

Explanatory Memorandum to Tynwald Members

Issued by the Department of the Treasury

To the Hon Laurence Skelly MLC, President of Tynwald and the Hon Council and Keys in Tynwald assembled

1. Title of measure

Customs and Excise Management Act 1986 (Amendment) (No. 2) Order 2021

2. Changes in policy

None. Under the Customs and Excise Agreement the Island is obliged to maintain its customs and excise laws so that it corresponds to that in the UK.

3. Effects of the measure

Section 78C (information powers relating to goods subject to certain transit arrangements) is omitted, as it is no longer required post-Brexit.

Sections 182 and 183 of the Act, which relate to the movement of goods between the Island and the United Kingdom, are amended to reflect that the movement of goods between Northern Ireland and the Island are now considered to be imports and exports post-Brexit, which aligns with the treatment of goods between Great Britain and Northern Ireland as part of the Northern Ireland Protocol.

Schedule 3 to the Act is amended to introduce a new penalty for the unauthorised removal or disposal of goods which have been seized by a customs officer, but which remain "in situ" where it was first seized. The minimum penalty applicable is £250. The amendment also provides that where seized items have been removed or disposed of without permission, the Treasury may seize goods from a revenue trader's premises to the same value as the items that were removed or disposed of.

4. Reasons for the measure

Under the terms of the Customs and Excise Agreement the Island is obliged to maintain its customs and excise laws in line with that of the UK.

5. Resource implications

It is not expected that this measure would involve any significant resource or revenue implications.

6. Tynwald procedure

This Order is made under section 180(3) of the Customs and Excise Management Act 1986 and requires positive approval from Tynwald.