

Chartered Accountants Ireland - Written evidence (NIP0001)

The Northern Ireland Protocol Bill

1. Chartered Accountants Ireland welcomes the opportunity to make a brief informal submission of evidence in respect of the Northern Ireland Protocol Bill.
2. Chartered Accountants Ireland is a membership body representing over 31,000 influential members throughout the globe, including more than 5,200 members based in Northern Ireland and over 1,500 in Great Britain.
3. Our members work in senior positions in industry and practice. Over two thirds of our members working in Northern Ireland work in businesses. They are prominent in all sectors of the Northern Ireland economy, which affords them valuable insights into the concerns, priorities, challenges and opportunities for business and industry and specifically in relation to the proposed legislation contained in the Northern Ireland Protocol Bill.
4. It is for this reason, and in the context of the views our members have expressed, that this informal written submission is being made in advance of any formal Call for Evidence in respect of the Bill.
5. On the launching of the formal Call for Evidence, this Institute intends to submit a more detailed response based on the evidence of our members.
6. Our comments herein are made in relation to critical administrative arrangements which facilitate the movement of goods in and out of Northern Ireland.
7. Chartered Accountants Ireland is concerned that there continues to be insufficient customs intermediaries in the Northern Ireland market.
8. Although capacity is growing, it is not keeping pace with demand, and this has meant that many businesses in the region are currently using the Trader Support Service ("TSS") to assist them in meeting their customs obligations.
9. Over 45,000 businesses are currently registered for the TSS. This underlines the fact that whatever shape Northern Ireland's trading relationship with the EU takes in future, including after the Northern Protocol Bill is enacted, it will still be necessary to support businesses that do not have any experience of submitting customs declarations themselves and for whom this is still a significant change.
10. The TSS is due to end in December 2022. This is of concern to businesses in Great Britain and Northern Ireland that are currently reliant on the service, given the lack of customs intermediary capacity and in-house expertise.
11. In a survey of our members using the TSS, 79 percent of respondents asked that the service be extended beyond December 2022. If the TSS does not continue beyond December 2022, only 10 percent are confident that they will

have access to the required expertise, either internally or through a customs intermediary, to complete the required customs, and safety and security declarations.

12. To date, the TSS has facilitated the movement of over 2 million consignments of goods into Northern Ireland. If the service ends at the end of 2022, there is a very significant risk that traders will not be in a position to file the necessary declarations, either themselves or via third-party intermediaries, due to insufficient capacity. This will have serious implications for the flow of goods into Northern Ireland and ultimately for the Northern Ireland economy as a whole.

13. A period of transition, adjustment and change as a result of the new trade operating model contained within the Northern Ireland Protocol Bill (green and red lanes) will also be required after December 2022.

14. The TSS should therefore be extended for at least three years beyond 2022 so that Northern Ireland businesses have sufficient time and opportunity to develop their own internal customs expertise while ensuring they can continue to fulfil their customs obligations in the meantime. This will also allow for the necessary period of time required to assess the impact of the Northern Ireland Protocol Bill on the supply chains of businesses in the region.

15. The TSS is also crucial as a means of providing support and education to businesses, and plays a vital role in assisting businesses in developing internal customs expertise. This education role will be even more vital when the Northern Ireland Protocol Bill is enacted.

16. In addition to extending the TSS, the UK Government should consider what further supports can be provided to encourage growth in the Northern Ireland customs intermediaries market if it is not feasible that the TSS continue as a service in the longer term.

17. Chartered Accountants Ireland would be happy to discuss any aspect of this written evidence in more detail. Do not hesitate to contact Leontia Doran or Bríd Heffernan should you require anything further.

Bríd Heffernan

Leader of Tax, Public Policy, and Associations and Institutions

Chartered Accountants Ireland

30 August 2022