

# **Prepare to trade with the European Union from 1<sup>st</sup> January 2021**

## **GUERNSEY CUSTOMS INFORMATION**



**Customs & Excise**

**A Division of the Guernsey Border Agency**

**VERSION 5**

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## 1. Introduction and purpose of this notice

The UK has left the EU, and the transition period comes to an end this year. The UK will be leaving the EU single market and customs union. The Bailiwick of Guernsey (the Bailiwick) is a part of the customs territory of the EU as a consequence of the UK's membership of the EU. This too will cease at the end of the transition period. The UK is currently negotiating a Comprehensive Free Trade Agreement with the EU for which the Bailiwick is expected to be part of for at least those aspects which relate to customs and the movement of goods.

On 1<sup>st</sup> January 2021 the transition period with the European Union (EU) will end. This means that additional controls will be placed on the movement of goods between the Bailiwick and the EU. As a result, there will be significant changes to the process for moving goods between the Bailiwick and the EU. All businesses and individuals moving goods between the Bailiwick and the EU will need to take account of these changes and adapt accordingly.

This document outlines the key areas of the customs processes which will change when moving goods between the Bailiwick and the EU from 1<sup>st</sup> January 2021 onwards.

The areas covered in this notice will not be an exhaustive list and businesses and individuals are strongly advised to consider their own business needs to establish what actions need to be taken.

Whilst the UK is currently negotiating a Comprehensive Free Trade Agreement with the EU **it is important to note that the UK's negotiations with the EU will have no impact on these changes in processes and the need to take action.** The UK Government is not seeking anything in negotiations that will change the necessity of the following requirements.

## 2. Trade with the UK, Jersey and Isle of Man from 1<sup>st</sup> January 2021

A high level Customs Arrangement was signed between each of the three Crown Dependencies and the UK on 26<sup>th</sup> November 2018, forming a joint customs union. At the end of the Transition Period the Arrangement will take effect allowing tariff free movement of goods between the four territories of the customs union. Effectively the Bailiwick will enter into a customs union covering all trade in goods involving the elimination of customs duty on imports and exports and any charges having equivalent effect, and will adopt a common customs tariff in relation to trade with any countries outside the customs union.

The text of the Customs Arrangement between the UK and the Bailiwick of Guernsey can be found here - [UK-Guernsey customs arrangement](#)

As the Bailiwick will remain outside the fiscal territory of the UK (i.e. for VAT and excise duty), customs declarations will continue to be required for fiscal purposes. Certain goods are subject to excise duty. This is a tax charged on the importation and manufacture of alcohol, tobacco and oils. These goods will continue to be liable to such duty charges when traded with UK, Jersey and Isle of Man. VAT (and

Jersey's GST) will continue to be applied to goods arriving into UK, Jersey and Isle of Man when sent from the Bailiwick.

**Will import duty be liable on goods imported from the UK, Jersey or Isle of Man after 1<sup>st</sup> January 2021?**

No, unless the goods imported are goods that have originated outside of these places and have not previously been declared for import and had import tariffs applied in the UK, Jersey or Isle of Man then import duty will not be liable. Excise duty on goods such as alcohol, tobacco and fuel, will be liable, as is the case now.

### **3. Trade with the EU from 1<sup>st</sup> January 2021**

Businesses and individuals can currently move 'free circulation'<sup>1</sup> goods between the Bailiwick and any EU member state without incurring import duty charges. Many import and export restrictions are not applied to goods from the Bailiwick entering the EU or when arriving into the Bailiwick from the EU. These arrangements will cease at the end of the transition period.

Importers of goods from the EU will soon be required to complete additional customs procedures. This will include having to complete and submit a customs declaration and the payment of any relevant import tariffs on goods entering the Bailiwick from the EU (directly or in transit from Jersey or the UK).

Additional procedures will include:

- **Applying the same customs rules** to goods moving between the Bailiwick and the EU as currently apply in cases where goods move between the Bailiwick and a country outside of the EU. Import tariffs may also become due on imports from the EU. *Also see section below – ["Trade Tariff and classifying goods"](#)*
- **Customs declarations** will be needed when goods are moved between the EU or another third country. *Also see section below – ["Customs Declarations"](#) and ["Export declarations"](#)*
- **Safety and security declarations** will need to be made by the carrier of the goods (this is usually the haulier, airline or shipping line, depending on the mode of transport used to import or export goods) for all goods imported or exported directly to/from the EU or another third country. *Also see section below – ["Safety & Security declarations"](#)*

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<sup>1</sup> 'Free circulation' means goods that have been produced in the Customs territory of the EU, or that have been imported into the Customs territory of the EU country with import duty paid.

- **Import and export licences or supporting documentation**, that were not required previously, may be required after the transition period to import and export specific types of goods into and from the Bailiwick. *See section below – “[General import and export controls \(Licencing\)](#)”*
- **Preferential arrangements (free trade agreements)** may no longer be available with certain countries. *See section below – “[Preferential Tariffs \(free trade agreements\)](#)”*

As goods from the EU will be liable to import tariffs and measures importers may need to consider placing them under special customs procedures in certain circumstances. These may include:

- **Warehousing** – to suspend import duty on the goods until they are entered for free circulation and the import duty is paid. Import duty warehouses will require customs approval and normally financial security to cover any potential loss of import duty whilst the goods are in the warehouse. Import duty warehouses are separate to excise duty warehouses, i.e. an excise duty warehouse could not be used to warehouse goods liable to import duty unless specifically authorised by customs to do so.
- **Temporary admission** – to temporarily import goods such as samples, professional equipment or items for auction, exhibition or demonstration from a third country. Goods cannot be altered whilst within the Bailiwick and must be exported within certain timeframes.
- **Inward processing** - to get relief from import duty on goods that are imported from a third country to be processed, and then exported, or released for free circulation.

## 4. Customs Declarations

From 1<sup>st</sup> January 2021, importers will need to make a customs declaration at the point of importation and pay relevant customs tariffs on goods imported from the EU; as is currently the case when goods are imported from countries not within the EU’s customs territory. If an import licence or supporting documentation is required this will also need to be provided - *See section below – “[General import and export controls \(licencing\)](#)” and the specific note in that section in relation to the import of [animals, food from animal products and plants](#).*

These new requirements will be the same that currently apply for importing goods from the rest of the world.

Importers will be able to make the declarations themselves or appoint someone else such as a courier, freight forwarder or customs agent to undertake this on their behalf.

### What happens now?

Currently, when goods are imported from the EU they are manifested to customs by a shipper, airline or associated carrier. If these goods have originated in the EU or have previously been imported into the EU but had import tariffs applied (known as entered for “free circulation”) and the goods are not

restricted or liable to excise duty they are immediately released. For these types of goods it may be that importers were not even aware that they had 'cleared' customs through this process. This is able to happen as the Bailiwick is within the customs territory of the EU and goods, not restricted or liable to internal taxes, have free movement.

### **What will change from 1st January 2021?**

Once the current Transition Period ends, the Bailiwick, along with the UK, Jersey and Isle of Man will no longer be part of the EU's customs territory. The Bailiwick will form a customs union with the other three jurisdictions and goods that are not restricted or liable to internal taxes will have free movement between these four territories only. As the EU will be outside of this customs union, all goods that are imported from the EU will become liable to import tariffs and customs controls that were not applied previously. Importers will need to make a customs declaration when such goods are imported from the EU and pay relevant import tariffs prior to the goods being released.

When a consignment arrives into the Bailiwick from the EU, rather than it being immediately released, the shipper, airline or associated carrier will hold the goods until a declaration has been submitted, relevant tariffs paid and any other import requirements have been fulfilled. Relevant customs tariffs will need to be paid on all goods that are imported from the EU. From 1<sup>st</sup> January 2021 the UK Global Tariff will apply to goods imported.

### **Will customs declarations be required for goods from the UK, Jersey or Isle of Man?**

No, unless the goods imported are controlled or restricted goods, excise goods (alcohol, tobacco or fuel) or they are goods that have originated outside of these places and have not previously been declared for import and had import tariffs applied - this is what happens now and will not change.

### **How can these declarations be made?**

Generally customs declarations will need to be submitted electronically via the Guernsey Electronic Manifest System (GEMS). Declarations are submitted via data fields that require specific information about each commodity (item) that has been imported. For each consignment imported, header level data which will contain information regarding the supplier, total value and consignee etc. will need to be submitted followed by a specific line of data for **each product** in that consignment. Each line will contain data which must include the description of the item, the value and a commodity code associated to that product.

These declarations can be made in advance of the goods arriving at the ports to enable the goods to be released on arrival (subject to any other border controls or restrictions). For example, once it is known that goods are on their way, importers can submit a pre-declaration based on the information that they have and pay any relevant tariffs. The submitted declaration will then be assigned to those goods on importation and not held pending a declaration at that point.

### **Can someone make and submit the declarations on behalf of the importer?**

Yes, customs declarations can be complicated. Importers may wish to consider appointing a person to make customs declarations on their behalf (an agent). Agents can help find the information needed to complete and submit customs declarations. Please note that agents acting on behalf of importers will need to be established in the Bailiwick in order to undertake customs functions obligated through

Bailiwick legislation. The importer will still be responsible for the information that agents submit and any import duties that may become liable.

The Guernsey Border Agency is able to provide a list of Guernsey based businesses that may be able to make customs declarations on behalf of importers. Please [contact](#) the Guernsey Border Agency to request this list.

Importers who decide not to use an agent will need to make and submit customs declarations themselves. Importers will need to get access to the [Guernsey Electronic Manifest System](#) to do this.

### **What can Importers do to prepare?**

Importers of goods from the EU are strongly advised to take the following action as soon possible in order to prepare to make customs declarations and minimise delays in receiving goods:

- **Decide on how to make and submit declarations**

If importers decide to use an agent they should engage with them early to establish what information will be required and to ensure that they are able to make these declarations on behalf of the importer. Importers who choose to make and submit declarations themselves should [register](#) for an account on the Guernsey Electronic Manifest System and make [contact](#) with the Guernsey Border Agency to request guidance on how to make customs declarations.

- **Get familiar with the declaration process**

A [test version](#) of the Guernsey Electronic Manifest System is available which replicates the live version. Importers can use this test version to make declarations on current imports, ahead of 1<sup>st</sup> January 2021, to ensure that they are ready and prepared for the new requirements.

- **Consider submitting pre-declarations**

Submitting declarations in advance will most likely enable goods to be customs cleared before they even arrive at the ports. This method enables importers to complete customs import formalities whilst the goods are in transit rather than when they are sitting at the port.

- **Find the right commodity codes for the goods that are to be imported from the EU**

A commodity code for each different product that is imported will be required when making customs declarations. If goods are classified correctly then the rate of import duty that will be liable would also be known. The latest UK trade tariffs can be found [here](#). Importers that are not sure how to classify goods, please check how to [find the right commodity code](#).

- **Consider applying for a duty deferment account**

Importers who regularly import goods from the EU may benefit from having a duty deferment account. This enables import duty charges to be deferred after a declaration has been made and submitted and to be paid once a month through direct debit instead of being paid on individual consignments. To set up a duty deferment account importers will need to be authorised by the Guernsey Border Agency. Importers who think a duty deferment account is right for their level of imports should make [contact](#) with the Guernsey Border Agency to find out how to apply. A financial guarantee to cover any outstanding unpaid duty may be

required. These guarantees must be provided by a bank or other approved financial institution.

- **Engage with supply chains**

Importers should engage with those who supply and deliver their goods to discuss what new information or processes might be required to complete customs procedures both here and at EU ports of exit.

## 5. Trade Tariff and classifying goods

From 1<sup>st</sup> January 2021, the Bailiwick will apply a UK-specific tariff to goods imported from anywhere other than the UK, Jersey or Isle of Man. This UK Global Tariff will replace the EU's Common External Tariff, which applies until 31<sup>st</sup> December 2020.

The tariffs applicable to goods that are imported into the Bailiwick will be published on GOV.GG when they are finalised and before implementation. The latest publication can be found [here](#).

The tariff payable will be established using the commodity code, the value of the goods and the origin of the goods that are declared on customs declarations.

A commodity code will be needed for each different product that is imported when making a customs declaration. If goods are classified correctly importers will also then know what rate of import duty they will be expected to pay. Importers who are not sure how to classify goods should check how to [find the right commodity code](#).

The following guidance issued by HMRC gives further details on the tariffs that will apply to goods imported when the UK Global Tariff takes effect on 1 January 2021:

- [UK tariffs from 1 January 2021\\*](#)

*\*Please note that this guidance has been issued by the UK Government and is therefore written for UK businesses and individuals. Whilst most of the content in relation to customs procedures will be relevant to businesses and individuals in the Bailiwick, some may not. This information has been supplied solely to assist businesses and individuals with their preparations.*

Please note that the EU will apply its tariff rates to goods **imported into the EU from the Bailiwick**. The EU rates are set out in the [EU tariff](#).

Free Trade Agreements reached between the UK and EU, and between the UK and other countries, may reduce or remove tariffs on some goods but will not remove the need to make and submit a customs declaration for the goods. The origin of the goods will determine whether they are eligible for those preferential tariffs. If claiming a preferential tariff under these circumstances additional documents to prove the origin of the goods will need to be provided.



## 6. Export declarations

From 1<sup>st</sup> January 2021 when goods are exported on a permanent basis directly to places other than the UK, Jersey or Isle of Man, an electronic export declaration must first be submitted via the Guernsey Electronic Manifest System (GEMS).

All goods exported directly to a place other than the UK, Jersey and Isle of Man will soon need to be accompanied by a customs export declaration submitted to GEMS prior to the goods being exported. This requirement will be in addition to export manifests that carriers currently submit. However, GEMS functionality enables data submitted in an export declaration to be carried across to the export manifest to avoid duplication. The export declaration can be made by the exporter themselves or their appointed agent, the export manifest will still need to be submitted by the groupage operator (for groupage manifests) and the shipping line/airline (for final manifests). The export declarations will need to be submitted for every consignment being exported directly to a place other than the UK, Jersey and Isle of Man in advance of the manifest being submitted to enable the manifest to be accepted. Consignments without declarations will not be granted export clearance and will therefore be 'detained.'

In order for Customs export measures and controls to be applied export declarations will need to be submitted **before the goods leave the Bailiwick in all cases**. Where goods are exported directly from the Bailiwick to a place other than the UK, Jersey or Isle of Man the [Customs and Excise \(Safety and Security\) \(Export\) \(Bailiwick of Guernsey\) Regulations, 2019](#) will require that all export data is submitted by the carriers within certain time limits.

These new timeframes will require the submission of export manifests where goods are being exported directly to a place other than the UK, Jersey and Isle of Man. Where exported by sea freight and the voyage is less than 24 hours, all cargo export data must be submitted at least 2 hours before departure. Where exported by air, export data must be submitted at least 30 minutes prior to the aircraft's departure. Goods that have not obtained export clearance by these times will not be able to be shipped. Export declarations submitted by exporters or agents will therefore need to be submitted in good time to enable carriers to finalise their export manifests.

Where export goods are identified as subject to customs control, this will operate similarly to the existing detain/release process for imports. Carriers will therefore need to obtain the list of consignments for export and can implement new functionality to confirm that permission to export has been granted. An Application Program Interface (API) is available to enable the carrier to automate the process of checking export consignment status.

Further, more detailed information regarding export declarations is available from Customs including a supplementary document which details:

- The updated export manifest specification
- The fields that will be mandatory for Export Declarations on GEMS
- The Detained Export Consignments API
- An Overview of Declaration Submission API

## 7. Safety & Security declarations

From 1<sup>st</sup> July 2021 carriers of goods operating services into the Bailiwick ***directly*** from places other than the UK, Jersey or the Isle of Man will be required to lodge electronic Safety & Security declarations, in advance of their arrival.

It will be mandatory for all carriers, and in some cases the hauliers themselves, to provide customs authorities with advance information for goods being brought into the Bailiwick from places other than the UK, Jersey or Isle of Man. These declarations must be pre-notified ahead of the arrival of any goods. The time that this must happen depends on the nature of the cargo:

When shipping goods via:	ENS must be submitted:
maritime containerised cargo	at least 24 hours before loading at the port of departure
maritime bulk/break bulk cargo	at least four hours before arrival
maritime sea voyages of less than 24 hours	at least two hours before arrival
short-haul flights - less than four hours' duration	at the time of actual take-off
long-haul flights	at least four hours before arrival

Failure to submit an ENS within the timeframes required may result in goods being held at the port of arrival and customs penalties being issued.

The carrier or their authorised representative submitting the ENS must have a valid Economic Operator Registration and Identification ("EORI") number - *See section below – "[Economic Operator Registration and Identification \(EORI Numbers\)](#)" for further information.*

Guernsey traders will be required to submit Entry Summary Declarations (ENS) to the UK's Import Control System (ICS). The UK is responsible for ICS and as such the key information available in this respect is that which is made publically available via the UK Government website. Carriers and traders currently carrying goods into the UK and utilising clearance agents or handlers in the UK may wish to see what services might be offered by such agents in respect of submitting ENS on behalf of others and/or seek advice or guidance from trade associations/representatives such as BIFA <https://bifa.org/home>.

Current available UK guidance in respect of operation of and access to ICS can be found here:

- <https://www.gov.uk/guidance/import-control-system>
- <https://www.gov.uk/government/publications/import-control-system-how-to-register-enrol-and-use>
- <https://www.gov.uk/guidance/import-control-system-ics-supporting-guidance>
- <https://www.gov.uk/government/collections/import-control-system-support-for-software-developers>
- <https://www.gov.uk/government/publications/ics-technical-specifications-live-implementation-december-2014>

**It should be noted that there is no method for entering an ENS manually into ICS or through an online ‘portal’.**

The potential methods through which operators may submit ENS to ICS, include:

- Using a third party customs agent offering such services (<https://www.gov.uk/guidance/list-of-customs-agents-and-fast-parcel-operators>) may assist but this does not mean all listed companies will offer ICS entry)
- Utilise a Community Service Provider (CSP) network interface to upload ENS declarations direct to ICS and handle messaging exchanges either through bespoke software or by trader front ends offered by the CSP if relevant ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/800274/Trade\\_commercial\\_contacts.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800274/Trade_commercial_contacts.pdf))
- Apply for ICS trader front end access through the Government Gateway and use available or bespoke software to upload declarations through the Government Gateway (<http://www.afss.org.uk/>)

Therefore, Bailiwick carriers and hauliers that must submit an ENS will need to decide whether to obtain access to ICS themselves through one of the above methods or source a UK agent who already has access to ICS that can discharge this requirement on their behalf.

### **Export Safety & Security**

There will also be a requirement for Safety & Security checks to be conducted when services of goods depart a Bailiwick port or airport directly to a place other than the UK, Jersey or Isle of Man. Unlike import safety and security requirements **this requirement will be implemented from 1<sup>st</sup> January 2021**. This will be achieved by using the export manifest and export declaration data submitted onto GEMS by exporters and carriers. **Also see section – “[Export declarations](#)”**

### **Safety & Security at EU Ports**

It should be noted that the EU will continue to have their own Safety & Security requirements, separate to that of the Bailiwick and the UK. Therefore carriers will also be required to submit (the opposite) Safety & Security declarations to the EU for the same movements between the Bailiwick and

an EU port/airport, i.e. when arriving into the Bailiwick from an EU port an import Safety and Security declaration would need to be submitted to the UK ICS and an export Safety & Security declaration submitted to the EU port of departure. The reverse would be required for movements the other way.

Carriers will therefore be required to lodge electronic Safety & Security declarations at the EU ports of departure and arrival in addition to the new local requirements. Guernsey Customs are unable to give advice on the requirements at EU ports therefore carriers are advised to research these requirements prior to the end of the transition period.

Businesses that may be required to submit Safety & Security declarations should consider the following:

- Familiarising themselves with the Safety & Security requirements, including ICS.
- Advertising the requirements to customers, who themselves may need to lodge electronic Safety & Security declarations onto ICS (where a business is the ‘active means of transport’ they will need to lodge the declaration themselves).
- Applying for an EORI. The application is free and UK EORI authorisations will be transitioned automatically. *See section below – [“Economic Operator Registration and Identification \(EORI Numbers\)” for further information.](#)*
- Establishing how they would submit Safety & Security declarations to EU ports/airports of departure and arrival.

## 8. Economic Operator Registration and Identification (EORI Numbers)

An EORI (Economic Operator Registration and Identification) number is currently required by businesses and people undertaking certain customs functions across the EU. An EORI number issued in one EU country is currently valid across the EU. After the transition period the UK will operate a UK EORI scheme separate to the EU’s. A UK EORI will be a 12 digit long number prefaced with the letters “GB” and will only be valid for declarations made in the UK. An EU EORI may be required where functions are undertaken by businesses and people within an EU country.

In terms of Guernsey businesses there is currently no requirement to have an EORI number when undertaking customs functions in Guernsey only. The GBA understands that an EORI will be required by the following persons in the stated circumstances after the transition period:

- **Importing goods from EU into Guernsey directly** – The EU established exporter will require an EU EORI for the export declaration in the EU but the Guernsey established importer will not require an EORI to make an import declaration into Guernsey. The Guernsey established importer will require a GB EORI if they will be responsible for submitting the Entry Summary Declaration (Safety and Security) through the UK’s Import Control System (ICS) *See section – [“Safety & Security declarations” for further information.](#)*

- **Exporting goods from Guernsey into EU directly** – The EU established importer will require an EU EORI for the import declaration in the EU but the Guernsey established exporter will not require an EORI to make an export declaration in Guernsey.
- **Importing goods from UK into Guernsey directly** – Same as EU above but with GB EORI numbers. No requirement for an EORI to submit information to Guernsey Customs, however, should businesses need to submit any information to HM Revenue and Customs via their systems then an EORI would be required.
- **Exporting goods from Guernsey into UK directly** – Same as EU above but with GB EORI numbers. No requirement for an EORI to submit information to Guernsey Customs, however, should businesses need to submit any information to HM Revenue and Customs via their systems then one would be required.
- **Importing goods from EU into Guernsey via the UK** - The EU established exporter will require an EU EORI for the export declaration in the EU. When the goods arrive in the UK, the UK established freight agent will usually take on the role of the importer and will be responsible for handling all customs processes (including transit if necessary). Businesses should check with their freight agents to ensure that they are able to undertake these functions.
- **Exporting goods from Guernsey into EU via the UK** - When the goods arrive in the UK, the UK established freight agent will usually take on the role of the exporter and will be responsible for handling all customs processes (including transit if necessary). Businesses should check with their freight agents to ensure that they are able to undertake these functions. The EU established importer will require an EU EORI for the import declaration in the EU.
- **Guernsey established businesses wishing to use Common Transit or National Transit procedures** – Will need a GB EORI number, as is the case now.

If businesses are in any doubt whether they will require an EORI number then they are advised to obtain one regardless. An EORI number is free to obtain and should only take a few days to come through once the application has been received. Advice on obtaining an EORI can be found here <https://www.gov.uk/eori>. A UK Government Gateway ID (login) will be required to apply for the EORI online but this can be created at the same time as the EORI application.

Any business currently using the Union Transit procedure should already have a GB EORI number and will not need to reapply. However, whereas this number was recognised under the EU EORI scheme this will no longer be the case. Therefore there may also be a requirement for traders to obtain a further EORI number in the EU country they wish to trade with. This will only be required if the trader is responsible for submitting declarations or other entries to the Customs Authorities **in that country**.

Traders are strongly advised to check with the Customs Authorities in the countries with whom they intend to import or export to and or from as to what their requirements will be after the transition period if they are likely to be undertaking any customs formalities in that country; *See section – “Further information” for links to information issued by French Authorities as well as how to apply for a French EORI number.*

## 9. Preferential Tariffs (Free Trade Agreements)

Until the 31<sup>st</sup> December 2020 the Bailiwick is able to continue to be covered by EU-third country trade agreements and therefore EU trade agreements can continue to apply to the Bailiwick.

Currently imports from a country with which the EU has a free trade agreement may qualify for preferential rates of duty based on rules of origin. Exports from the Bailiwick to a country with which the EU has a free trade agreement may also qualify for preferential rates of duty and rules of origin. Normally a preference document or ‘certificate’ needs to be supplied to prove the preference is applicable. An example is the EUR1 document used to show countries receiving goods exported from the Bailiwick that the preferential rate of duty can be applied.

After 31 December 2020, EU trade agreements will not apply to the UK or the Bailiwick. The UK is seeking to reproduce the effects of existing EU agreements for when they no longer apply to the UK. The Bailiwick is likely to be part of these trade agreements for the purpose of tariffs and therefore would be part of the preferential trade arrangements. This will ensure continuity of trading arrangements for any Bailiwick businesses that currently benefit from EU trade preferences.

If the UK do not reproduce the effects of an existing EU agreement, trade with other World Trade Organization (WTO) members will take place on [WTO terms](#) when EU trade agreements cease to apply to the UK and Bailiwick at the end of the transition period. In these cases the preferential tariffs that are currently enjoyed may no longer be available to importers or exporters.

The following link to GOV.UK provides information on the trade agreements the UK has already signed and the ongoing discussions with countries the EU has a trade agreement with - [GOV.UK - Existing UK trade agreements with non-EU countries](#)

Importers and exporters are advised to identify any EU trade preferences that they, or their customers, currently benefit from to establish what progress has been made to reproduce the effects of these arrangements after the transition period and how any arrangements that are ongoing may affect business if they are not reproduced before 1<sup>st</sup> January 2021.

## 10. Customs legislation

The Customs and Cross-Border Trade (General and Enabling Provisions) (Bailiwick of Guernsey) Law, 2018 provides a new legislative framework for Bailiwick import duties and related matters which previously fell within the scope of Protocol 3. Amendments to the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972, as amended, have also been necessary.

The content of this new legislation can be seen here - [The Customs and Cross-Border Trade \(General and Enabling Provisions\) \(Bailiwick of Guernsey\) Law, 2018](#)

Other necessary Customs legislation has been prepared, most of which will come into force at the end of the transition period:

- [The Customs and Excise \(Approved Ports\) \(Bailiwick of Guernsey\) Order, 2019](#)
- [The Customs and Excise \(Approved Ports and Customs Declarations\) \(Bailiwick of Guernsey\) Regulations, 2019](#)
- [The Customs and Excise \(Approved Ports and Customs Declarations\) \(Bailiwick of Guernsey\) \(Amendment\) Regulations, 2019](#)
- [Export Control \(Bailiwick of Guernsey\) \(Brexit\) Regulations, 2019](#)
- [The Customs and Excise \(Safety and Security\) \(Export\) \(Bailiwick of Guernsey\) Regulations, 2019](#)
- [The Import Duties \(Tariff and Related Provisions\) \(Bailiwick of Guernsey\) Ordinance, 2019](#)
- [The Customs Transit Procedures \(Bailiwick of Guernsey\) Regulations, 2019](#)
- [The Customs and Excise \(Bailiwick of Guernsey\) \(Personal Reliefs\) \(Amendment\) Order, 2019](#)
- [The Cash Controls \(Specified Amount\) \(Brexit\) \(Bailiwick of Guernsey\) Regulations, 2019](#)
- [The Methods of Valuation \(Import Duty\) Regulations, 2019](#)

Further legislation and amendments are currently in progress and more is likely to be needed as the situation in relation to the Bailiwick's participation in future UK free trade agreements becomes clearer. All legislation is published on [Guernsey Legal Resources](#) once made. Any business or individual who interacts with customs is advised to check the legislation that they currently operate under to ensure ongoing compliance with customs obligations.

## 11. Transit and NCTS

The Bailiwick currently operates within the EU's Union Transit system. Union Transit is a customs procedure that allows goods not in free circulation to move within the UK or EU, while customs duties or other charges are suspended. From the 1<sup>st</sup> January 2021 the Bailiwick will not be able to participate in Union Transit but instead Common Transit will apply, by virtue of the UK's membership, which will, in general, replicate the current arrangements.

The UK will remain in the Common Transit Convention ("CTC") once the transition period ends. The UK is currently a member of the CTC while it is in the EU, and has successfully negotiated membership

in its own right for which the Bailiwick will also remain under the UK's membership. This will facilitate the continuance of the transit procedure by allowing movements of goods between contracting parties to the Convention, enabling any charges due on those goods to be paid only in their country of destination. This will ensure that we can continue to move goods between the EU member states, the EFTA countries (Iceland, Norway, Liechtenstein and Switzerland) as well as Turkey, Macedonia and Serbia as we currently do under Union Transit.

Guernsey Customs understand that the current transit system known as NCTS will continue to be used to place goods under transit and continue to be the primary IT solution for CTC.

T2F status will no longer be available to goods being placed under the CTC transit procedure from the Bailiwick. All goods placed under transit from the Bailiwick (or the UK) will be deemed T1 for the purpose of CTC.

CTC can only be used for moving goods **between** contracting parties and not within a single contracting party. In the eyes of the CTC, the Bailiwick and the UK will be a single contracting party. Therefore CTC cannot be used to transit goods from the Bailiwick, to say Portsmouth and up to Heathrow for export to a non-CTC contracting party (i.e. USA).

The UK will implement a "UK Transit system" to enable goods not moving through another CTC contracting party to transit through the UK with all taxes and duties suspended. Customs officials are currently in discussions with HM Revenue & Customs to determine if the Bailiwick can have access to UK Transit and if so how that will be achieved and what IT system will be used. If no access is achieved, or no arrangements are in place by 1<sup>st</sup> January 2021, then goods arriving in the UK from a non-CTC country to transit **just the UK** to Guernsey or goods arriving in the UK from Guernsey to transit **just the UK** to a non-CTC country would need to be placed under UK Transit at the point of entry in the UK and be discharged at the point of exit from the UK. In these circumstances the Guernsey Border Agency could not facilitate the start or ending of this transit procedure; this would need to be done in the UK. An example of this would be goods being shipped from Guernsey to USA (a non-CTC country) that need to transit the UK (via Portsmouth) to be exported to the USA from Heathrow. In this example the UK Transit would start at Portsmouth and end at Heathrow.

Based on the information above, businesses or individuals who currently use Union Transit to move goods through the UK only are strongly advised to research options available that could be used if UK Transit has to be started and ended in the UK. This is likely to require an UK based agent to act on their behalf.

The Guernsey Border Agency will issue further details of any arrangements that are agreed as soon as they are known. Businesses or individuals who use transit now, or believe that they may need to transit goods from 1<sup>st</sup> January 2021, can [contact Guernsey Customs and Excise](#) with any questions or concerns about these changes.



## 12. General import and export controls (licencing)

Importers and exporters currently need to apply for an import or export licence or provide supporting documentation to import or export specific types of goods into or out of the Bailiwick, or to meet the conditions of the relevant customs import or export procedures.

**BUSINESSES OR INDIVIDUALS WHO TRADE ANY GOODS WITH THE EU ARE STRONGLY ADVISED TO RESEARCH WHAT NEW RESTRICTIONS MAY APPLY FROM 1<sup>ST</sup> JANUARY 2021. GOODS MAY BECOME LIABLE TO FORFEITURE WHERE NEW RESTRICTIONS COME INTO FORCE AND THE APPROPRIATE PERMISSIONS (E.G. LICENCES) HAVE NOT BEEN OBTAINED.**

Goods listed in Schedule 8 to [the Import \(Control\) \(Guernsey\) Order, 2010](#), Schedule 9 to the equivalent [Alderney Order](#) and Schedule 5 to the [Export Control \(Miscellaneous Goods\)\(Bailiwick of Guernsey\) Order, 2010](#) require licences to be imported from or exported to “anywhere outside the customs territory.” The current definition of “customs territory” includes the EU. Changes to this legislation will come into force on 1<sup>st</sup> January 2021 to reflect the new customs territory that will then include just the Bailiwick, the UK, Jersey and the Isle of Man. Anyone who imports or exports any goods listed in these schedules are likely to need to obtain permissions to import or export them from 1<sup>st</sup> January 2021.

In addition to this, animals, products of animal origin, feeding stuffs, plants and chemicals, to name a few, all currently enjoy relative free movement between the Bailiwick and the EU. Businesses or individuals who currently trade with the EU, are advised to identify any goods that they trade now that might be subject to stricter controls once the transition period ends, make preparations accordingly and, where necessary, seek the advice of the appropriate States Department on these matters. If in doubt, [Guernsey Customs and Excise](#) can advise which goods are ‘restricted’ and which States Department is responsible for regulating such goods.

### **Important note on the import of animals, food from animal products and plants**

Rules with respect to food hygiene, animal health, products of animal origin and plants, traded with the EU will change at the end of the transition period. These goods will be required to meet the UK sanitary (health) and phytosanitary (plant health) requirements (known as SPS measures) before they can be imported or exported. SPS measures are measures to protect humans, animals, and plants from diseases, pests, or contaminants.

Goods subject to SPS measures include:

- Live animals
- Dairy products
- Meat and poultry products
- Fish and fish products
- Plants and plant material
- Animal feed and bedding

Guernsey, as part of the EU's customs territory, currently enjoys relatively restriction free movement of these goods. **This is likely to change significantly once the transition period ends** when the Bailiwick is outside of the EU's customs territory. The Bailiwick will be required to apply SPS measures when these goods are traded directly with places other than the UK, Jersey or Isle of Man.

These controls will be common across UK, Jersey and Isle of Man borders meaning that once these goods have 'cleared' at one of the locations they will be free to move within the four territories without further SPS checks. It is likely that all consignments of such goods will need to be presented at the border and undergo documentary and physical checks. These checks would be carried out at a frequency depending on the risk linked to the specific animals or goods.

The relevant Departments within the States of Guernsey are currently working with UK authorities to understand what requirements and procedures will be needed once the transition period ends to enable these goods to be traded with the EU. As soon as further information is known it will be published by the relevant States of Guernsey Department.

### **13. Strategic Goods (e.g. dual-use and military goods)**

#### **Military items (including firearms)**

A licence is currently required to export military goods (including firearms) to any destination, including EU countries. Controls on military items (goods and technology) are currently implemented by Bailiwick wide legislation - [The Export Control \(Military, Security, and Related Matters\) \(Bailiwick of Guernsey\) Order, 2010](#).

There will be no changes to the controls on the export of military items (including firearms) from the Bailiwick, other than minor legislative fixes, from 1<sup>st</sup> January 2021.

#### **Dual-use goods – Overview**

Dual use goods are goods, software, technology, documents and diagrams which can be used for both civil and military applications. They can range from raw materials to components and complete systems, such as aluminium alloys, bearings, or lasers. They could also be items used in the production or development of military goods, such as machine tools, chemical manufacturing equipment and computers. The list of goods is vast and covers some that may be considered 'everyday items.' The full list can be found in [Annex I to the EU Dual-use Regulation](#). The categories of dual-use goods are as follows:

- Electronics
- Computers
- Telecommunications and "information security"
- Sensors and lasers
- Navigation and avionics
- Marine
- Aerospace and propulsion

- Nuclear materials, facilities and equipment
- Special materials and related equipment
- Materials processing

#### **Dual-use goods - Exports from Guernsey**

A licence is currently required to export dual-use items to a country outside the EU. Other than for a small number of sensitive items, no licence is currently required to move dual-use items between the Bailiwick and other EU countries (including the UK). The EU Dual-use Regulation [Council Regulation \(EC\) No 428/2009](#) has full force in the Bailiwick. A list of Dual-use items can be found in the Annex to this regulation. Generally Dual-use goods are items which can be used for both civil and military applications and items that could also be used in the production or development of military goods, weapons, civil nuclear equipment, chemical manufacturing equipment or computers.

The overall framework for controls of dual-use exports from the Bailiwick is not intended to change from 1<sup>st</sup> January 2021.

#### **Dual-use goods – Imports from UK**

The export of dual-use goods from the UK to Guernsey will become subject to licensing controls. This will mean that dual-use goods moving from the UK to the Bailiwick will newly require licences. The UK plan to mitigate this by publishing a General Export Authorisation for dual-use items. The issuance of a General Export Authorisation isn't expected to see the export of dual-use goods to the Bailiwick, from the UK, disrupted, albeit exporters from the UK will be subject to new conditions of that General Export Authorisation which they may not have been previously, such as registration with HM Revenue & Customs and stricter record keeping.

#### **Dual-use goods – Imports from EU**

The export of dual-use goods from the EU to the Bailiwick will become subject to licensing controls. This will mean that dual-use goods moving from the EU to the Bailiwick will newly require licences. The EU have a General Export Authorisation but the Bailiwick is not currently included on that list. Whilst the States of Guernsey is continuing to pursue for the inclusion of the Bailiwick on this list, currently this means that EU companies would need individual licences to export dual-use items to the Bailiwick. This could lead to delays and additional costs to the importers of those items into the Bailiwick.

**Businesses are strongly advised to research whether the goods that they import or export are categorised as dual-use within the definitions of [Annex I to the Dual-use Regulation](#) (The suppliers of these goods should know if they are categorised as dual-use). If goods are found to be dual-use consideration should be given to how the changes highlighted above might affect the ability to import or export these goods. PARTICULAR ATTENTION SHOULD BE GIVEN TO DUAL-USE GOODS SOURCED FROM THE EU as the EU supplier may now need to apply to the relevant EU Customs Authority for an export licence which will be required before they send the goods. These applications often take time to obtain approval. This matter should be discussed with suppliers at the earliest opportunity in order to minimise delays in receiving goods.**

## 14. Further information

### GOV.GG Website

Further general information can be found on the GOV.GG pages here:

- <https://www.gov.gg/Brexit>

### GOV.UK Website\*

The UK government website:

- <https://GOV.UK>
- <https://www.gov.uk/transition>

*\*Please note that guidance on GOV.UK has been issued for UK businesses and individuals. Whilst most of the content in relation to customs procedures will be relevant to businesses and individuals in the Bailiwick, some may not. This information has been supplied solely to assist businesses and individuals with their preparations.*

### DOUANE.GOUV.FR Website

French Customs have released a number of informative documents which, given the close proximity of the Bailiwick to France, may prove useful to local businesses and individuals:

- <https://www.douane.gouv.fr/dossier/franchissons-le-brexit-ensemble>

Where necessary, French EORI numbers can be applied for here:

- <http://www.douane.gouv.fr/Portals/0/fichiers/douane/brexit/eori/formulaire-demande-eori-brexit.pdf>

### Guernsey Customs & Excise

Guernsey Customs & Excise may be able to answer specific customs related questions in relation to the impact that the UK's exit from the EU may have on Bailiwick based businesses. Customs & Excise contact details:

✉ Email - [customsandexcise@gba.gov.gg](mailto:customsandexcise@gba.gov.gg)

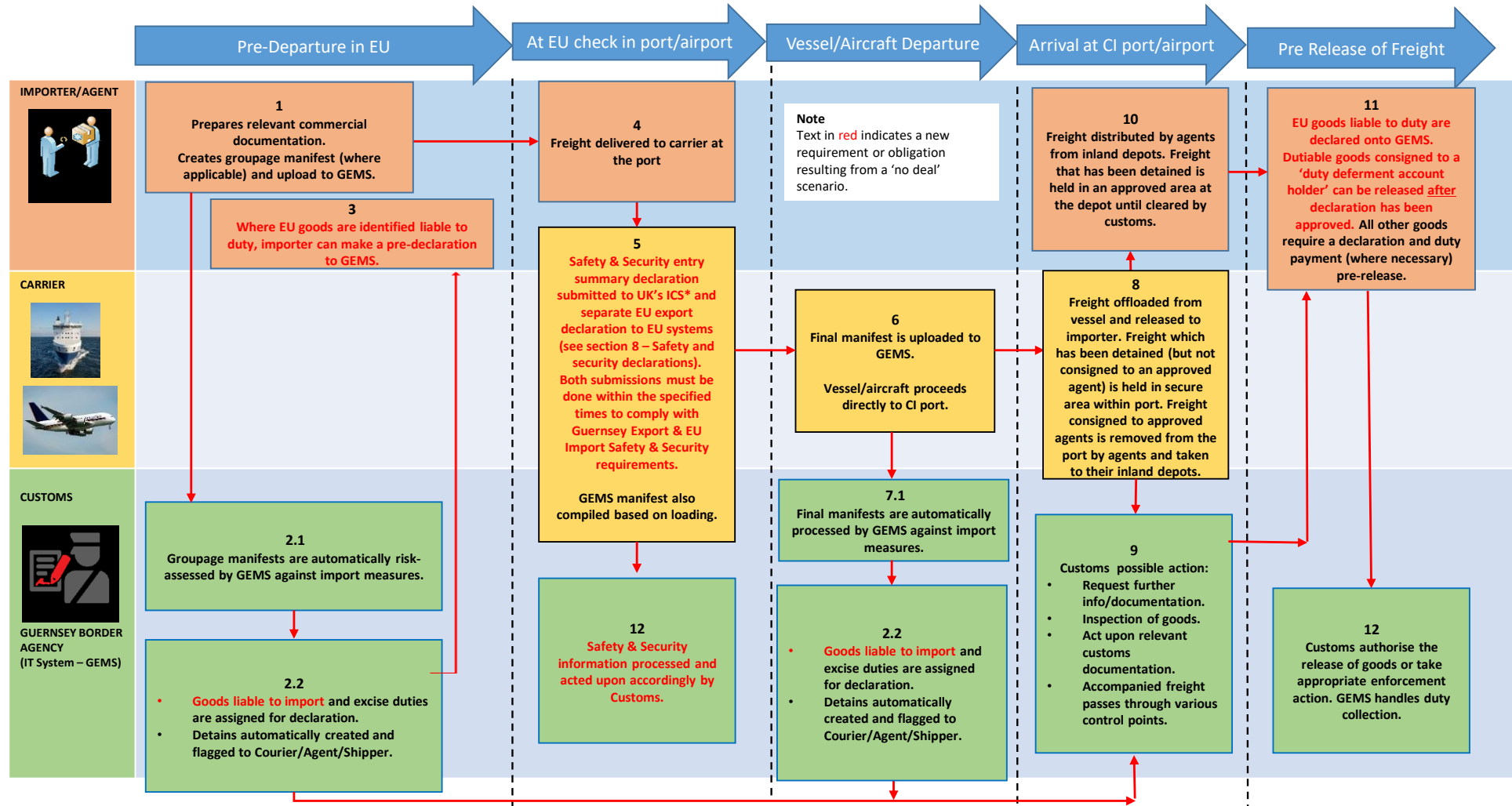
☎ Telephone - 01481 741431

📄 Customs and Excise, New Jetty, White Rock, St Peter Port, Guernsey, GY1 2LL

## **15. Appendices**

The two freight flow diagrams below, labelled Appendix A and Appendix B, illustrate freight flows between the Bailiwick & EU and EU & the Bailiwick from 1<sup>st</sup> January 2021. The illustrations cross-cut a number of the sections discussed in this document and highlight, in red, any new requirements or obligations.

## 16.Appendix A – Freight flows to the Bailiwick from EU from 1<sup>st</sup> January 2021



\*Import safety and security declarations will not be made mandatory until 1<sup>st</sup> July 2021

## 17. Appendix B – Freight flows from the Bailiwick to EU from 1<sup>st</sup> January 2021

