



House of Commons  
European Scrutiny Committee

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# Twenty-first Report of Session 2021–22

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Documents considered by the Committee on 28 April 2022

*Report, together with formal minutes*

*Ordered by The House of Commons  
to be printed 28 April 2022*

## Notes

### Numbering of documents

Three separate numbering systems are used in this Report for European Union documents:

Numbers in brackets are the Committee's own reference numbers.

Numbers in the form "5467/05" are Council of Ministers reference numbers. This system is also used by UK Government Departments, by the House of Commons Vote Office and for proceedings in the House.

Numbers preceded by the letters COM or SEC or JOIN are Commission reference numbers.

Where only a Committee number is given, this usually indicates that no official text is available and the Government has submitted an "unnumbered Explanatory Memorandum" discussing what is likely to be included in the document or covering an unofficial text.

### Abbreviations used in the headnotes and footnotes

AFSJ	Area of Freedom Security and Justice
CFSP	Common Foreign and Security Policy
CSDP	Common Security and Defence Policy
ECA	European Court of Auditors
ECB	European Central Bank
EEAS	European External Action Service
EM	Explanatory Memorandum (submitted by the Government to the Committee)*
EP	European Parliament
EU	European Union
JHA	Justice and Home Affairs
OJ	Official Journal of the European Communities
QMV	Qualified majority voting
SEM	Supplementary Explanatory Memorandum
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union

### Euros

Where figures in euros have been converted to pounds sterling, this is normally at the market rate for the last working day of the previous month.

### Further information

Documents recommended by the Committee for debate, together with the times of forthcoming debates (where known), are listed in the European Union Documents list, which is published in the House of Commons Vote Bundle each Monday and is also available on the [parliamentary website](#). Documents awaiting consideration by the Committee are listed in "Remaining Business": [www.parliament.uk/escom](http://www.parliament.uk/escom). The website also contains the Committee's Reports.

\*Explanatory Memoranda (EMs) can be downloaded from GOV.UK: <https://www.gov.uk/government/collections/explanatory-memoranda-on-eu-documents>. EMs can be searched by Council or Commission reference number. Letters from the Committee and those issued by Ministers can be found on the correspondence section of the Committee's website: <https://committees.parliament.uk/committee/69/european-scrutiny-committee/publications/3/correspondence/>.

Explanatory Memoranda and letters published before 31 March 2022 can be found on the National Archives website: <https://www.nationalarchives.gov.uk/webarchive/>. Information on how to search the National Archives website is provided at the link above.

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# Contents

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## **Documents to be reported to the House as legally and/or politically important**

1	HMT	Waste Shipments Regulation	3
2	HMRC	EU Single Customs Window for trade in goods (update)	6

## **Documents not considered to be legally and/or politically important**

3		List of documents	15
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		<b>Annex</b>	<b>16</b>
--	--	--------------	-----------

		<b>Formal Minutes</b>	<b>17</b>
--	--	-----------------------	-----------

		<b>Standing Order and membership</b>	<b>18</b>
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# 1 Waste Shipments Regulation<sup>1</sup>

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## This EU document is politically important because:

- the Government has a manifesto commitment to ban the export of plastic waste to non-OECD countries, a commitment that was recently reiterated as a benefit of Brexit;
- Northern Ireland must maintain alignment with the EU’s Waste Shipments Regulation, and so the measures set out in this legislation—including a new investigatory power for the European Commission—will apply there; and
- the proposed measures will have an impact on businesses in Great Britain that export or import waste to and from the EU.

## Action

- Write to the Minister.
- Draw to the attention of the Environmental Audit Committee, the Environment, Food and Rural Affairs Committee, and the Northern Ireland Affairs Committee.

## Overview

1.1 The European Commission has proposed to replace its Waste Shipments Regulation ([Regulation \(EC\) No 1013/2006](#)) to ensure that the EU does not export its waste challenges to third countries, to make it easier to transport waste for recycling and reuse in the EU and to tackle illegal waste shipments.<sup>2</sup> Under the terms of the Northern Ireland Protocol, Northern Ireland must remain aligned with the Waste Shipments Regulation, including replacement legislation. The changes are also of interest to the UK as they will affect waste shipments between the EU and GB. We first considered the proposal at our meeting of 23 February and set out further details about the proposal in our [Report](#).<sup>3</sup>

1.2 We [raised](#)<sup>4</sup> a number of queries with the Minister for Agri-Innovation and Climate Adaptation (Jo Churchill MP), notably around the implementation of the Government’s manifesto commitment to ban the export of plastic waste to non-OECD (Organisation for Economic Co-operation and Development) countries, going further than the EU’s Regulation. The Minister [replied](#) on 16 March,<sup>5</sup> as set out below. In summary, she explained that negotiations are ongoing in Brussels and that UK officials were scheduled to meet

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1 Proposal for a Regulation of the European Parliament and of the Council on shipments of waste and amending Regulations (EU) No 1257/2013 and (EU) No 2020/1056; Council and COM number: [14135/21](#), COM(21) 709; Legal base: Article 192 TFEU, QMV, Ordinary legislative procedure; Department: Environment, Food and Rural Affairs; Devolved Administrations: Consulted; ESC number: 41954.

2 Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste

3 Eighteenth Report, HC 121–xvii (2021–22), [chapter 1](#) (3 March 2022).

4 Letter from Sir William Cash MP to Jo Churchill MP, dated 23 February 2022.

5 Letter from Jo Churchill MP to Sir William Cash MP, dated 16 March 2022.

with European Commission officials to discuss the proposal. On the specific question of the manifesto commitment to ban the export of plastic waste to non-OECD countries, a consultation is planned by December 2022.

## Letter from the Minister for Agri-Innovation and Climate Adaptation (Jo Churchill MP)

1.3 Concerning the UK's engagement with EU Member States to assess the level of support for measures in the proposal, the Minister confirmed that her officials had conversed with representatives from the Irish and Dutch Governments, who had emphasised that the proposal was at an early stage and could be subject to change as the negotiations progress. UK officials in Brussels understand that there have not yet been any substantive negotiations and that these are unlikely until the second half of 2022. A meeting was scheduled in late March with European Commission officials to discuss key points from the proposal.

1.4 Responding to our question as to how the Government is ensuring compliance with the UK's obligations under the NI Protocol in this area, the Minister explained that the Government continues to consider its approach to implementing the Protocol with respect to movements of waste and continues to discuss this with the European Commission. The Government's primary focus continues to be on ensuring businesses in Great Britain and Northern Ireland are supported. The UK, meanwhile, continues to be in full compliance with its international obligations under the Basel Convention and the OECD Decision on waste,<sup>6</sup> as implemented by Regulation No 1013/2006 on shipments of waste.

1.5 Concerning future UK policy development, including a ban on the export of plastic waste to non-OECD countries, a consultation is planned by December 2022. Ahead of that consultation and as part of a robust policy development process, officials will analyse a wide range of information, including the EU's approach.

1.6 Finally, on multilateral engagement, the Minister said that the UK was proud to support the resolution agreed recently at the UN Environment Assembly on ending plastic pollution and would continue to work closely with many delegations including the EU on the multilateral negotiations to tackle this important issue.<sup>7</sup> The UK is also aware of the EU's initiatives in the areas of e-waste, used vehicles and textiles waste which the UK will continue to monitor and engage where appropriate.

## Our assessment

1.7 While the Minister's response addressed our queries only partially, we note the state of policy flux at the moment, both in terms of negotiating the revised EU Regulation as well as the process underway before the Government might introduce its manifesto commitment to ban the export of plastic waste to non-OECD countries.

6 OECD, Decision of the Council on the Control of Transboundary Movements of Wastes Destined for Recovery Operations, [OECD/LEGAL/0266](#), 30 March 1992.

7 United Nations Environment Programme, "[Historic day in the campaign to beat plastic pollution: Nations commit to develop a legally binding agreement](#)", 2 March 2022.

1.8 We retain an interest in the negotiation on the Regulation given its relevance to Northern Ireland and to the UK more widely and so will request a further update within six months.

### **Action**

1.9 We have written to the Minister as set out below.

1.10 We draw the Minister's letter to the attention of the Environmental Audit Committee, the Environment, Food and Rural Affairs Committee, and the Northern Ireland Affairs Committee.

### ***Letter from the Chair to the Minister for Agri-Innovation and Climate Adaptation (Jo Churchill MP)***

We considered your letter of 16 March 2022 on the above document at our meeting of 28 April 2022.

Your letter only partially addressed our queries, although we accept that policy is in a state of flux at the moment, both at EU level and domestically.

We note that the negotiation of the revised EU Regulation is at an early stage and we welcome the UK's engagement with the Commission on matters of interest to the UK.

We retain an interest in the negotiation and look forward to an update within six months, setting out any progress that you have made in identifying and resolving matters of relevance to the UK.

## 2 EU Single Customs Window for trade in goods (update)<sup>8</sup>

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**This EU document is legally and politically important because:**

- it would establish a ‘Single Customs Window’ (SCW) for goods entering the EU from non-EU countries like the UK. This is a new IT system to enable traders to clear certain EU border formalities more quickly and efficiently, by facilitating how their information is shared with and between customs authorities; and
- as EU customs formalities continue to apply in Northern Ireland under the Protocol to the Withdrawal Agreement, the Government may also have to implement this new system in Northern Ireland (including for use by traders sending goods there from Great Britain). In March 2022, the Treasury informed us that, because of the Government’s on-going talks with the EU on how the Protocol operates, it is currently unclear whether (and, if so, how) the SCW will apply in Northern Ireland. It also confirmed that Ministers are exploring how the UK’s own planned ‘Single Trade Window’ for border formalities might be linked to the EU’s initiative, which is of particular relevance to Northern Ireland where the two systems may overlap most widely.

### Action

- Keep a watching brief on the development of the EU’s Single Customs Window because of its possible implications for the UK, and in the meantime draw the Minister’s latest update to the attention of the International Trade Committee, the Northern Ireland Affairs Committee, the Public Accounts Committee and the Treasury Committee.

### Overview: the EU’s proposed Single Customs Window

2.1 Goods entering or leaving the EU as part of trade with non-EU countries (like the UK) can be subject to numerous border formalities, such as customs declarations or food safety controls. Depending on the nature of the goods being traded and whether they are EU imports or exports, complying with these formalities can require traders—or their representatives, such as customs brokers—to engage with multiple different public authorities before the goods can enter or leave the EU, typically in the EU Member State where the goods are to cross the Union’s external border.<sup>9</sup>

2.2 To make the EU’s border formalities more efficient, the European Commission in October 2020 [proposed](#) a new Regulation to establish a ‘Single Customs Window’ (SCW).

<sup>8</sup> Proposal for a Regulation establishing the European Union Single Window Environment for Customs and amending Regulation (EU) No 952/2013; COM number: COM(20) 673; Legal base: Articles 33, 114 and 207 TFEU; ordinary legislative procedure; QMV; Department: HM Revenue and Customs; Devolved Administrations: Northern Ireland Executive consulted; ESC number: 41624.

<sup>9</sup> Traders seeking to secure clearance of goods by customs for import into or export from the EU often have to submit not only customs declarations under the Union Customs Code (UCC), but—depending on the consignment—also provide additional documentation or licences under other EU legislation to a variety of different regulatory bodies relating for example to “health and safety, the environment, agriculture, fisheries, cultural heritage, and market surveillance and product compliance”.

As we [described](#) in more detail in our [Thirtieth Report of Session 2019–21](#) in November 2020<sup>10</sup> and [Sixteenth Report of Session 2021–22](#) in January 2022,<sup>11</sup> the SCW is a new multifaceted IT system that would:

- reduce the need for EU customs officials to manually verify compliance of a particular consignment with many (but not all)<sup>12</sup> of the EU’s non-customs formalities for trade in goods which, depending on the nature of a consignment, might include for example import quotas,<sup>13</sup> or checks related to product safety or environmental standards.<sup>14</sup> It will do so by requiring EU Member States to link their customs authorities digitally to a number of EU-level databases that hold regulatory information necessary to clear a specific consignment of goods from customs, via a centralised EU-operated IT platform (‘EU CSW-CERTEX’);<sup>15</sup> and
- benefit traders, as each EU country would have to establish a digital portal where businesses can submit (and re-use) the customs and regulatory information required for a specific consignment of goods electronically, insofar as these formalities are included in the SCW. This would then replace any existing separate IT portals for sharing information relating to these various formalities.<sup>16</sup> However, it appears to be optional for individual EU countries to decide whether traders can submit documentation for all relevant formalities covered by the SCW in their jurisdiction via a single submission (rather than still having to make multiple submissions, albeit using only the unified SCW digital portal).<sup>17</sup>

2.3 Before the requirements of the Single Customs Window can become EU law, the proposal must be approved jointly by the European Parliament and the Member States in

10 European Scrutiny Committee, [Thirtieth Report of Session 2019–21](#) (HC 229–xxv).

11 European Scrutiny Committee, [Sixteenth Report of Session 2021–22](#) (HC 121–xv).

12 The SCW would not link customs to all regulatory databases relevant for goods entering or leaving from the EU. This is because not all trade formalities for which documentation is stored centrally at EU-level already have fully functional centralised databases (e.g. catch certificates for Illegal, Unreported and Unregulated” (IUU) fishing and waste shipment documentation). More importantly, many of the EU’s border formalities are performed using national, not EU-level, systems and databases. Including these in the Single Window Environment would greatly increase the complexity of the work. However, the European Commission has not ruled out adding national systems to the EU’s ‘Single Window’ in the future, subject to an assessment “on a case by case basis”.

13 The Commission also argues that the SCW would improve enforcement of import and export restrictions, because other regulatory authorities will be able to use “automated quantity management” to “avoid fraudulent use of supporting documents over the authorised quantities”. The automatic exchange of information foreseen under the ‘Single Customs Window’ would enable information on whether the quantitative terms of an import or export licence have been reached to be calculated in real time, and communicated automatically to the relevant customs and regulatory authorities.

14 As discussed above, the scope of the EU Single Customs Window would be limited to the interconnection of customs authorities to relevant regulatory databases operated centrally at EU-level (and not any national databases operated by Member States). The draft Annex to the proposed SCW Regulation lists the following EU border formalities for inclusion at this stage: [Common health entry documents](#) (CHEDs) for animals, products, non-animal feed and food and plants under TRACES; the TRACES [Certificate of Inspection](#) for products labelled as organic; [Ozone Depleting Licences](#) for trade in substances that affect the ozone layer; licences for the import or export of [fluorinated greenhouse gases](#); and customs licences for [cultural goods at risk of being trafficked](#).

15 EU Customs Single Windows-Certificates Exchange project.

16 While the Commission did consider “a single-entry point at EU level for all border formalities required for the clearance of goods”, this has been dismissed for the time being because of the complexity, costs and disruption to national systems.

17 In other words, while the proposed ‘single communication point’ under the EU SCW aims to provide a unified user interface and use a more standardised approach to the data required from businesses, it could still require traders to make multiple submissions to the different EU customs and regulatory authorities who must provide clearance for their consignment (although the aim is to reduce these to a single submission as much as possible over time).

the EU’s Council of Ministers. These two institutions finalised their respective positions on the proposal in late 2021,<sup>18</sup> and so-called ‘trilogue’ negotiations are now on-going to agree on the final text of the legislation (most likely concluding in the coming months). However, as we noted in our [Sixteenth Report of this Session](#), the SCW’s full implementation is likely to be phased in over a period of approximately ten years because of its technical complexity and the costs involved.<sup>19</sup> After adoption of the overarching Regulation, an important role is foreseen for the European Commission in establishing further technical specifications to make the Single Customs Window work across all 27 Member States, including common data sets to be used by traders and authorities.

## Potential implications of the EU Single Customs Window for the UK

2.4 Despite the UK’s withdrawal from the EU in January 2020, the EU’s Single Customs Window is still relevant for the UK and for British businesses. The key reasons for this have been set out in detail in our previous Reports on the SCW, but in summary they are as follows:

- there are potential benefits of the EU initiative for British companies that trade with the EU, insofar as the SCW could streamline and speed up EU border formalities for trade in goods;
- the SCW could have implications under the Northern Ireland Protocol, which requires Northern Ireland to continue applying EU customs legislation. The EU proposal could affect UK customs policy and also flows of goods between Northern Ireland and Great Britain; and
- the Government is developing the UK’s own ‘Single Trade Window’ (STW), analogous to the EU’s SCW, and it has initiated discussions with the EU on a possible linkage between the two. It is unclear whether there will be any formalised interconnection, and if so how it might maximise the burden reduction of customs formalities for traders (especially in Northern Ireland).

2.5 It is in this legal and political context that we have scrutinised the Government’s position with respect to the EU Single Customs Window since the European Commission published its proposal in October 2020.

## Impact of the EU Single Customs Window on British trade with the EU

2.6 The EU’s Member States, combined in their Single Market, remain the UK’s largest trading partner.<sup>20</sup> After Brexit, traders moving goods between EU and Great Britain (but not Northern Ireland, as discussed below) are now required to submit significant volumes of customs and regulatory documentation to ensure clearance of their shipments by the border authorities on both sides. A [survey](#) by the British Chambers of Commerce

18 See [European Parliament Report A9–0279/2021](#) (11 October 2021) and [Council document 14797/21](#) (10 December 2021).

19 The Explanatory Memorandum accompanying the SCW proposal states that it “is expected to generate implementation costs totalling €64.70m evenly spread over the first 7 years of phased implementation and € 6.35m of maintenance costs annually once fully operational”. The Single Customs Window is part of a wider set of planned reforms under the European Commission’s [Customs Union Action Plan](#), which also includes further proposals for reform of the EU’s ‘Customs Code’ later in 2022.

20 According to the [Office for National Statistics](#), in 2020 the EU accounted for 47% of UK exports of goods, and 53% of imports. See House of Commons Library Paper [CBP 7851](#) (3 December 2021), p. 5.

found that many British exporters had encountered difficulties complying with these new trade formalities.<sup>21</sup> In that context, the fact that the Single Customs Window is aimed at reducing the length and burden of EU customs processes could speed up the conduct of UK-EU trade to the benefit of traders on both side of the border.<sup>22</sup>

### **Potential application of the EU Single Customs Window in Northern Ireland**

2.7 Secondly, the Protocol on Ireland/Northern Ireland in the Withdrawal Agreement on the UK's exit from the EU requires Northern Ireland to apply EU customs and regulatory controls on goods from Great Britain and other non-EU jurisdictions for the time being.<sup>23</sup> This was the compromise struck by the Government in 2019 to avoid the need for customs and regulatory checks, and in particular the associated physical infrastructure, on the UK's land border with Ireland. As explained in more detail in our Reports of December 2020 and February 2022, the Single Customs Window falls within the scope of EU customs legislation that still applies in Northern Ireland at present, and the UK may therefore be required to implement the new EU IT system in respect of goods entering Northern Ireland from Great Britain and elsewhere.<sup>24</sup> While the Government is actively seeking to reduce the extent to which Northern Ireland must remain aligned with EU law, the outcome of its negotiations with the EU on that point are still unclear at this stage (as we discuss further in paragraph 2.10 below).<sup>25</sup>

2.8 As such, the Government may have to implement the EU's Single Customs Window in Northern Ireland only, which could have significant cost, resource and policy implications for the Government (in particular with respect to its own planned 'Single Trade Window', as we explore below). Due to the Protocol, the SCW could also affect how businesses shipping goods between Great Britain and Northern Ireland comply with the applicable trade formalities. To date, however, the Government has been circumspect about its assessment of the implications of the EU SCW proposal for the UK, under the Protocol and more generally. In an [Explanatory Memorandum](#) dated November 2020, the Treasury noted that the SCW *could* be used to clear goods entering or leaving Northern Ireland

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21 British Chambers of Commerce, [The Trade and Cooperation Agreement: One Year On](#) (23 December 2021).

22 As the Government has pointed out, "European customs law requires that most types of customs declarations are made by a person who is established in the customs territory of the Union".

23 The provisions of the Protocol that require Northern Ireland to remain aligned with EU law on customs and goods are subject to the periodic democratic consent of the members of the Northern Ireland Assembly under Article 18 of the Protocol. They are due to vote on whether to keep those provisions in effect for the first time no later than the end of 2024, and if they reject them that element of the Protocol will become inoperative after a two-year period, i.e. from the end of 2026.

24 As noted, the SCW would link customs authorities to databases relating to the following non-customs formalities: [Common health entry documents](#) (CHEDs) for animals, products, non-animal feed and food and plants under TRACES; the TRACES [Certificate of Inspection](#) for products labelled as organic; [Ozone Depleting Licences](#) for trade in substances that affect the ozone layer; licences for the import or export of [fluorinated greenhouse gases](#); and customs licences for [cultural goods at risk of being trafficked](#). This means, in particular, that the Single Customs Window will not at this stage cover regulatory databases maintained by each EU Member State at national level.

25 In a [Command Paper](#) published in July 2021, the Government proposed that EU customs formalities on goods entering Northern Ireland from Great Britain—including those to be carried out in the future via the Single Customs Window—would only apply to goods where the trader self-declares the final destination is Ireland or the wider EU Single Market, while "other goods"—namely those declared to be destined for the Northern Irish market—"would not require customs processes". That might therefore reduce the extent of EU customs checks on goods entering NI, and therefore the need for the streamlined procedures inherent in the SCW. See for more information: HM Government, [Northern Ireland Protocol: the Way Forward](#) (CP 502, July 2021).

because of the terms of the Protocol, but noted that implementation of the initiative at Northern Irish ports would be subject to “further discussions” between the UK and the EU in due course.<sup>26</sup>

2.9 We have consistently sought to clarify the potential ramifications of the EU Single Customs Window under the Northern Ireland Protocol since late 2020, not least because it serves to demonstrate the wider issue of how EU trade formalities as applicable under the Protocol can disrupt trade between Northern Ireland and the rest of the UK. As we noted in our previous Report on the matter in February 2022:

*Should the UK have to implement the EU’s Single Customs Window in respect of goods entering or leaving Northern Ireland because of the Protocol, the practical implications are not clear at this stage (not least because its technical specifications are yet to be established). Where the SCW might facilitate trade between Great Britain and the EU [...] by streamlining border formalities, it could do similarly for movements of goods between Great Britain and Northern Ireland. However, the fact that there is scope for such facilitations, where there were previously no customs formalities at all, only serves to underline the fundamental shift that the Protocol represents for the treatment of the flow of goods between Northern Ireland and the rest of the UK.*

2.10 The precise impact of the EU’s Single Customs Window under the Protocol is of course also linked to the Government’s on-going talks with the EU on the Protocol’s operation and implementation. Since July 2021, Ministers have sought the EU’s agreement to reduce the extent to which EU law—including in relation to customs procedures—applies in Northern Ireland. The talks currently appear deadlocked, although the Government may include further information on its approach to the Protocol in the forthcoming Queen’s Speech in May 2022. Should the scope of EU law in Northern Ireland be reduced compares to the current situation, this could also affect how the SCW would operate in respect of goods entering Northern Ireland and, consequently, how it links to the UK’s own customs policy.

### ***Interaction with the UK “Single Trade Window”***

2.11 As part of its ‘[2025 UK Border Strategy](#)’, the Government is developing the UK’s own £180 million ‘[Single Trade Window](#)’ (STW) to “reduce the cost of trade by streamlining trader interactions with border agencies”.<sup>27</sup> This is essentially the UK counterpart to the EU’s Single Customs Window. However, while the EU has been considering a detailed proposal since late 2020, the Government’s [initial consultation](#) on its Single Trade Window only closed on 28 February 2022.

2.12 Given the opportunities that streamlined customs procedures envisaged by both the SCW and STW offer for facilitation of UK-EU trade in goods, the Government [said in February 2021](#) that it is “open to the opportunity of interoperability between [the] UK and EU systems”.<sup>28</sup> At the first [meeting of the new UK/EU Specialised Committee on](#)

26 Similarly, in December 2020, the Treasury [noted](#) that the Government was still “considering the question of whether the Protocol immediately applies the Single Window Regulation to customs operations in Northern Ireland” [Letter](#) from Rt Hon. Jesse Norman MP to Sir William Cash, 15 December 2020.

27 HM Government, [2025 UK Border Strategy](#) (CP 352, December 2020).

28 [Letter](#) from Rt Hon. Jesse Norman MP to Lord Kinnoull, 25 February 2021.

[Customs Cooperation](#) on 7 October 2021,<sup>29</sup> the Government therefore “outlined potential scope for future cooperation regarding Single Trade Window, interoperability, exchange of information and how best to use data”.<sup>30</sup> It appears to us that, ultimately, that could for example enable information submitted by a trader as part of an export declaration in the UK Single Trade Window to be used automatically for an import declaration on the EU side via their Single Customs Window.

2.13 Whether this, or indeed any degree of formal interoperability, will be achieved in practice remains an open question. The EU’s response to the UK’s initial proposals is noted in the minutes of the Specialised Committee meeting only in the blandest terms, stating that it “welcomed further discussions”. These would presumably have to cover how interoperability would be achieved in terms of scope, technology and data, since the UK and EU are separate customs jurisdictions and the EU’s preliminary work appears, as noted, to be more advanced than the Government’s.

2.14 In the context of potential interoperability between the UK and EU ‘single windows’ for trade, of particular relevance is that, because of Northern Ireland’s unique position straddling the UK and EU markets, there may be consignments of goods that cross its borders that are subject to both EU and UK border formalities. As such, traders may have to use both the UK STW and the EU SCW for specific goods being imported into or exported from Northern Ireland. Having to use two different systems to submit documentation would, in some ways, defeat the purpose of having a ‘single’ window for relevant customs formalities (although, as noted, both the UK and EU initiatives are unlikely to offer a single IT portal for their full range of trade formalities, at least initially).

2.15 In February 2021, the then-Financial Secretary to the Treasury [clarified](#) that “in a scenario where both Single Windows apply to Northern Ireland” in terms of goods entering or leaving that territory, the Government’s intention is that “traders who need to interact with both systems will only need to submit data once via a single online portal”, implying that the interoperability sought by the Government would include an ‘umbrella’ interface that connects to both the EU’s Single Customs Window and the UK’s Single Trade Window in Northern Ireland.<sup>31</sup> It is unclear at this stage if the Single Trade Window might also, in respect of Northern Ireland, cover customs and regulatory formalities required by EU law that apply there under the Protocol but which are *not* to be covered by the EU Single Customs Window. The Government’s [consultation paper](#) notes only that “the delivery of the UK Single Trade Window will also take account of areas of devolved competence”.<sup>32</sup>

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29 Minutes of the 1st [EU/UK Specialised Committee on Customs Cooperation](#) of 7 October 2021, published 26 November 2021.

30 While Article 118 of the EU/UK Trade and Cooperation Agreement (TCA) requires both the UK and EU to “endeavour to establish a single window” for trade and customs purposes, it is silent on the linking of the two systems, which is therefore entirely at the discretion of both sides.

31 However, the Minister admitted that this would “be dependent on the technical capabilities of the EU’s Single Window environment”. The Government’s policy paper on the UK STW does not refer to Northern Ireland or the Protocol explicitly.

32 Cabinet Office, “UK Single Trade Window—Policy discussion paper” (accessed 25 April 2022).

### Summary overview of the application of the EU Single Customs Window and the UK Single Trade Window

2.16 In summary, when presented in schematic format, the EU Single Customs Window and UK Single Trade Window might be used by traders and public authorities for different trade flows between the UK and the EU as shown below (including with the jurisdictions other than the UK or the EU, referred to here as ‘rest of the world’ or ‘RoW’). Given that both the UK and EU are yet to finalise the precise scope of their respective ‘single window’ initiatives, this is necessarily a simplified and provisional overview.

Trade flow	Use of the UK Single Trade Window	Use of the EU Single Customs Window	Potential overlap
GB goods sent to NI	No, internal UK trade	Potentially, for relevant EU import procedures under the Protocol <sup>33</sup>	No
NI goods sent to GB	No	Potentially, for relevant EU export procedures	No
GB goods sent to the EU	Yes, for relevant UK export procedures	Yes, for relevant EU import procedures	Yes
EU goods sent to GB	Yes, for relevant UK import procedures	Yes, for relevant EU export procedures	Yes
EU goods sent to NI	No	No	No
NI goods sent to EU	No	No	No
GB goods sent to RoW	Yes, for relevant UK export procedures	No	No
RoW goods sent to GB	Yes, for relevant UK import procedures	No	No
NI goods sent to RoW	Potentially, for relevant UK export procedures	Potentially, for relevant EU export procedures	Yes
RoW goods sent to NI	Potentially, for relevant UK import procedures	Potentially, for relevant EU import procedures	Yes

### The Minister’s update of 22 March 2022

2.17 Given the various outstanding issues around the ramifications of the EU proposal for the UK, we [wrote to the Financial Secretary to the Treasury](#) (Rt Hon. Lucy Frazer QC MP) on 26 January 2022 to seek a further update on the Government’s views on this initiative and its engagement with the EU to represent the UK’s interests.<sup>34</sup> In particular, we asked her to clarify what conclusion the Government had reached about the applicability of the Single Customs Window under the Northern Ireland Protocol and its interaction with the UK Single Trade Window.

2.18 The Minister replied by letter dated 7 March.<sup>35</sup> She provided further information on the proposals made by the Government to the EU at the Specialised Committee meeting

33 Subject to the Government’s on-going negotiations with the EU on the operation of the Northern Ireland Protocol.

34 [Letter](#) from Sir William Cash to Rt Hon Lucy Frazer QC MP (26 January 2022).

35 [Letter from Rt Hon. Lucy Frazer QC MP](#) to Sir William Cash (7 March 2022).

in October 2021 on potential linkage of the UK and EU “single window” initiatives, confirming that UK civil servants “used the [meeting] to reiterate our expectation that the Committee serve as the first step towards further discussions on the SCW and STW between the EU and the UK over the coming months and years”, while “EU officials emphasised the importance of maintaining an open channel of communication to understand better each other’s ideas and how we might best move forward”. Overall, the Minister says, her officials came away from the meeting “reassured that the discussion was positive and that both parties were supportive of further discussion, which is expected to become more substantive as our policy thinking develops”. This, presumably, is a reference to the Government’s developments of its Single Trade Window proposals, given the EU’s plans are more advanced at this stage.

2.19 With respect to the potential application of the EU SCW in Northern Ireland, the Minister—as expected—notes that more definitive answers depend on “the outcome of [the] discussions” with the EU and “so whilst talks are ongoing, it is not possible to comment on the applicability of the SCW in NI”. She commits, though, to “respond to the questions that you have set out in writing in more detail” once she is “in a position to do so”.

## Conclusions and action

2.20 Having considered the EU’s Single Customs Window on several occasions since late 2020, we remain of the view that this initiative could have significant implications for the UK, given its objective of streamlining the operation of the EU’s customs and regulatory border for trade with non-EU countries and its potential application in part of the UK under the terms of the Northern Ireland Protocol. It is the latter issue that primarily concerns us because of the potential implications for the UK’s own customs policy, including the planned Single Trade Window, and how goods can flow between different parts of the country.

2.21 If the EU’s Single Customs Window needs to be implemented in Northern Ireland pursuant to the terms of the Protocol, Parliament will want to scrutinise the cost and resource implications of doing so, as well as the impact on trade between Northern Ireland and the rest of the UK. It would also require careful consideration of the implications for the UK Single Trade Window being developed by the Treasury, which could have a different scope and specifications but which may overlap with the EU’s proposed new customs IT systems in respect of Northern Ireland. Separately, there is also an outstanding question over the extent to which the UK Single Trade Window might cover border formalities in Northern Ireland which are made applicable there by EU law under the Protocol but which are not covered by the EU Single Customs Window (since these have a different legal basis from customs formalities in the rest of the UK, and they might diverge over time as retained EU law in Great Britain evolves separately from the EU’s approach).

2.22 The Government’s reluctance to acknowledge that draft EU legislation like the Single Customs Window may have to be implemented in Northern Ireland, let alone providing a substantive assessment of the practical ramifications of that scenario, makes it difficult to come to any definitive conclusions about the SCW’s implications for the UK at this stage. This renders the necessary democratic scrutiny of how new EU law may affect Northern Ireland and the UK more generally under the Protocol difficult. However, in

this particular instance, the substance of the basic legal framework for the initiative is still being discussed in Brussels. We therefore intend to return to the matter when such formal adoption has been agreed, and seek further information from the Minister at that stage. While we will of course take the state of the negotiations with the EU on the Protocol into account, in the absence of any breakthrough in those talks we will also expect the Government to be able to provide an assessment of the implications of the legislation under the Protocol as it currently stands (not least because, if it has identified any specific issues, this may provide further evidentiary weight for the need for the operation of the Protocol to be changed).

2.23 We also note that the Government is actively pursuing the idea of connecting the EU Single Customs Window and the UK Single Trade Window, which could simplify the legal environment in Northern Ireland as well as reducing the administrative burden associated with UK-EU trade in goods more generally (for example if information submitted by a trader as part of an export declaration in the UK could be used automatically for an import declaration on the EU side). To achieve any interoperability would presumably require some degree of coordination of the policy, legal, technical and data aspects of the EU and UK's respective 'single window' initiatives, for example in relation to the types of customs formalities covered and the way traders input information. There is a risk that—if such coordination does not take place sufficiently early on in the process—that either the scope for interoperability is reduced, or the UK will find itself in a position of having to adjust its Single Trade Window to the EU's approach (since there may be limited political appetite on the EU side to adjust its own Single Customs Window proposals only to facilitate interoperability with a separate initiative being developed by a former Member State). In any event, the EU's response to the Government's proposals for linking the two systems has so far appeared lukewarm.

2.24 In anticipation of further engagement with the Government on the implications of the EU Single Customs Window for the UK in due course, we draw the Minister's latest letter to the attention of the International Trade Committee, the Northern Ireland Affairs Committee, the Public Accounts Committee and the Treasury Committee.

### 3 Documents not considered to be legally and/or politically important

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#### Department for Business, Energy and Industrial Strategy

(42019) Commission Regulation (EU) 2022/135 of 31.1.2022 amending Regulation  
 — (EC) No 1223/2009 of the European Parliament and of the Council as  
 regards the use of Methyl-N-methylantranilate in cosmetic products  
 COM(2022) 455

#### Health and Safety Executive

(42023) Commission Delegated Regulation (EU) .../... of 10.2.2022 amending  
 6160/22 Regulation (EU) No 649/2012 of the European Parliament and of the  
 Council as regards the listing of pesticides, industrial chemicals, persistent  
 organic pollutants and mercury and an update of customs codes  
 COM(2022) 710

(42029) Commission Delegated Regulation (EU) .../... of 16.2.2022 amending,  
 6328/22 for the purposes of its adaptation to technical and scientific progress,  
 Regulation (EC) No 1272/2008 of the European Parliament and of the  
 Council on classification, labelling and packaging of substances and  
 COM (2022) 846 mixtures

## Annex

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***Documents drawn to the attention of select committees:***

(‘SNC’ indicates that scrutiny (of the document) is not completed; ‘SC’ indicates that scrutiny of the document is completed)

**Environmental Audit Committee:** Waste Shipments Regulation [Proposed Regulation] [SNC]

**Environment, Food and Rural Affairs Committee:** Waste Shipments Regulation [Proposed Regulation][SNC]

**International Trade Committee:** EU Single Customs Window for trade in goods (update) [Proposed Regulation][SNC]

**Northern Ireland Affairs Committee:** EU Single Customs Window for trade in goods (update) [Proposed Regulation][SNC]; Waste Shipments Regulation [Proposed Regulation] [SNC]

**Public Accounts Committee:** EU Single Customs Window for trade in goods (update) [Proposed Regulation][SNC]

**Treasury Committee:** EU Single Customs Window for trade in goods (update) [Proposed Regulation][SNC]

# Formal Minutes

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**Thursday 28 April 2022**

## **Members present:**

Sir William Cash, in the Chair

Richard Drax

Margaret Ferrier

Mr David Jones

Anne Marie Morris

Greg Smith

## **Document scrutiny**

Draft Report, proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1.1 to 3 agreed to.

Resolved, That the Report be the Twenty-first Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

## **Adjournment**

Adjourned till Wednesday 11 May 2022 at 1.45 pm

## Standing Order and membership

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The European Scrutiny Committee is appointed under Standing Order No.143 to examine European Union documents and—

- a) to report its opinion on the legal and political importance of each such document and, where it considers appropriate, to report also on the reasons for its opinion and on any matters of principle, policy or law which may be affected;
- b) to make recommendations for the further consideration of any such document pursuant to Standing Order No. 119 (European Committees); and
- c) to consider any issue arising upon any such document or group of documents, or related matters.

The expression “European Union document” covers—

- i) any proposal under the Community Treaties for legislation by the Council or the Council acting jointly with the European Parliament;
- ii) any document which is published for submission to the European Council, the Council or the European Central Bank;
- iii) any proposal for a common strategy, a joint action or a common position under Title V of the Treaty on European Union which is prepared for submission to the Council or to the European Council;
- iv) any proposal for a common position, framework decision, decision or a convention under Title VI of the Treaty on European Union which is prepared for submission to the Council;
- v) any document (not falling within (ii), (iii) or (iv) above) which is published by one Union institution for or with a view to submission to another Union institution and which does not relate exclusively to consideration of any proposal for legislation;
- vi) any other document relating to European Union matters deposited in the House by a Minister of the Crown.

The Committee’s powers are set out in Standing Order No. 143.

The scrutiny reserve resolution, passed by the House, provides that Ministers should not give agreement to EU proposals which have not been cleared by the European Scrutiny Committee, or on which, when they have been recommended by the Committee for debate, the House has not yet agreed a resolution. The scrutiny reserve resolution is printed with the House’s Standing Orders, which are available at [www.parliament.uk](http://www.parliament.uk).

**Current membership**

[Sir William Cash MP](#) (*Conservative, Stone*) (Chair)

[Tahir Ali MP](#) (*Labour, Birmingham, Hall Green*)

[Jon Cruddas MP](#) (*Labour, Dagenham and Rainham*)

[Allan Dorans MP](#) (*Scottish National Party, Ayr Carrick and Cumnock*)

[Richard Drax MP](#) (*Conservative, South Dorset*)

[Margaret Ferrier MP](#) (*Independent, Rutherglen and Hamilton West*)

[Mr Marcus Fysh MP](#) (*Conservative, Yeovil*)

[Dame Margaret Hodge MP](#) (*Labour, Barking*)

[Mrs Andrea Jenkyns MP](#) (*Conservative, Morley and Outwood*)

[Mr David Jones MP](#) (*Conservative, Clwyd West*)

[Stephen Kinnock MP](#) (*Labour, Aberavon*)

[Mr David Lammy MP](#) (*Labour, Tottenham*)

[Marco Longhi MP](#) (*Conservative, Dudley North*)

[Craig Mackinley MP](#) (*Conservative, South Thanet*)

[Ann Marie Morris MP](#) (*Independent, Newton Abbot*)

[Greg Smith MP](#) (*Conservative, Buckingham*)