

## **UK's Budget Report 2006**

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**5.107** In 1984, a VAT-free threshold on imports of small commercial consignments from outside the EU was introduced at a level of £18, as an administrative relief. The Government is aware that this provision is currently being exploited and the relief now costs the Exchequer around £85 million per year. If the relief continues to be exploited by businesses using offshore locations, the Government will consider changes to prevent this type of behaviour.