



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

Chair of the Treasury Committee
House of Commons
London
SW1A 0AA

10 September 2019

Dear Chair,

I am writing to inform you of the Government's plans for the treatment of people moving across the border with goods for their own personal use if the UK leaves the EU without a deal. This involves the rules in relation to what is commonly referred to as "duty free".

The intention was to make a Written Ministerial Statement today about the policy but as a result of prorogation that is now not possible. I am therefore taking the opportunity to provide you with the detail of the policy by including below the text of the draft Written Ministerial Statement:

"The Government has been clear that the UK will be leaving the EU on 31 October whatever the circumstances. It would prefer to leave with a deal and it is working energetically to secure a deal that is acceptable to both sides.

At present, the opportunity to buy alcohol and tobacco without tax or duty – that is, 'duty free' – is only available to people travelling to a non-EU country. That freedom is something that many people have raised with the Government as a way to assist travellers. The Government also aims to keep things as easy as possible for people arriving at a UK airport, port or international train terminal.

The Government is therefore today announcing the return of duty-free shopping with EU countries, in the event that the UK leaves the EU without a deal.

This means people travelling to the EU will be able to take advantage of duty free shopping, with no requirement to pay UK tax and excise duties on cigarettes and alcohol when they go. People travelling back from the EU will still be able to bring back unlimited amounts for their own use, if they pay tax and duty in Europe. They will also have the alternative option to buy limited amounts of duty free alcohol and cigarettes at duty free shops in Europe instead.

The Government will make and lay a Statutory Instrument subject to the negative procedure before the House of Commons in due course to give effect

to these changes. The purpose of this announcement is to give businesses and individuals notice of that intention. The policy will be in effect from 1 November if the UK leaves the EU without a deal.

This announcement does not apply to movements of goods from Northern Ireland to Ireland, including across the land border or by air or sea. This is something for further discussion with Ireland. Ireland has indicated that it would be open to having that discussion, but that this itself requires the agreement of the EU Commission. Until then, the status quo remains.

The Government intends to keep the status quo for retail exports to avoid confusion and disruption as far as possible, pending agreement on a long-term approach. A consultation will be launched shortly on a long term duty-free and retail export policy.”

The Government is making this announcement now to give businesses and individuals reasonable notice. This includes ensuring entry and exit points (ports, airports and international rail terminals) operators have time to get ready for a potential no deal exit from the EU. A copy of this letter will be deposited in the Libraries of the House.

Yours sincerely,

A handwritten signature in black ink that reads "Jesse Norman". The signature is written in a cursive, flowing style.

Jesse Norman MP