

**2. Customs and Excise Bill 2017 –  
First Reading approved**

Mr Henderson to move:

*That the Customs and Excise Bill 2017 be read a first time.*

**The Acting President:** We turn now to Item 2 on our Order Paper, Customs and Excise Bill 2017 and I call on Mr Henderson to move.

Mr Henderson.

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**Mr Henderson:** Gura mie eu.

Mr Acting President, this Bill is being introduced by the Treasury and its intentions are threefold: firstly, to amend the Customs and Excise Act 1993, to ensure it remains relevant and capable of facilitating co-operation with the UK Agencies and complying with the requirements of the Customs and Excise Agreement 1979. Secondly, to amend the Customs and Excise Management Act 1986, the main item of Customs and Excise legislation. The amendments are made to the import/export cash declaration system following last year's evaluation by Moneyval, and the mutual assistance framework available to Customs officers permitting co-operation in cases with other bodies where fraud, breaches of sanctions and other serious crime are involved. Finally, to amend section 63 of the Terrorism and Other Crime (Financial Restrictions) Act 2014 to allow the Financial Intelligence Unit to deal with UN and EU sanction matters as a 'one-stop shop' for the reporting of all forms of financial crime.

The contents of this Bill were subject to a public consultation earlier this year, and discussions with the FIU, Police and regulators in the working groups established for the purposes of the national risk assessment and the Moneyval evaluation.

The substance of the Bill is contained in its parts 2, 3 and 4.

Part 2 of the Bill contains amendments to the Customs and Excise Act 1993. This Act is used to apply and amend legislation required to comply with the terms of the Customs and Excise Agreement 1979. The amendments made are intended to ensure that the 1993 Act continues to be capable of fulfilling this role. In addition, Part 2 contains provisions that would allow for the secondary legislation giving effect to certain aspects of the Customs and Excise Agreement to be updated or replaced, and to make explicit the requirement for the annual report produced by the UK National Audit Office on the local collection and administration of the shared revenues to be laid before Tynwald.

Part 3 of the Bill amends the Customs and Excise Management Act 1986. It does so by inserting a new section 76J into part VA of the Act, and by amending sections 174B and 174D.

In its report on the Island, Moneyval noted that there was no requirement in law for the Treasury to maintain records of cash declarations, cash disclosures and seizures of cash under the regime imposed by part VA of the 1986 Act. The new section 76J imposes such a requirement, and also requires the Treasury to lay before Tynwald an annual report summarising the information recorded.

The amendments to sections 174B and 174D are concerned with the extension of the current discretionary power to disclose information and evidence for the purposes of a criminal investigation or criminal proceedings to cases where a civil investigation is involved, or where the proceedings would or could result in a civil penalty rather than a criminal penalty.

These amendments are considered necessary in the light of the increased use of such civil investigations and proceedings in cases involving serious fraud, money laundering, sanctions violations, etc.

Part 4 of the Bill merely changes one word in section 63 of the Terrorism and Other Crime (Financial Restrictions) Act 2014, to allow the Treasury to delegate to the FIU some of its functions relating to UN and EU financial sanctions.

50 Treasury considers the Bill to be important, both in terms of the operation of the Customs and Excise Agreement with the UK and the revenues that the Island derives as a result; and of the Island's ability to play its full part – and I state that again, Eaghtyrane – *its full part*, as a responsible member of the international community in combating money laundering and terrorist financing, and other forms of serious and organised crime.

Acting President, I beg to move.

55 **The Acting President:** Mr Crookall.

**Mr Crookall:** Mr Acting President, I beg to second.

60 **The Acting President:** There being no other Member wishing to speak, the motion is that the Customs and Excise Bill 2017 be read a first time. All those in favour, please say aye; those against, no. The ayes have it. The ayes have it.

Hon. Members, that brings us to the end of our business sitting today on the Order Paper. Can I record our thanks to our Acting Clerk, standing in today for our Clerk who is absent today in the Keys; and thank you, Hon. Members.

The Council is now adjourned until Tuesday 14th November at 10.30 a.m.

65 Thank you, Hon. Members.

*The Council adjourned at 10.46 a.m.*