and procedures necessary to export goods into the EU.

In May 2020, the UK Government published its plans for the implementation of the Protocol in a Command Paper. This sets out its plans for ports and movement of animals. The Command Paper summarises its plans in relation to border procedures for goods entering Northern Ireland as follows-
“The Protocol means that UK authorities apply EU customs rules to goods entering Northern Ireland. This entails some new administrative process for traders, notably new electronic import declaration requirements, and safety and security information, for goods entering Northern Ireland from the rest of the UK. These are needed to make sure that tariffs are not paid on trade within the UK and that goods going to Ireland pay tariffs when they should. We will ensure these electronic processes are streamlined and simplified to the maximum extent, and we will set out more detailed plans for extensive HMRC support for businesses engaged in them.”

With regards to customs infrastructure, the UK Government’s command paper states that it sees “no need to construct any new bespoke customs infrastructure in Northern Ireland (or in Great Britain ports facing Northern Ireland) in order to meet our obligations under the Protocol.” However, the command paper acknowledges that “the situation is different for agri-food movements, for which expanded infrastructure will be needed on the Northern Ireland side. However, Dr Jerzewska emphasised in evidence to the Committee that what constitutes new, bespoke infrastructure and what is existing infrastructure is not clear. Dr Jerzewska stated—

“The phrase used was “no new ... infrastructure”, but we do not necessarily know what that means. If there is already a port, what constitutes “new” infrastructure? If you add staff and desks and perhaps expand a building, is that new or existing infrastructure?”

Regardless of whether the UK obtains an agreement with the EU or not, it is clear that there may be substantial additional border checks required and increased regulatory requirements placed upon companies exporting to the EU.

If certain Scottish businesses experience difficulties adjusting to these new arrangements, then they will not be able to continue to trade seamlessly with the EU and additional support will be required. While the Committee appreciates that border controls and customs arrangements, as well as the implementation of the Ireland / Northern Ireland Protocol, is a primarily reserved matter for the UK Government and the EU, the Committee would be grateful for further information regarding the following:

- What measures are available to the Scottish Government to support Scottish exporters (particularly SMEs) to absorb additional costs associated with the bureaucracy and procedures necessary to export goods into the EU.
- What arrangements are being made to support Scottish Businesses prepare for these new arrangements before they come into force?

Finally, the Committee understands that the exact procedures and processes associated with the implementation of the border controls, regulatory checks and the implementation of the Northern Ireland Protocol are still being developed. However, given that the transition period is due at the end of 2020, we would appreciate an update regarding the engagement, if any, between the Scottish and UK Government’s regarding the implementation of border controls, regulatory checks and the
implementation of the Protocol including consideration of the practical arrangements for Scottish exporters and the support provided to them.

The Committee would appreciate a response as soon as possible and I look forward to hearing from you.

Yours sincerely,

Joan McAlpine MSP
Convener, Culture, Tourism, Europe and External Affairs Committee