

Moving Goods Liable To Duty Across the United Kingdom to and from the Bailiwick of Guernsey Under Transit.

(updated March 2022)



Purpose of this information

This information has been supplied by the Guernsey Border Agency solely to assist businesses with understanding the transit procedures available when moving goods liable to duty or taxes across the United Kingdom (including goods coming from or going to the European Union (EU) via the UK), either to or from the Bailiwick. Guernsey Customs are not able to facilitate these procedures when they start in another jurisdiction. Where necessary, businesses are advised to discuss their international transport requirements with dedicated customs agents who will be able to make relevant arrangements and organise for the required paperwork to be completed.

Introduction and Summary

Transit is a customs procedure that allows goods to be moved through certain countries, to their destination, whilst customs duties and other taxes (such as VAT) are suspended. The goods remain under customs control whilst in transit. A guarantee is usually required to secure all charges on the goods.

Normally, when goods are to remain and be used in a particular country, they are declared to a customs procedure known as “free circulation”. Goods entered for free circulation become liable to all relevant duties and taxes at that point. In the case of goods arriving into the Bailiwick from a country outside the Customs Union (anywhere except UK, Jersey or Isle of Man) that will include customs duty and excise duty (where applicable). In the case of the same goods being entered for free circulation in the UK, VAT will also become liable. If goods are not to be declared to free circulation then they must be declared to another customs procedure, i.e. they cannot just leave the port whilst under customs control. A transit procedure can be used when goods are to pass through a country that is not the destination of the goods in order to suspend any duties and taxes that may have been liable if the goods were to be remaining in that country.

In the case of goods transiting the UK, when the goods arrive at the UK border they are subject to duties and taxes which include import duty and VAT. If the goods are entered to free circulation at that point then import duty **and** VAT would become liable (this is obviously something Bailiwick

businesses want to avoid). Therefore in these circumstances if the goods are placed under transit the import duty and VAT can be suspended until they exit at the UK-Bailiwick border (e.g. Portsmouth). The UK Customs authorities will not allow goods to be released at the UK border without them being entered to a customs procedure – it is their revenue at risk at that point if the goods never make it to the Bailiwick. When placed under transit, the goods can travel across the UK and down to the Bailiwick whereupon the procedure will be ended here by the Guernsey Border Agency and any duties liable paid here following an import declaration being made. Buyers or importers will need to negotiate as to who is responsible for making these arrangements if this routing/method is chosen and who will make relevant declarations at the borders in respect of the goods being imported.

Goods destined for the Bailiwick that are to transit the UK can be placed under transit when they arrive at the UK Border. Alternately, this process could be started at the point of departure if the goods are being exported from the European Union. Prior to leaving the EU, the UK Government signed up to the Common Transit Convention and subsequently extended it to cover the Channel Islands. This allows for goods to be placed under duty suspension when travelling through the countries that have signed up to the convention (which includes all of the EU and EFTA countries and a few more, see [Common Transit Convention countries - GOV.UK \(www.gov.uk\)](http://www.gov.uk)) and only being charged the relevant duty once the goods have arrived at their destination. With the extension of the CTC agreement to the Bailiwick of Guernsey, CTC movements can be both commenced and ended in the Bailiwick for exports and imports respectively. Therefore where goods are to be shipped from the EU, via the UK, it may be that the transit procedure can be started at the place of departure in the EU, as opposed to at the UK border usually resulting in less delays at the UK border.

As a customs authorisation and guarantee needs to be in place in the country where the transit procedure is commenced, importers of goods that are needing to use transit will need to ensure they have discussed and agreed delivery terms and responsibilities with the exporter as to who is responsible for the various stages of transport and whether or not Customs Intermediaries such as freight forwarders and/or Customs agents or brokers should be used. Due to the complexities of some of the paperwork and customs procedures in different jurisdictions, occasional importers are highly recommended to discuss their international transport requirements with dedicated customs agents who will be able to make relevant arrangements and organise for the required paperwork to be completed.

Customs Agents based in the Bailiwick may be able to assist with transit procedures even where they start outside of the Bailiwick. A list of Bailiwick based Customs Agents can be found here - [GOV.GG - List of Bailiwick based Customs Agents](http://gov.gg)

Details of the Transit Procedure

When goods arrive in the United Kingdom (“UK”) from another country (including the Channel Islands), they are deemed to be “chargeable goods” under UK legislation and therefore may be liable to duties or taxes. The types of duties or taxes that might be charged include Customs duty (also known as import duty), excise duty, and import Value Added Tax (import VAT). National Taxes are any

form of goods tax that is equally applied to all goods both domestically produced and goods that are imported. Excise duty and VAT (or GST in Jersey) are examples of National Taxes.

The Bailiwick of Guernsey is currently in a Customs Union with the UK, Isle of Man and Jersey therefore any goods imported from outside of these areas will be assessed for import duty against the UK Trade Tariff and applicable National Taxes whereas any goods imported from within the Customs Union will only be assessed for any applicable National Taxes in force in that particular territory. This is due to the Channel Islands being a separate fiscal area to the UK where National Taxation is concerned (Excise duty and VAT).

Before the goods can continue on from the port or airport they have arrived at, any duty liability must be assessed and the goods entered for an appropriate customs procedure to address such liabilities. The most common procedure covering most trade entering the UK is for the goods to be entered for "Free Circulation". This means that following assessment, any and all duties and taxes liable will be paid at that point thereby allowing the goods to move freely around the UK free from any further customs controls and with no further charges outstanding. When goods are exported outside of the fiscal area of the UK, any duties paid under National Taxes may be due for a refund when certain conditions are met. This is likely to require the submission of a request to HMRC for a refund or drawback of the excise duty and/or VAT charges paid.

In most cases, paying duties and then applying for drawback or refunds adds complexity and potential delays to the movement of goods, particularly where the territory they are moving through is not the end destination for the goods in question. A Transit Procedure would assist with facilitating the movement of goods across a territory and reducing delays at border crossing in respect of duty liability.

A Transit Procedure can either be commenced in the European Union ("EU") or in the UK under Common Transit in order to move goods to the Channel Islands.

As a guarantee needs to be in place in the country where the transit procedure is commenced, importers of goods from the EU will need to ensure they have discussed and agreed delivery terms and responsibilities with the exporter as to who is responsible for the various stages of transport as this may influence whether transit can be used or commenced from and whether or not Customs Intermediaries such as freight forwarders and/or Customs agents or brokers may be used. Likewise the route the goods are due to take may also inform any decisions as to if and where transit movements should commence. Due to the complexities of some of the paperwork and customs procedures in different jurisdictions, occasional importers are highly recommended to discuss their international transport requirements with dedicated customs agents who will be able to make relevant arrangements and organise for the required paperwork to be completed.

Common Transit Convention (CTC) Movements

Prior to leaving the EU, the UK Government signed up to the Common Transit Convention ("CTC") and subsequently extended it to cover the Channel Islands. This allows for goods to be placed under duty suspension when travelling through the Countries who have signed up to the CTC and only being

charged the relevant duty once the goods have arrived at their destination (see [GOV.UK - CTC Countries](#) for information on the Countries where CTC can be used). With the extension of the CTC agreement to the Bailiwick of Guernsey, CTC movements can be both commenced and ended in the Bailiwick for exports and imports respectively.

Aside from the general declaration information required, CTC movements will also require three specific pieces of information which relate to the routing to be undertaken by the goods. The first item will be the Office of Departure which will be the office where the movement starts and the goods and guarantee arrangements are checked by the Customs Authority in that Country. The next will be the Office of Transit which is the Customs Office responsible for the port where the goods first enter the UK–Crown Dependencies Customs Union. Goods may require to be checked at this point, especially if there are any licensing requirements regarding the goods being carried. Once the goods have been registered as arriving at the Office of Transit the goods can then carry on to the Office of Destination which should list the Customs Office responsible in the area covering the final destination.

The Transit Office in Guernsey (GBA - Customs and Excise Office) is able to approve CTC movements commencing in the Bailiwick for goods heading to the EU as well as act as an office of transit for goods passing through and the Office of Destination for goods where Guernsey is the end point of the journey. Guernsey Customs are not able to start a transit movement which does not start in the Bailiwick of Guernsey (i.e. Guernsey is not the Office of Departure).

Where CTC is used for goods departing an EU country that will be transiting through the UK Mainland en route to Guernsey, the Guernsey Office should be listed as the Office of Destination. Using any other GB Office in this circumstance may hinder the onwards movement of the goods to the Bailiwick. Furthermore the use of any other GB listed office may result in UK taxes becoming liable and the goods held up until the goods have fully cleared UK Customs through payment of the duties or entries being required to place the goods under other customs procedures.

The Guernsey Transit Office details are listed on the EU website regarding CTC and Union transit movements: [Guernsey Customs Transit Office](#). The details are as follows:

Guernsey Customs & Excise

New Jetty White Rock

St Peter Port

Guernsey

GY1 2LL

Office Reference Number: GB000461

UN/LOCODE: St Peter Port

Example CTC Transit Import Movement (EU-Guernsey):



1. A CTC movement is started at an Office of Departure in an EU Member State by the exporter and/or a Customs agent with an appropriate guarantee in place to cover any tax liabilities during the journey. Goods are presented to the relevant EU customs authority and approved to proceed using the NCTS.
2. The goods travel to the UK and the goods are presented to UK Customs at the port of entry or designated transit office for the relevant port. The Office of Transit records the arrival on the NCTS and once any required checks have been completed, the goods may proceed to a port for onwards carriage to the Bailiwick if the Guernsey Office has been listed as the Office of Destination.
3. The goods arrive at the port for export to the Bailiwick under duty suspension where the Guernsey Office is the Office of Destination.
4. Where the goods arrive in the Bailiwick still under the transit procedure, the goods will need to be presented to Guernsey Customs and the procedure can be formally ended in the Bailiwick following which the goods will then become liable for any duties payable in the Bailiwick as opposed to elsewhere.

Where goods need to be exported to the EU, the same concept effectively happens in reverse with the Guernsey Transit Office acting as the Office of Departure, the Customs Office at the first EU port the goods are due to arrive at being the Office of Transit and the Customs Office nearest the destination in the EU is the Office of Destination. This means the goods can travel across both the UK and EU Member States without any duties being liable until the goods reach their destination thereby reducing holdups by Customs at border crossing points.

Export declarations and export and import safety and security declarations will still be required in addition to the transit declaration therefore ensure these matters are taken into account as part of your logistical planning and it is clear who will be submitting what information and where along the supply chain. Again, use of customs agents or freight forwarders can help to ensure all customs obligations are covered.

A UK Government guide on using Common Transit can be found here:
[How to export to the EU using transit.pdf \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/421212/how_to_export_to_the_eu_using_transit.pdf)

Transit involving UK Only

If goods are to transit the UK but a transit procedure has not been commenced in a CTC country first then when the goods arrive at the UK border they will be liable to import duty and UK National Taxes, including VAT. However, a common transit procedure can still be commenced when the goods arrive in the UK. As with other CTC movements, the transit office in Guernsey can approve declarations to start and end UK transit only movements.

In practice this allows for goods leaving Guernsey to arrive in the UK already under duty suspension at the first port or airport of arrival. The procedure and associated duty suspension would then be ended upon the goods subsequently being declared to another Customs procedure in the UK including being declared for export from the UK. Where the procedure ended at an office of destination within the UK, the relevant duties and taxes would become liable at that point.

Example of a Transit Movement Involving UK Only:



1. The goods are dispatched from the Bailiwick under a Common Transit Procedure where the Guernsey Office is deemed to be the Office of Departure.
2. The goods travel to the UK where the Transit Accompanying Document is available to be shown on arrival if required at the port of entry into the UK. By being under a transit procedure, duties such as VAT are suspended on arrival for as long as the goods remain under the procedure. The goods are then able to continue their journey to the Customs Office responsible for the area where the goods are due to be delivered to for formal presentation to Customs in order to end the procedure correctly at the Office of Destination. If the UK consignee is an Authorised Consignee, then the goods can be taken straight to the consignee and the procedure ended by the consignee under their authorisation.
3. Once the procedure has been ended, the goods become liable to duty, in this case, import VAT, and must therefore be entered for a customs procedure such as free circulation, a special customs procedure, or export.

The same process can be used where goods arrive at a UK airport or seaport and are being held in duty suspension. Instead of being entered for free circulation in the UK and incurring import VAT costs on top of any import duty costs, they can be entered for a common transit procedure in order to transport the goods onwards to the Bailiwick. This will require the services of a UK based Customs or freight agent who can interact with the relevant digital services operated by HMRC and provide a guarantee on behalf of their client. The goods can then be transported from the UK Office of Departure under the cover of the TAD to a seaport for the final leg down to the Bailiwick. On arrival in the Bailiwick the goods must be presented to Customs who when satisfied all is in order will end the procedure as the Office of Destination. Once the procedure has ended, a customs declaration must be made in order to clear the goods into either free circulation or another customs procedure.

General Note

If the goods have been under a duty suspension procedure in the UK, such as Customs Warehousing or temporary storage, prior to their export to the Bailiwick and are therefore not in free-circulation in the British Islands (i.e. import duty liability has been cleared), the importer will be required to make a full Customs declaration on arrival in the Bailiwick and enter the goods for either free circulation or another Customs procedure and pay any duty amount liable accordingly. All goods that arrive in the Bailiwick under transit will also need a full Customs declaration either into free circulation or another Customs procedure once the transit procedure has been ended.

Guarantees

All transit procedures require a guarantee to be in place to underwrite any liabilities that could arise if the goods are diverted from, or stop in any country on, the given route, prior to their intended destination whether intentionally or otherwise. Depending on the nature of the transit movement and how often the procedure is to be used, a guarantee may be an individual guarantee for one off imports/exports (this can be applied for up to three times a year for CTC movements) or a

comprehensive guarantee which allows for a greater number of movements against one guarantee as opposed to one separate guarantee for each movement. A guarantee must be sufficient to cover any import duties and/or VAT that could be accrued in a country on the route, therefore the country with the highest amount of combined duties will be taken as the basis for the minimum amount expected to be covered.

Where a procedure is to start either in the Bailiwick or in the UK, the holder of the guarantee will need to be based in either the Bailiwick or the UK, as will the financial institution acting as guarantor. Where a business holds a guarantee but wishes to use a Customs Agent to complete the relevant formalities, they may authorise the Agent in writing to use the business guarantee as opposed to any guarantee the Agent may hold. Where a business does not hold a guarantee, they must use an Agent with a guarantee in place who can cover and is willing to take on the financial risks associated with the procedure and the goods in question. The holder of the procedure will be the person or entity who holds the guarantee and is ultimately responsible for the goods.

CTC movements commencing in the EU will need a guarantee to be in place in the Member State where the movement is beginning its journey. The international trade terms the supply contract is made under will set out who is responsible for the various transport arrangements along the way. Should this require the buyer to make the necessary arrangements then Customs Agents with appropriate fiscal abilities may need to be contracted through in order to achieve the necessary customs arrangements and handling of documentation.

Customs Agents

It is highly recommended that the services of a Customs Agent are obtained in respect of organising movements of goods across international borders especially where procedures such as transit are to be used. Some systems in use both in the EU and the UK for the submission of Customs related applications and documentation can only be accessed by approved Customs and Freight/Logistics Agents or businesses with dedicated trade and customs operators. Further benefits of using customs professionals include such agents being able to use contacts in other countries to facilitate and/or organise movements, as well as being able to provide advice on any Country specific requirements.

Useful HMRC Guidance and Other Transit Related Web Pages

- <https://www.gov.uk/guidance/bring-goods-into-or-through-the-uk-using-union-and-common-transit>
- <https://www.gov.uk/guidance/how-to-move-goods-between-or-through-common-transit-countries-including-the-eu>
- <https://www.gov.uk/guidance/what-you-need-to-move-goods-between-or-through-common-transit-countries-including-the-eu>
- <https://www.gov.uk/guidance/check-if-you-can-use-transit-to-move-goods-to-the-eu-and-common-transit-countries>
- <https://www.gov.uk/guidance/planning-your-route-before-moving-goods-using-transit>

- <https://www.gov.uk/government/publications/the-border-operating-model>
- https://ec.europa.eu/taxation_customs/business/customs-procedures/what-is-customs-transit/common-union-transit_en
- https://ec.europa.eu/taxation_customs/dds2/rd/rd_details.jsp?Lang=en&DesLang=&RefNum=GB000461
- <https://www.gov.uk/government/publications/uk-offices-community-and-common-transit>
(Cross refers back to Europa website)
- <https://www.gov.uk/guidance/common-transit-convention-countries>
- https://www.wcaworld.com/Common/download/incoterms/WCA_Incoterms2020.pdf
(Incoterms 2020)

Relevant Transit Legislation

- [The Customs Transit Procedures \(EU Exit\) Regulations 2018](#)
- [The Customs Transit Procedures \(Bailiwick of Guernsey\) Regulations 2019](#)
- [Cm 9746 - Convention on a Common Transit Procedure \(publishing.service.gov.uk\)](#)

Common Transit Procedure Manuals

- [transit_manual_june_2020_en.pdf \(europa.eu\)](#)
- [Transit Manual Supplement - GOV.UK \(www.gov.uk\)](#)

Guarantees

- <https://www.gov.uk/guidance/import-and-export-customs-comprehensive-guarantees-ccgs>
- <https://www.gov.uk/guidance/apply-for-a-customs-comprehensive-guarantee-to-cover-customs-debts>
- <https://www.gov.uk/guidance/get-an-individual-guarantee-to-cover-customs-debts>
- <https://www.gov.uk/guidance/get-a-guarantor-for-your-customs-comprehensive-guarantee>