



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

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

18 December 2018

Dear Sir

UK accession to the Common Transit Convention (CTC)

Thank you for your letter dated 17 October on the UK's accession to the Common Transit Convention. I am grateful for the extra time you gave me to reply. As you will see, this means that I am able to provide you with a more conclusive answer than I would otherwise have been able to give you.

I am pleased to be able to tell you that on the 14th December, the EU published in the "*official Journal of the European Union*" the EU-CTC Joint Committee decision to invite the UK to accede to the Common Transit Convention (CTC), and to the supplementary Convention on the Simplification of Formalities in the Trade of Goods. In line with the rules of the Convention the letter of invitation will be formally issued shortly.

You have also requested more detail on what the 'new requirements' would amount to in practice in order for the CTC Joint Committee to accede to the Common Transit Convention.

The new requirements that will be relevant to the UK as a Contracting Party concern the technical conditions that I set out previously. Work is underway to ensure that we meet the legal, technical and operational requirements of being a Contracting Party. Secondary legislation implementing the Convention into UK law, which we are required to do as a separate Contracting Party, was laid on 30 November 2018 (SI 2018/1258). On the technical requirements of the Convention, we are updating our IT systems to ensure they continue to operate effectively when we are a separate customs territory. In relation to the operational requirements, we are working on how we can provide additional capacity to meet the anticipated uplift in UK CTC movements and the checks on them that will result from the UK becoming a separate Contracting Party.

I acknowledge that the National Audit Office report of 24 October 2018 entitled 'The UK border: preparedness for EU exit' raised concerns on the deliverability of UK accession to the CTC. However, preparations on UK accession are progressing well and I am confident that the UK will be ready to accede by March 2019, were we to be in a no deal scenario.

I am copying this letter to Angus MacNeil MP, Chair of the International Trade Committee, Joanna Welham, Clerk of the International Trade Committee, Lord Boswell of Aynho (Chairman of the EU Select Committee), (Philip Aylett (Clerk of the Commons European Scrutiny Committee), Chris Johnson (Clerk of the Lords EU Select Committee)), to Les Saunders, Department for Exiting the European Union, and to Stuart Pyle, HMRC.



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