IOE&IT calls for UK border strategy to be placed at heart of Government

A new report by the Institute of Export & International Trade (IOE&IT) and Flint Global entitled '<u>Enhanced efficiency: Building a UK border fit for the 21st century</u>' has found that challenges for UK traders continue to increase.

- The report recommends the creation of a new, centralised border function at the heart of government, accountable to a newly created position of Minister for the Border.
- The report was launched by the IOE&IT and Flint Global during International Trade Week and identifies a vision for border modernisation, driven by real world requirements and embracing technologies such as a modern single trade window.

Policy recommendations

The report authored by the IOE&IT and Flint Global identifies five key policy pillars for a new world-class UK border. These include:

- Creating a new, centralised border function at the heart of government, accountable to a new Minister for the Border tasked with oversight and overall responsibility for border management.
- Integrating new technology and systems that embrace regulatory change.
- Increasing investment, including devising a longer-term funding model for the border.
- Placing a greater emphasis on education and accreditation.
- Using UK's border strategy as a key to fostering effective international relationships.

Marco Forgione, director-general of the IOE&IT, said: "The full digitisation of trade is an essential element of our future trading system, which must include our border".

"We need to empower British businesses, make it simple and friction free to trade more effectively and competitively. These technological developments will help businesses take advantage of the Free Trade Agreements the Government is signing."

Technological developments

Technological developments and digitalisation of trade processes are at the forefront of border modernisation. The UK has already committed £180m to developing a single trade window, which would allow traders to submit information once via the "Tell us once" approach, through an online portal.

Nations where single trade windows exist show the advantages of a fully integrated system. By utilising existing data sources provided by proven HMG suppliers, including but not limited to Cabinet Office, Defra, HMRC and the Home Office, risk assessments and oversight can be moved away from the physical border. Successful pilot projects for the Government's existing Ecosystem of Trust Trusted Trader scheme should be integrated into the design of the single trade window to expedite its development. (See **Notes to Editors** for further details.) The report recommends fresh emphasis is also needed on border education and ongoing learning. As policy affecting borders changes, so will the requirements placed on those moving goods across it. Keeping up to date with requirements is therefore crucial and allows for the smooth and cost-efficient flow of trade. This will require government and businesses working in lockstep.

One of the most forward-thinking recommendations in this report is that of a Future Borders Bill, which would provide a permanent legal basis and vehicle for government and officials to innovate, pilot and incorporate modern approaches to border management.

The Future Borders Bill would partially build upon plans in the current Electronic Trade Documents Bill, by outlining a transition to fully electronic input and use of trade-related data. This would make trade more cost-effective for small businesses and also more environmentally friendly, helping to achieve Sustainable Development Goals.

Marco Forgione, Director-General at The Institute of Export & International Trade, said:

"Borders. A word that so often brings up conflicting connotations. Together with our friends at Flint Global, the Institute of Export & International Trade has set out a vision for a modernised border which provides new opportunities. Opportunities for businesses, big and small, to expand and innovate, opportunities for the UK government to regulate more cohesively. An opportunity for a modern border which is built on a foundation of compliance, assurance, audit and then enforcement.

We believe a Minister for the Border and a Future Borders Bill will provide the much needed framework for the international community to work on bilateral arrangements such as trialing e-documentation. Borders must be better and we believe our recommendations set out this conviction."

You can read the full press release here

Sam Lowe, Partner at Flint Global's Trade and Market Access practice, said:

"Flint Global is delighted to collaborate with the IOE&IT on this report, which highlights potential solutions to the UK's border challenges.

However, technological advancements will only succeed in reducing costs and border friction for traders if they are underpinned by joined-up government, with centralised drive and direction. If approached in a piecemeal fashion, with different government departments acting independent of each other, there is a significant risk that the border modernisation effort simply replicates the duplicative processes causing problems today, but with flashier tech."

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Notes to Editors

The report can be accessed <u>here</u>.

Full list of recommendations:

- Create a new, centralised border function at the heart of government, accountable to a new Minister for the Border who is tasked with oversight and overall responsibility for border management.
- Maximise the benefits of digital trade that will arise from the introduction of innovations such as smart legal contracts and the Electronic Trade Documents Bill, which will enable e-bills of lading.
- Scale up the Ecosystem of Trust pilots so that they become the basis of future international trade.
- Introduce a sanitary and phytosanitary (SPS) trusted trader scheme, based on principles detailed in the Ecosystem of Trust submissions.
- Ensure the development of a single trade window is appropriate to the UK's trade and customs environment, accounting for interoperability with the Customs Declaration Service (CDS), as well as the Trader Support Service (TSS) infrastructure developed to facilitate trade between Great Britain and Northern Ireland.

The UK Border Target Operating Model:

The goal of the Target Operating Model is to set out a new approach to border import control that applies equally to goods from the EU and goods from the Rest of the World.

The Single Trade Window will reduce the cost of trade by reducing trader interactions with border agencies whereby the 'tell us once' approach is adopted, and data is inputted into a single trade window as opposed to currently where data is input into different government systems

The Ecosystem of Trust aims to create trust in supply chains with the aim of providing data and information as early in the supply chain to allow government departments to take risking decisions early in a trade movement allowing legitimate trade to flow freely reducing the cost of trade. An ecosystem of trust builds on the concept of digital trade corridors and also trusted trader where the different actors in the supply chain are assessed in terms of their compliance record and ability to trade. This is as much important for small businesses and large businesses

It is conceivable that the Single Trade Window and Ecosystem of Trust are key parts of a future UK Target Operating Model.

For further information and comment, please contact:

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About the Institute of Export & International Trade: The Institute was established over 85 years ago to support UK businesses in growing their international markets and trade. The Institute is the leading association of exporters and importers. We provide education and training to professionalise the UK's international traders.

As a partner with UK government, we deliver national and international programmes, acting as evangelists for the UK and establishing UK processes and standards globally.

The Institute co-partners in running the online UK Customs Academy, the world's first training platform dedicated to customs skills and developed at the request of HM Revenue & Customs (HMRC).

About Flint Global: Flint advises business on policy, politics, regulation and competition economics in European and global markets. It helps clients succeed in an increasingly complex world by providing advice at the point where government and business meet, with an authoritative perspective on both.

Members of Flint's expert multi-national team have worked at very senior levels in the British and other European governments, the EU Commission, regulatory agencies, competition bodies and the private sector. Its clients come from many countries and operate in many sectors, including digital, tech, telecoms, media, financial services, life sciences, manufacturing, retail, transport and energy.