

# REVISED POSTAL REGULATIONS

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## Who is likely to be affected?

All postal operators including Royal Mail, the universal service provider, and private sector operators.

## General description of the measure

The replacement of the Postal Packets (Customs and Excise) Regulations 1986 and the Postal Packets (Revenue and Customs) Regulations 2007 with a single, simpler and shorter set of regulations.

## Policy objective

The regulations are in line with Government's simplification agenda as they simplify, clarify and reduce the current legislation. They do not introduce any new operational practices but clarify the law in respect of:

- Our ability to refuse clearance of postal packets not bearing the required declaration; and
- The place of customs examination of postal packets.

## Background to the measure

Following Ministerial approval, a discussion document was sent to Royal Mail and the Association of International Courier and Express Services (AICES) on 1 December 2010.

AICES were content and had no comments. Royal Mail are content subject to a Memorandum of Understanding setting out the exceptional circumstances when imported postal packets may be subject to customs check prior to arrival at the Office of Exchange.

## Detailed proposal

### Operative date

We aim to lay these regulations December 2011.

### Current law

The new regulations replace completely the Postal Packets (Customs and Excise) regulations 1986 and the Postal Packets (Revenue and Customs) Regulations 2007.

### Proposed revisions

The new regulations are made by secondary legislation under Section 105 of the Postal Services Act 2000.

## Summary of impacts

Exchequer impact (£m)	2011-12	2012-13	2013-14	2014-15	2015-16
	Nil	Nil	Nil	Nil	Nil
This measure is not expected to have an Exchequer impact					
<b>Economic impact</b>	There will be no significant economic impact.  However, we will contribute to closing the revenue tax gap by improving the effectiveness of our controls on postal packets.				
<b>Impact on individuals and households</b>	There should be no significant impact on individuals and householders.				
<b>Equalities impacts</b>	No equality impacts in relation to these regulations have been identified.				
<b>Impact on business including civil society organisations</b>	The proposed measures mainly impact on Royal Mail and international parcel operators and were submitted to them for consultation on 1 December 2010. All are broadly content with them. Discussions are continuing with Royal Mail on a Memorandum of Understanding to clarify some operational issues.				
<b>Operational impact (£m) (HMRC or other)</b>	The new regulations will be of benefit both to HMRC and the UKBA. They will assist in closing the revenue tax gap and improving frontier security.				
<b>Other impacts</b>					

## Monitoring and evaluation

Regular monitoring is in place on the effectiveness of postal controls and this will identify any impacts arising from the new regulations. In addition the Memorandum of Understanding with Royal Mail will be regularly monitored and evaluated.

## Further advice

If you have any questions about this change, please contact by email:

Anne.treadaway@hmrc.gsi.gov.uk or by post to:

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### **Declaration**

Chloe Smith MP, Economic Secretary to the Treasury has read this Tax Information and Impact Note and is satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impacts of the measure.