

Michael Gove statement on EU Exit preparations: 13 July 2020

With your permission, Mr Speaker, I would like to make a statement on our preparations for the end of the transition period.

On 31 January this year, Mr Speaker, the United Kingdom left the European Union.

And last month we confirmed to our European Union partners there would be no extension of the transition period beyond 31 December. My counterpart as co-chair of the Joint Committee confirmed that this marked a 'definite conclusion' to the matter and the deadline for extension has now passed.

As a consequence, from 1 January 2021 we will embark on the next chapter in our history as a fully independent United Kingdom.

With control of our economy, we can continue to put in place the right measures for Covid recovery.

With control over the money that we send to Brussels, we can spend it on our priorities; investing in the NHS, spreading opportunity more equally across the UK and strengthening our Union.

And we are also able to build a trading relationship with our neighbours in Europe that serves all our interests while also developing new economic partnerships across the world, including opportunities for new and better trade deals with the US, Japan, New Zealand, Australia, and many other nations.

The deal the Prime Minister struck last year, which the country backed in the general election, means that we can look forward with confidence to the end of the transition period on December 31.

But of course there is still work to do to prepare.

Regardless of the outcome of negotiations with the EU over our future relationship, whether or not we have a Canada-style deal or an Australian model, we will be leaving the Single Market and the Customs Union.

This will herald changes, and significant opportunities, for which we all need to prepare – government, business and individual citizens.

So Mr Speaker, I am announcing today two significant new initiatives that will bring financial support, further clarity and also reassurance for business and citizens.

We are launching a major new public information campaign to make sure that everyone has the facts they need about the actions we all need to take in order to be ready.

And we are also releasing, for the first time, an operating model for the border that will benefit importers and exporters, and provide information to hauliers, shippers, freight companies and our customs intermediaries. This comprehensive guidance covers every process and system used across all government departments and has been developed after extensive consultation with industry partners, operators and of course the Devolved Administrations.

Together with the additional £705 million package of funding for border infrastructure, extra jobs and better technology, this will help ensure our new borders will be ready when the UK takes back control on January 1. It will assist the smooth movement of goods, and it will also help us to lay the foundations for the world's most effective border by 2025, making our country more secure and our citizens safer.

Turning to the detail of these initiatives, Mr Speaker, the public information campaign, 'The UK's new start: let's get going', will run in the four home nations and internationally, encouraging us all to play our part in preparing for change.

The campaign will be supplemented by the deployment of experts in the field giving one-to-one support to business and their supply chains, to ensure they have made arrangements that will help keep their operations running efficiently.

From January 2021 – in order to fulfill the import process – traders will need to have:

- A GB Economic Operator Registration and Identification – or EORI number before moving their goods.
- They'll also need to have the commodity Code of their goods – which will be needed to make a customs declaration and of course to calculate duties on an import.
- They'll need to know the customs value of their goods – the rules for which are based on the WTO valuation agreement.
- And they will also need to have considered whether they are able to, and would benefit from, using any of the available simplifications or facilitations, including deferring customs declarations for standard goods.

Traders who choose not to defer their customs declarations will also need to ensure they have considered how they will make those declarations to HMRC systems, and of course whether or not they will use an intermediary.

And from January 2021, traders who are exporting goods to the EU will need to make export declarations and ensure they have the right certificates and

licences required for entry.

While there is still work to do, substantial progress has been made to ensure that we all fulfil our promise to the British people – and take back control.

The freedom to control our own borders of course brings many benefits.

Our plans mean we can introduce a migration policy which ensures we're open to the world's best talent: and my Rt Hon Friend the Home Secretary has set out further details of this today.

A new points-based immigration system will ensure that we can attract the scientists, innovators and entrepreneurs who can power future economic growth. It will also help us to ensure that our NHS attracts the very best professionals from across the world to our hospitals.

And the new technology that we're introducing will allow us to monitor with far greater precision exactly who, and what, is coming in and out of our country, enabling us to deal more effectively with organised crime and other threats.

And control of our borders also means that we can choose the right trade and commercial policies for this country. The Border Operating Model that we published today provides clarity about the end-to-end journeys of goods on the move between Great Britain and the EU, including of course information about controlled goods and the new government systems that will support future trade.

And I would like to place on record the Government's gratitude to the border sector for the practical knowledge, enthusiasm and expertise they have brought to the development of the operating model, the result of extensive consultation and collaboration.

It is important to note that, as the document makes clear, the Border Operating Model does not cover matters relating specifically to the Northern Ireland Protocol. Let me reassure the House that guidance specific to Northern Ireland will be published in the coming weeks, and on an ongoing basis throughout the transition period.

With autonomy of course comes the freedom to be practical and pragmatic in implementation, which is why – in the light of coronavirus, and in order to give business and industry more time to adjust – we announced last month that border controls would be introduced in three stages up to 1 July 2021.

- In the first phase, from January 2021, traders importing standard goods will need to prepare for basic customs requirements. Full Customs Declarations will be needed for controlled and excise goods such as alcohol and tobacco products. But people importing standard goods will have up to six months to make their declaration and to pay tariffs. Traders moving goods using the Common Transit Convention will need to follow all of the transit procedures.

- In the second phase, from April 2021, we'll require all products of animal origin, regulated plants and plant products to have pre-notification and the relevant health documentation. Any physical checks will continue to be conducted at the point of destination.
- And in the third and final phase, from July 2021, traders moving all goods will have to make full customs declarations at the point of importation and of course pay relevant tariffs. Checks for animals, plants and their products will take place at Border Control Posts in Great Britain.

When we announced our approach to controls last month, we also confirmed that we would be building new border facilities in Great Britain for carrying out the required checks, as well as providing targeted support to ports to build new infrastructure.

And the £705 million funding injection we announced yesterday, Mr Speaker, is on top of an £84 million grant already announced to ensure sufficient capacity in the customs intermediary sector. And that money will be used to do just that, preparing our border infrastructure for these changes by improving and developing IT systems, recruiting more personnel and building new border posts.

The actions Mr Speaker that we are taking today are an important step towards readiness for the new opportunities Brexit can bring. It is time for our new start, time for us to embrace a new, global, destiny – and therefore Mr Speaker, I commend this statement to the House.