



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Sir William Cash MP
Chair
European Scrutiny Committee
House of Commons
London SW1A 0AA

19 September 2018

Dear Sir,

UK accession to the Common Transit Convention – (a) (40017) 11568/18 and (b) (40033) 11693/18

I am writing to you following publication of the European Scrutiny Committee's 37th Report – Documents considered by the Committee on 5 September 2018', in which the Committee asked for further information relating to the two proposals for Council Decisions on the UK's wish to accede to the Common Transit Convention (CTC). I am grateful to the Committee for its agreement to clear these proposals at short notice.

In its report, the Committee expressed disappointment that the Government did not inform it before the 2018 summer recess of the substance of these proposals. I recognise the importance for the Committee of seeing EU proposals in good time. My officials will continue to work closely with the EU Scrutiny Committee, especially on key files and where there are proposals which may require formal decisions by the EU that relate to other international agreements.

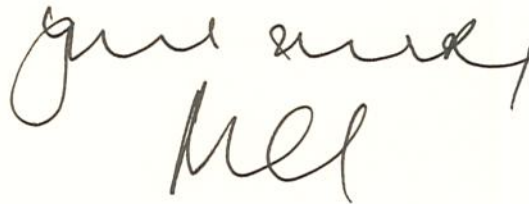
The Government's wish to accede to the Convention was set out in the White Paper *The Future Partnership between the United Kingdom and the European Union*, published on 12 July 2018, with the aim to reduce frictions for UK trade with the rest of the world, and promote the greatest possible trade. The UK has expressed its wish to accede to the Convention to support this strategic objective and noted that the UK has already begun the application process for accession.

You requested an explanation as to the 'technical conditions' which must be met for the UK's accession to be approved. The main requirements, as set out in the Convention, include having i) domestic legislation in place which puts in place the legal framework for the Convention, ii) operational requirements to enable the 'transit' process to operate effectively (including having trained staff and relevant infrastructure) and iii) a national IT system compatible with the New Computerised Transit System (NCTS) in order to simplify customs procedures.

My officials have held four constructive technical meetings with the Commission to date to discuss the above requirements. As we are currently party to the CTC by virtue of being an EU Member State, we already meet many of the requirements. Discussions on new requirements that need to be met are progressing well.

You also questioned whether the UK's accession would extend to the Sovereign Base Areas on Cyprus, which are currently part of the EU Customs Union but face a unique set of challenges in relation to their customs status after Brexit. I can confirm that the UK has notified the Commission that it intends to include the Sovereign Base Areas in the UK's Accession to the CTC.

I am copying this letter to Lord Boswell of Aynho (Chairman of the EU Select Committee), to the Clerks of both Committees (Philip Aylett (Commons) and Chris Johnson (Lords)), to Les Saunders, Department for Exiting the European Union, Barbara Armstrong, HMT scrutiny co-ordinator, and to Stuart Pyle, HMRC.

A handwritten signature in black ink, appearing to read 'Mel Stride', with a large, stylized initial 'M'.

RT HON MEL STRIDE MP