Voluntary standards for customs intermediaries

Indirect Tax



18 September 2023

In Spring Budget 2023, the government announced that it would consult on introducing voluntary standards for customs intermediaries, with the aim of improving the overall quality of service provided across the sector.

HMRC published its call for evidence ‘Introducing a voluntary standard for customs intermediaries’ (tinyurl.com/255z2nvr) on 5 June 2023 and the consultation period ran over the summer. HMRC offered to meet with interested stakeholders. In July, representatives from the CIOT’s professional standards and technical teams, along with similar representatives from the ICAEW, met with HMRC’s Head of Customs Intermediary Policy to discuss perspectives from two professional bodies that already have members adhering to obligatory Professional Conduct in Relation to Taxation (PCRT) rules.

We discussed that each professional body has members that advise on customs issues exclusively, while others provide customs advisory work as part of a broader

project (for example, indirect tax specialists that provide cross border supply chain advice). Other members will be working in-house at customs intermediary businesses and freight forwarding businesses.

Our main concern was that any new standards could cause more work for those members who are already adhering to the PCRT rules and HMRC's standards for agents. In an ideal world, being a member of a PCRT body should provide sufficient confidence that an agent will provide a trusted service.

CIOT views

In our consultation response (www.tax.org.uk/ref1150), we noted that much of the detail on existing problems in the broader tax market relates to recalcitrant promoters of egregious tax avoidance. However, in this consultation on customs intermediaries, avoidance is not the principal focus. Instead, from the consultation document itself and from our experience, the priority concerns are issues such as:

- incorrectly completed documents;
- poor knowledge and experience; and
- customer service issues (timeliness, communications and paperwork).

The CIOT's preference on the introduction of any voluntary standards for customs intermediaries is that any new standards should complement the PCRT rules, as well as HMRC's standards for agents. We would seek either an automatic verification or a fast-track process for members of CIOT and other PCRT bodies that may become subject to any new voluntary standards. We would like the voluntary standards to promote quality and consistency amongst customs agents, rather than to purely inform and educate. If membership of bodies such as CIOT meant that verification was automatic by virtue of the high professional standards already required, then there would be an early 'critical mass' of firms receiving verification which could set the precedent for others in the industry to seek verification.

Next steps

A decision has not been taken on whether the proposals will be taken forward. HMRC are currently considering the submissions and will publish the outcomes later this year. The CIOT will continue to take an interest in any proposed changes for customs intermediaries.

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