

Dame Meg Hillier MP
Chair of the Public Accounts Committee
House of Commons
SW1A 0AA

09 February 2023

Dear Dame Meg,

Customs Undervaluation Infraction

CASE C-213/19

Further to our letter of 13 January, we are writing to you to provide additional updates concerning the Court of Justice of the European Union (CJEU) case C-213/19, regarding the customs undervaluation of Chinese imports over the period of 2011-17.

As you will recall, the UK made a principal payment to the EU on 13 January of €700,351,738.31 (equivalent to £620,597,466.85). This payment was in addition to the UK payment of 10 June 2022 of €678,372,885.63 (equivalent to £578,903,408.60). The two payments of June 2022 and 13 January 2023 taken together constitute the full principal amount of €1,378,724,623.94 owed in this case, as agreed with the European Commission.

Following this payment, the UK was invoiced for the corresponding interest due on the principal amount. Therefore, on 6 February 2023, the UK made a payment of €1,227,884,519.53 (£1,085,374,427.38). This payment brought to an end to this long running case against the UK.

Thank you for treating the contents of our previous letter as market sensitive. The Chief Secretary to the Treasury laid a Written Ministerial statement today in the House of Commons, which outlines the payments made on the 13 January and 6 February 2023. The Treasury Lords Minister also laid an equivalent statement in the House of Lords. As the payment has been made, we can confirm that there are no longer market sensitivity issues with publishing either the contents of this letter or our earlier letter of 13 January. We are grateful for your discretion regarding this transaction.

The payment of interest represented the final UK action in this case. We now await final confirmation of the closure of this case from the EU College of Commissioners. We are of course happy to answer any questions that you may have on this matter.



James Bowler

Permanent Secretary

HM Treasury



Jim Harra

First Permanent Secretary

HM Revenue and Customs