

UK Government Command Paper on Implementing the Protocol on Ireland/Northern Ireland – Briefing

The UK Government published last week its anticipated [Command Paper on controls on goods between GB and NI](#) upon the expiry of the transition period on 31 December, after which the Protocol on Ireland/Northern Ireland in the Withdrawal Agreement will be implemented.

The Command Paper is aspirational of what GB-NI goods movement processes the UK Government would favour and its interpretation of the Protocol, but it does not provide clarity as yet on specific positions nor technical detail. It may be seen as an invitation to negotiate (with the Commission) rather than being a settled set of proposals for business to implement now. The UK Government is now accepting some additional checks will be required.

The aims which underpin the document are:

1. **Unfettered access NI-GB** – aim is to have as is today and to remove the need for an exit summary declaration.
2. **No tariffs on internal UK trade** – UK Government will seek to “put a ring around” as many traders as possible so very little is at risk. A trusted trader scheme but “miles bigger in scope” than the AEO scheme is advocated. This will be a key point of negotiation with the EU at the Joint Committee.
3. **Minimize friction GB-NI** – There will be a need for export declarations and agri-food will need to go through a Border Control Post (BCP). There will be new infrastructure on agri-food but not for customs. For GB to Dublin goods movements there will be several required documents and checks but the UK Government envisages only one for GB-NI which will be an import based declaration. HMRC will provide extensive support for business. The frequency and scale of physical SPS checks are to be negotiated with the EU but the UK aim is to minimise these.
4. **NI to benefit from UK trade deals** – any product lines which are not at risk of entering the Single Market can benefit from UK trade deals but there needs to be clarity on what is an “at risk” product or goods movement.
 - Also looking to bring forward a business engagement forum
 - Operational guidance is also needed as soon as possible.

Customs Processes

The UK Government says that no new physical infrastructure would be required for customs processes at NI ports or airports. It may be seeking to have more of this processing done "at sea" or pre-boarding and through streamlined electronic processes. There are no details about how this would be done however. It makes clear that no customs processes would be undertaken in GB, but certain formalities will be required in the crossing or on arrival.

Exit and entry summary declarations

The Union Customs Code (UCC), which will be applied as now in NI on the expiry of the transition period through the operation of the Protocol, specifies the making of exit summary declarations on goods leaving the EU's customs processes, and entry summary declarations on goods entering the EU's customs processes. Ostensibly this would require the making of a entry summary declaration on goods moving from GB to NI, and an exit summary declaration on goods moving from NI to GB. The UK Government is seeking to modify these positions.

Tariffs

The UK Government is seeking a pragmatic solution on the tariff provisions in the Protocol, which at default would require the levying of EU MFN tariffs on goods from GB to NI which may proceed to the Republic of Ireland or otherwise into the EU Single Market. The Protocol creates a procedure whereby goods not so at risk may be exempted, or subject to a pay and rebate system from the UK Government whereby, subject to EU state aid rules, GB companies could have the additional tariff costs defrayed by a rebate scheme. The document makes particular reference to supermarket supply chains between GB and NI not involving goods at risk of entering the Single Market.

SPS checks

The UK Government admits proportionate additional controls (physical and documentary checks supported by electronic processes) will be required through implementation of the Protocol. The negotiating legal text published by HMG last week is silent on the incidence of physical SPS checks. The Commission have produced no public proposals on this either.

There is an aspiration to resolve matters further in the Joint Committee and "to actively seek and minimise electronic documentary requirements for this trade" - that surely means Export Health Certificates (EHCs). Apparently concedes by inference they will be required but could be simplified.

UK trade deals

An unresolved problem is over rules of origin in respect of other FTAs the UK has or may make with new or prior trading partners. What is NI content - UK or EU? Does NI content have to be carved out or given special treatment? The Swiss-UK transitioned FTA may have to be renegotiated in part because of this issue.

Industrial Products

Checks on the market in NI, but no detail on how these will be performed. By inference trading standards will conduct these in accordance with existing procedures. Important concession on conformity assessment that goods in NI which have been certified by EU authorities will have those certifications recognised for placing on the GB market.

VAT

Co-operation and simplified processes are the aim but there is no detail on processes, systems or databases required for GB to NI VAT transactions on goods. UK VAT law will apply in relation to VAT on services.