



HM Revenue
& Customs

Tax Update 2026 – Simplifying and modernising the UK customs system

As part of the Tax Update on 23 June 2026, the government announced 11 measures to simplify customs processes and systems, support digitalised trade, and improve trader experience whilst supporting fairness.

At a glance:

- Testing how we can use technology and data to modernise customs processes
- Benefits for traders, intermediaries and businesses moving goods internationally
- Reduced administrative burdens and alignment with global trade practices

[Read more on all the customs measures announced](#)

Key measures in the package

Low value import reforms

At Budget 2025, the government announced the removal of customs duty relief on imported goods valued under £135. The government has listened carefully to industry views and will accelerate delivery of the low value import reforms by 6 months to October 2028 at the latest.

The changes aim to ensure appropriate controls are in place on all goods, while supporting fair competition between high street and online retailers, and allowing businesses time to prepare for this. The government will publish a consultation response shortly and start legislating for the reforms in this year's Finance Bill.

Call for Evidence on Customs Modernisation

The government has published a call for evidence to seek views on trade digitalisation, including the opportunities and challenges it presents for the UK customs regime. This will ensure we understand evolving trade practices and needs to continue to support international trade into and out of the UK.

Digitalisation and AI customs initiatives

Building on recent customs digitalisation pilots, the government is taking forward further initiatives to innovate the customs system. This includes:

- design and delivery of services allowing HMRC to process Electronic Trade Documents (ETDs) for customs applications, supporting businesses to adopt trade digitalisation
- HMRC participating in the next phase of the Department for Business and Trade's Digital Trade Corridors programme, to test ETD use for customs
- further testing use of digital verifiable credentials
- testing how AI can support customs caseworkers to do real-time border documentary checks, to improve border flow and strengthen compliance

Improving the quality of customs intermediaries

The government will take steps to improve the quality and standard of customs intermediaries, increasing trust in the sector and supporting businesses navigating customs processes.

This includes the recent introduction of a customs intermediary standard, developing a voluntary certification scheme for the standard, and launching a consultation on new mandatory registration for intermediaries.

Digital ATA Carnets

The government has announced that the UK is one of the first countries to adopt digital ATA Carnets, from 1 June. This replaces paper-based systems used for the temporary movement of goods internationally.

The measure aligns the UK with international developments and supports cross-border trade, modernising the process and reducing burden.

Duty Reimbursement Scheme for Northern Ireland goods

The government has introduced changes to make it easier for businesses to reclaim 'at risk' duty paid on goods brought into Northern Ireland.

The changes implemented on 26 May 2026 will improve access to the scheme by addressing business concerns over certain types of goods and make it easier to claim back duties when evidence of the final destination of goods is not immediately available.