



HM Revenue
& Customs

Simplification of Intrastat

Consultation document

Publication date: 21 January 2014

Closing date for comments: 8 April 2014

Subject of this consultation:	EU proposals to reduce the burden on businesses required to submit Intrastat declarations.
Scope of this consultation:	This consultation invites comments on the proposals and their impact on businesses required to submit Intrastat declaration and the statistical data made available to users.
Who should read this:	We would welcome views from anyone who has an interest in this area, in particular businesses required to submit Intrastat declarations and users of trade data.
Duration:	12 weeks, from 21 January 2014 to 08 April 2014
Lead official:	Andrew Brown, HMRC
How to respond or enquire about this consultation:	<p>Responses and queries about the content or scope of the consultation should be sent to:</p> <p>Andrew Brown, HM Revenue & Customs, Trade Statistics, 3rd Floor, Alexander House, 21 Victoria Avenue, Southend-on-sea, SS99 1AA</p> <p>Tel 01702 367485 (uktradeinfo Customer Service)</p> <p>Email uktradeinfo@hmrc.gsi.gov.uk</p>
Additional ways to be involved:	If sufficient interest is expressed, HM Revenue & Customs (HMRC) will consider arranging a discussion with interested parties to clarify/answer any queries.
After the consultation:	A response report will be published in the Spring of 2014.
Getting to this stage:	The UK and other Member States have been in discussion with EU Commission regarding proposals to modernise the Intrastat system.
Previous engagement:	<p>The EU Commission have put forward a proposal to modernise the Intrastat system which is targeted for implementation from 2017.</p> <p>To offer a more immediate simplification, during 2013 HMRC informally consulted with businesses required to submit Intrastat declarations and users of Intrastat data on a proposal to reduce the coverage of trade on which data must be collected by the Intrastat system for arrivals from 95% to 93%. The UK, along with other Member States, worked with the EU Commission to deliver this change and as a consequence the EU legislation has been amended resulting in an increase to the Intrastat Exemption Threshold for arrivals from £600,000 to £1,200,000 from 1 January 2014.</p>

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1. Introduction

- 1.1** The Intrastat survey collects data on trade in goods between the EU Member States. It was introduced to provide key information for analysis of the economy, trade and competitiveness when businesses no longer needed to submit customs declarations with the introduction of the Single Market. The survey is governed by EU legislation which sets out the requirements for collecting information on this trade.
- 1.2** Data on the UK's trade with non-Member countries continues to be collected from customs declarations and is combined with data on intra-EU trade to produce the Overseas Trade Statistics. In the UK, these statistics are a National Statistics output and are also governed by the National Statistics Code of Practice.
- 1.3** Overseas Trade Statistics data are used as part of the Office for National Statistics' (ONS) monthly Balance of Payments (BoP) figures. The BoP figures are used to compile the UK's National Accounts i.e. Gross Domestic Product (GDP), a measure of the country's wealth and economic well-being. They are also used by the Monetary Policy Committee of the Bank of England, which sets the UK's interest rates.
- 1.4** In addition, more detailed trade statistics are used by a range of national and regional government bodies in monitoring government policy, combating fraud and by companies and trade associations for market research.
- 1.5** Only businesses above an exemption threshold are required to submit Intrastat declarations detailing their trade within the EU (of the UK VAT registered businesses trading with other Member States, about 80% are exempt).

This consultation

- 1.6** Official statistics are fundamental to good government, to the delivery of public services and to decision making in all sectors of society. They provide Parliament and the public with a window on society and the economy, and on the work and performance of the government. In line with the Code of Practice for Official Statistics, we consider that effective user engagement is fundamental both to trust in statistics and securing maximum public value.
- 1.7** The EU Commission's Statistical Office (Eurostat) commissioned a programme of work to look at the modernisation of the Intrastat system that could potentially lead to a substantial reduction in the burdens on business, whilst maintaining the usefulness and quality of the statistics for their users.
- 1.8** This consultation seeks views on the key part of the Eurostat proposal, known as SIMSTAT (Single Market Statistics). This is a mandatory data exchange between Member States enabling use of another's dispatch (EU exports) data to compile their own arrival (EU import) figures. We have taken the opportunity to explain what we think the impact of this proposal will mean in practice, and to ask for views on alternative proposals.

2. Simplification of Intrastat

SIMSTAT

- 2.1** The SIMSTAT proposal is centred around the mandatory exchange of dispatches (EU Exports) data with other EU Member States, and the removal of the requirement for Member States to collect their own Intrastat arrivals (EU imports) information. Instead, arrivals data could be produced from dispatches data exchanged with other Member States. This system is often referred to as ‘Single Flow’. It would be left to individual Member States to decide how much arrivals data they continued to collect unilaterally and/or how much they relied on dispatches data provided by other Member States.
- 2.2** Theoretically, there are superficial benefits to be realised by doing this. If Member States no longer collected any arrivals data, this could see an immediate 50% (approx) reduction in the burden on business. It achieves the concept of data-collection on a once-only basis without duplication by asking only dispatches providers for data. It also *appears* to make the existing asymmetries between Member States data disappear overnight. We explain this in more detail below.
- 2.3** However, in order to achieve the SIMSTAT proposal of reliance on dispatches data provided by other Member States, it is likely that businesses submitting Intrastat dispatches declarations will have to collect and declare additional information – including Partner ID (the VAT Registration Number of the EU Customer), Mode of Transport and Country of Origin. Therefore, any possible reduction to the reporting burden on businesses required to submit arrivals declarations would need to be balanced against an increase to the burden on businesses submitting dispatches declarations.
- 2.4** By collecting these additional fields, the level at which businesses can aggregate data reduces. This means, for example, that when a UK business dispatches a commodity to France today, they can submit a single line of trade consolidating UK to France dispatches in, for instance, motor vehicles. With the additional VAT field, in future they would have to declare each dispatch to each business separately i.e. UK to France in motor cars to company A, UK to France in motor cars to company B etc.
- 2.5** Therefore any reduction in the burden brought about by the reduction in the number of businesses required to submit arrivals declarations must also take into account the additional data lines that businesses submitting dispatches declarations will be required to submit.
- 2.6** Whilst it is not possible to provide an exact figure, our own analysis, supported by analysis provided by other Member States, suggests that this will increase the number of lines of trade to be submitted by dispatching businesses by a factor of at least five, and possibly as much as nine. This would substantially increase the amount of data businesses providing dispatches declarations are required to submit.

- 2.7** The additional data which may be required for the Intrastat dispatches declaration - including Mode of Transport and Country of Origin information - may not be readily available from the VAT records (such as VAT invoices) most businesses use to collate the information to provide Intrastat data.
- 2.8** Whilst the SIMSTAT proposal removes the requirement for Member States to collect arrivals data, HM Revenue & Customs (HMRC) must ensure that any reduction of the burden on business does not impact on the quality of data made available to users. HMRC needs to be certain that the data provided by other Member States will be reliable and meet the standard of quality that users of trade statistics data demand.
- 2.9** Therefore it is unlikely, in the foreseeable future, that the need to collect arrivals information would be totally removed in the UK, although there would be some scope to reduce the numbers of businesses required to submit arrivals declarations. To understand the impact of this likelihood, we have produced figures around a second option. This recognises that SIMSTAT may be introduced as the Commission intend, but reflects better the reality that the UK would continue to collect a percentage of arrivals data to reflect its national needs.
- 2.10** Member States are required to set their arrivals thresholds at a level which guarantees the value coverage of trade collected from Intrastat declarations. From 1 January 2014 this is set at 93% for arrivals, having been reduced from the 2013 requirement of 95%, and previously the 2009 requirement of 97%.
- 2.11** For the purposes of this consultation we are providing tables of impacts for the following two options:
- the total removal of the requirement to submit arrivals in line with the Commission proposal (option one);
 - adapting the Commission proposal by reducing the coverage for arrivals to somewhere around 90% to continue to meet our national needs. Please note this is purely illustrative, and it should not be interpreted that 90% is the lowest possible collection rate (option two).

Removing the requirement to submit arrivals declarations would release around 5,100 businesses from the requirement to provide Intrastat declarations (approximately 20%). Reducing the coverage to 90% for arrivals (which would see an arrivals threshold of around £2,750,000) would remove around 2,300 businesses from the requirement to submit arrivals declarations.

- 2.12** From a user perspective, there could be impacts on the quality and availability of trade data as a result of this proposal. Currently, asymmetries present in trade data depict discrepancies between two countries' recording of trade activity, albeit there can be a number of legitimate reasons for this due to the complex nature of international trade (the second option above would enable us to continue to investigate and correct these asymmetries as we would have two sets of data to work from). There would be significant changes to UK arrivals

figures using other Member States collected dispatches data (although the second option above would enable us to maintain stability because we would continue to collect UK arrivals data). The UK currently has one of the earliest deliveries of data to Eurostat, in order to contribute to timely National Accounts production. The timetable for data exchange could mean delays in the availability of arrivals information based on exchanged dispatches data.

Question 1a

If your business is required to submit dispatches declarations, will you be able to provide the additional data outlined above (Partner ID - VAT number, Mode of Transport, Country of Origin)?

Question 1b

If your answer to 1a was yes, how much of an extra time/effort would you consider it to be to provide the additional data?

(% where 100% is double present Intrastat effort/time)

Question 2

If your business provides both arrivals and dispatches declarations, would the benefits of removing the requirement to submit arrivals data outweigh the additional reporting burden brought about by having to provide additional dispatches data?

Question 3

If you are a user of trade statistics data, would you find it acceptable if HMRC used data provided by other Member States to compile its arrivals data? Please detail any concerns and ideas for improvement.

Question 4

If you are a user of the data, how would you feel if there is a delay in publication of the statistics in order for the exchange of data with other Member States to be carried out?

Alternative simplification proposal: Reducing coverage

2.13 Member States are required to set their Intrastat thresholds at a level which guarantees the coverage of trade collected from Intrastat declarations at 97% of total trade by value for dispatches and 95% (93% from 1 January 2014) for arrivals. An alternative option to simplify Intrastat would be to reduce the coverage rates for one or both of these flows and therefore collect less data (estimating for the minor missing value percentage, as is currently the case).

2.14 Simplification options which result in a reduction in both these coverage rates would :

- be cheaper to implement (i.e. would require no IT development or system changes, expensive consultations, etc);
- not be reliant on complicated data exchange;
- enable Member States to retain control of national data and quality/timing;
- not change the data elements required to be collected;
- not impact the time series;
- target admin burden savings towards micro businesses and SMEs (small and medium sized enterprises).

2.15 Importantly, our proposals for reducing the coverage would benefit dispatches information providers, helping remove barriers to exporters and ultimately will offer a greater reduction to the burden on businesses, whilst maintaining the quality of the data made available to users, it specifically targets those businesses which have the least EU trade, i.e. micro businesses and SMEs..

2.16 However there may be opposition from smaller EU Member States who would lose statistical coverage disproportionately. There would be also be a corresponding reduction in data quality as actual data reduces and need for estimation increases, and a loss of some commodity code and country data.

2.17 The UK has led specific coverage reduction data collection analysis, with cooperation from Eurostat and other Member States, to demonstrate the level by which the Intrastat business population could be reduced by amending the coverage rate without adversely affecting the quality. The UK's preferred simplification proposal, which is the reduction of the coverage for both arrivals and dispatches, would increase the Intrastat thresholds and significantly reduce the number of UK businesses required to submit Intrastat declarations.

2.18 We would minimise the impact on data quality by enhancing our estimation methodologies for trade below the Intrastat threshold. We are already working on this in conjunction with the Office for National Statistics, for the reduction in the arrivals coverage from 95% to 93% of value, to be implemented in January 2014. Trade Statistics currently has much higher levels of collected data than other business statistics, so any reduction would bring Trade Statistics more in line with other data series.

2.19 There are any number of variables we could use to develop this option as a serious alternative to the Commission proposal. For the purpose of this exercise, however, we have identified four frontrunner choices, all of which would reduce the coverage for one or both of the arrivals and dispatches flow from the 2014 percentage of total trade by value of 93% for arrivals and 97% for dispatches. These are:

- 93% for arrivals and 95% for dispatches;
- 93% for both arrivals and dispatches;

- 90% for arrivals and 93% for dispatches;
- 90% for both arrivals and dispatches.

2.20 Each of these choices would result in a reduction of the administrative burden of Intrastat as they would reduce the number of businesses required to submit Intrastat declarations. To help illustrate this, we have assumed for the purpose of this consultation that the coverage for both arrivals and dispatches is reduced to 93% (option three). This would result in a dispatches threshold of around £675,000 and would mean around 8,500 businesses (around 35%) would no longer be required to submit Intrastat declarations. More information on the calculations we used to illustrate this option can be found in the third Table of Impacts in Section 3.

Question 5

If you are a user of trade statistics data, would you find it acceptable if HMRC reduced the amount of data collected for either or both arrivals and dispatches? Please detail any concerns and ideas for improvement, bearing in mind that HMRC will use a reliable estimation methodology to cover the reduction.

Question 6

Of the four alternatives given in paragraph 2.19, which do you prefer and why?

Comparison of the three options

Question 7

What simplification option do you prefer?

- the EU Commission's SIMSTAT proposal (extra data requirement for dispatches with the possibility of all businesses not being required to submit arrivals data);
- the EU Commission's SIMSTAT proposal but adapted to meet our national minimum data quality needs (extra data requirement for dispatches with the possibility of some businesses not being required to submit arrivals data);
- the alternative proposal to reduce the coverage of trade by value for either or both arrivals and dispatches.

Question 8

Which of these impacts affected your choice?

- exempting all businesses from the requirement to submit arrivals declarations;

- exempting more businesses from the requirement to submit Intrastat declarations;
- relatively quick implementation;
- loss of commodity code data;
- loss of country data;
- potential impact on quality checking;
- delays in publishing UK data (SIMSTAT);
- other (please specify).

Question 9

Would you be opposed to the implementation of either of the suggested options below, at least in the short term?

- reducing the coverage of trade by value for either or both arrivals and dispatches;
- A 'Single Flow' system as described above.

Or are you open to either option?

Question 10

Do you think any other options could be considered?

Question 11

Do you have any general comments related to burden reduction or Intrastat statistics?

3. Assessment of Impacts

Option One - SIMSTAT proposal – removal of the requirement to submit arrivals declarations (with additional data requirements at dispatch)

Summary of Impacts

Exchequer impact (£m)	2016-17	2017-18	2018-19	2019-20	2020-21
	Nil	Nil	Nil	Nil	Nil
	This measure is not expected to have an Exchequer impact. No revenue is raised through the Intrastat system, therefore this measure will have no tax yield or costs.				
Economic impact	This measure is not expected to lead to an actual increase in imports or have other significant economic impacts, however the change in the data used to construct the import statistics could give the appearance that imports have increased. Using other Member States dispatch data to form our arrivals will <i>appear</i> increase UK imports from the EU by potentially as much as 10%. This has the immediate impact of apparently increasing the trade gap, which has implication for National Accounts. However, if the UK continues to collect significant amounts of arrivals data, this will reduce the impact on those Accounts.				
Impact on individuals and households	There is no impact on individuals and households because this measure only affects VAT registered businesses submitting Intrastat declarations.				
Equalities impacts	No equality groups have been identified as being impacted differently by this change.				
Impact on business including civil society organisations	<p>This proposal could increase the overall administrative burden for those VAT Registered businesses which are currently required to submit Intrastat declarations.</p> <p>Government expect that, whilst around 5,100 businesses will no longer be required to submit Intrastat declaration, the potential additional requirement to provide Partner ID, Mode of Transport and Country of Origin data on Intrastat dispatches declarations would increase the overall burden on businesses required to provide Intrastat declarations by around £0.6m per annum.</p> <p>Government estimate that the additional cost for dispatches businesses to provide Partner ID, Mode of Transport and Country of Origin is <i>greater</i> than the savings accrued by the removal of the requirement to provide arrivals declarations.</p> <p>In addition, there will be an increase in the number of lines a</p>				

	business may be required to submit due to the disaggregation brought about by the requirement to provide these additional fields.		
		Cost	Time Period (yrs)
	Compliance Costs		
	One-off Costs	negligible	n/a
	Average Annual Costs	£3.3m	5
	Total Costs (PV)	£15.4m	n/a
	Compliance Benefits		
	One-off Benefit	negligible	n/a
	Average Annual Benefit	£2.7m	5
	Total Benefit (PV)	£12.6m	n/a
	Net Benefit (NPV)	-£2.8m	n/a
	Impact on Administrative Burden (included in Net Benefit)		
	Increase	Decrease	Net Impact
	£3.3m	£2.7m	£0.6m
Operational impact (£m)	Potentially significant IT investment will be required to deliver this option. We estimate that the cost would be a minimum of £1.1m.		
Other impacts	<p><i>Small and micro business assessment.</i> Intrastat legislation applies to all businesses equally and it is therefore not possible to exclude small (those with up to 49 employees) and micro (those with up to 10 employees) businesses from the scope of this legislation.</p> <p>As the regulatory requirement to submit Intrastat supplementary declarations does not apply to businesses with an annual value of intra-EU trade below the legally set Intrastat Exemption thresholds, many small and micro businesses will be exempt from providing Intrastat information.</p> <p>This proposal would remove the requirement for small and micro businesses to provide arrivals declarations. However, this would have an adverse impact on any small and micro businesses that are required to submit Intrastat dispatches declarations, in terms of the additional data requirements.</p>		

Question 12

Do you have any comments on the indicative impacts and costs identified in the table of impacts for the increased data requirements if the SIMSTAT proposal is introduced?

Option Two - SIMSTAT proposal (with additional data requirements at dispatch) – reducing coverage for arrivals to 90% to meet national requirements

Summary of Impacts

Exchequer impact (£m)	2016-17	2017-18	2018-19	2019-20	2020-21
	Nil	Nil	Nil	Nil	Nil
	This measure is not expected to have an Exchequer impact. No revenue is raised through the Intrastat system, therefore this measure will have no tax yield or costs.				
Economic impact	This measure is not expected to have any significant economic impacts.				
Impact on individuals and households	There is no impact on individuals and households because this measure only affects VAT registered businesses submitting Intrastat declarations.				
Equalities impacts	No equality groups have been identified as being impacted differently by this change.				
Impact on business including civil society organisations	This proposal would increase the overall administrative burden for those VAT Registered businesses which are currently required to submit Intrastat declarations.				
	Government expect that, whilst around 2,300 businesses will no longer be required to submit Intrastat declaration, the overall burden on businesses required to provide Intrastat declarations will increase by at least £2.3m per annum.				
	Government estimate the additional cost for dispatches businesses to provide Partner ID, Mode of Transport and Country of Origin is greater than the savings accrued by the reduction in coverage for arrivals.				
	In addition, there will be an increase in the number of lines a business may be required to submit due to the disaggregation brought about by the requirement to provide these additional fields.				
		Cost		Time Period (yrs)	
	Compliance Costs				
	One-off Costs	negligible		n/a	
	Average Annual Costs	£3.3m		5	
	Total Costs (PV)	£15.4m		n/a	
	Compliance Benefits				

	One-off Benefit	negligible	n/a
	Average Annual Benefit	£1.0m	5
	Total Benefit (PV)	£4.7m	n/a
	Net Benefit (NPV)	-£10.7m	n/a
	Impact on Administrative Burden (included in Net Benefit)		
	Increase	Decrease	Net Impact
	£3.3m	£1.0m	£2.3m
Operational impact (£m)	IT investment will be required to deliver this option. We estimate that the cost would be a minimum of £1.1m.		
Other impacts	<p><i>Small and micro business assessment:</i> Intrastat legislation applies to all businesses equally and it is therefore not possible to exclude small (those with up to 49 employees) and micro (those with up to 10 employees) businesses from the scope of this legislation.</p> <p>As the regulatory requirement to submit Intrastat supplementary declarations does not apply to businesses with an annual value of intra-EU trade below the legally set Intrastat Exemption thresholds, many small and micro businesses will be exempt from providing Intrastat information.</p> <p>This proposal would further reduce the number of small and micro businesses from the requirement to provide arrivals declarations. However, this would also have an adverse impact on any small and micro businesses that are required to submit Intrastat dispatches declarations, in terms of the additional data requirements.</p>		

Question 13

Do you have any comments on the indicative impacts and costs identified in the table of impacts for the increased data requirements if this modified SIMSTAT proposal is introduced?

Option Three - Alternative simplification proposal: 93% coverage for arrivals and dispatches (used for illustrative and comparative purposes)

Summary of Impacts

Exchequer impact (£m)	2016-17	2017-18	2018-19	2019-20	2020-21
	Nil	Nil	Nil	Nil	Nil
	This measure is not expected to have an Exchequer impact. No revenue is raised through the Intrastat system, therefore this measure will have no tax yield or costs.				
Economic impact	This measure is not expected to have any significant economic impacts.				
Impact on individuals and households	There is no impact on individuals and households because this measure only affects VAT registered businesses submitting Intrastat declarations.				
Equalities impacts	No equality groups have been identified as being impacted differently by this change.				
Impact on business including civil society organisations	This proposal would reduce the administrative burden for businesses which are currently required to submit Intrastat dispatches declarations.				
	Government expect that around 8,500 businesses would no longer be required to submit Intrastat declarations and would specifically target those businesses which have the least EU trade, i.e. micro businesses and SMEs (small and medium sized enterprises). This would reduce the administrative burden by around £3.6m per annum.				
		Cost		Time Period (yrs)	
	Compliance Costs				
	One-off Costs	negligible		n/a	
	Average Annual Costs	negligible		5	
	Total Costs (PV)	negligible		n/a	
	Compliance Benefits				
	One-off Benefit	negligible		n/a	
	Average Annual Benefit	£3.6m		5	
	Total Benefit (PV)	£16.8m		n/a	

	Net Benefit (NPV)	£16.8m	n/a
	Impact on Administrative Burden (included in Net Benefit)		
	Increase	Decrease	Net Impact
	negligible	£3.6m	-£3.6m
Operational impact (£m)	The change is not expected to have any cost impact to HMRC aside from publicity and guidance costs.		
Other impacts	<p><i>Small and micro business assessment:</i> The regulatory requirement to submit Intrastat declarations does not apply to businesses with an annual value of intra-EU trade below the legally set Intrastat Exemption Threshold (currently £600,000, intended to rise to £1,200,000 for 2014 for arrivals and £250,000 for dispatches).</p> <p>Therefore many small (those with up to 49 employees) and micro (those with up to 10 employees) businesses will already have been exempt from providing Intrastat arrivals declarations.</p> <p>This proposal, which would further increase the dispatches threshold, will go further in reducing the number of any small and micro businesses from the requirement to submit Intrastat declarations.</p>		

Question 14

Do you have any comments on the indicative impacts and savings identified in the table of impacts for the alternative proposal?

4. Summary of Consultation Questions

Simplification of Intrastat

SIMSTAT

Question 1a

If your business is required to submit dispatches declarations, will you be able to provide the additional data outlined above (Partner ID - VAT number, Mode of Transport, Country of Origin)?

Question 1b

If your answer to 1a was yes, how much of an extra time/effort would you consider it to be to provide the additional data?

(% where 100% is double present Intrastat effort/time)

Question 2

If your business provides both arrivals and dispatches declarations, would the benefits of removing the requirement to submit arrivals data outweigh the additional reporting burden brought about by having to provide additional dispatches data?

Question 3

If you are a user of trade statistics data, would you find it acceptable if HMRC used data provided by other Member States to compile its arrivals data? Please detail any concerns and ideas for improvement.

Question 4

If you are a user of the data, how would you feel if there is a delay in publication of the statistics in order for the exchange of data with other Member States to be carried out?

Alternative simplification proposal: Reducing coverage

Question 5

If you are a user of trade statistics data, would you find it acceptable if HMRC reduced the amount of data collected for either or both arrivals and dispatches? Please detail any concerns and ideas for improvement, bearing in mind that HMRC will use a reliable estimation methodology to cover the reduction.

Question 6

Of the four options given, which do you prefer and why?

Comparison of options

Question 7

What simplification option do you prefer?

- the EU Commission's SIMSTAT proposal (extra data requirement for dispatches with the possibility of all businesses not being required to submit arrivals data);
- the EU Commission's SIMSTAT proposal but meeting our national minimum data quality needs (extra data requirement for dispatches with the possibility of some businesses not being required to submit arrivals data);
- the alternative proposal to reduce the coverage of trade by value for either or both arrivals and dispatches.

Question 8

Which of these impacts affected your choice?

- exempting all businesses from the requirement to submit arrivals declarations;
- exempting more businesses from the requirement to submit Intrastat declarations;
- relatively quick implementation;
- loss of commodity code data;
- loss of country data;
- potential impact on quality checking;
- delays in publishing UK data (SIMSTAT);
- other (please specify).

Question 9

Would you be opposed to the implementation of either of the suggested options below, at least in the short term?

- reducing the coverage of trade by value for either or both arrivals and dispatches;
- A 'Single Flow' system as described above.

Or are you open to either option?

Question 10

Do you think any other options could be considered?

Question 11

Do you have any general comments related to burden reduction or Intrastat statistics?

Assessment of Impacts

SIMSTAT proposal – removal of the requirement to submit arrivals

Question 12

Do you have any comments on the indicative impacts and costs identified in the table of impacts for the increased data requirements if the SIMSTAT proposal is introduced?

SIMSTAT proposal (with additional data requirements) – reducing coverage for arrivals to 90% to meet national requirements

Question 13

Do you have any comments on the indicative impacts and costs identified in the table of impacts for the increased data requirements if this modified SIMSTAT proposal is introduced?

Alternative simplification proposal: 93% coverage for arrivals and dispatches (used for illustrative and comparative purposes)

Question 14

Do you have any comments on the indicative impacts and savings identified in the table of impacts for the alternative proposal?

When responding to any of these questions, please say if you are a data user, provider or both or a representative body for any of these. In the case of representative bodies please provide information on the number and nature of people you represent.

5. The Consultation Process

This consultation is being conducted in line with the Tax Consultation Framework. There are 5 stages to tax policy development:

- Stage 1 Setting out objectives and identifying options.
- Stage 2 Determining the best option and developing a framework for implementation including detailed policy design.
- Stage 3 Drafting legislation to effect the proposed change.
- Stage 4 Implementing and monitoring the change.
- Stage 5 Reviewing and evaluating the change.

This consultation is taking place during stage 2 of the process. The purpose of the consultation is to seek views on the detailed policy design and a framework for implementation of a specific proposal, rather than to seek views on alternative proposals.

How to respond

A summary of the questions in this consultation is included at chapter 4.

Responses should be sent by 8 April 2014, by e-mail to uktradeinfo@hmrc.gsi.gov.uk or by post to:

Andrew Brown
HM Revenue & Customs
Trade Statistics
Alexander House
21 Victoria Avenue
Southend-on-Sea
SS99 1AA

Telephone enquiries 01702 367485 (from a text phone prefix this number with 18001)

Paper copies of this document or copies in Welsh and alternative formats (large print, audio and Braille) may be obtained free of charge from the above address. This document can also be accessed from [HMRC Inside Government](#). All responses will be acknowledged, but it will not be possible to give substantive replies to individual representations.

When responding to any of these questions, please say if you are a data user, provider or both or a representative body for any of these. In the case of representative bodies please provide information on the number and nature of people you represent.

Confidentiality

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, amongst other things, obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on HM Revenue and Customs (HMRC).

HMRC will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Consultation Principles

This consultation is being run in accordance with the Government's Consultation Principles. [If you wish to explain your choice of consultation period, this is the place. Also, if you are holding additional meetings or using alternative means of engaging, please mention this here].

The Consultation Principles are available on the Cabinet Office website: <https://www.gov.uk/government/publications/consultation-principles-guidance>

If you have any comments or complaints about the consultation process please contact:

The Consultation Coordinator, Budget Team, HM Revenue & Customs, 100 Parliament Street, London, SW1A 2BQ.

Email: hmrc-consultation.co-ordinator@hmrc.gsi.gov.uk

Please do not send responses to the consultation to this address.