

GUERNSEY CUSTOMS & EXCISE BREXIT PREPARATIONS

This notice sets out information on Customs & Excise matters in relation to Brexit. It is intended to inform businesses and individuals and provide understanding of various scenarios in order to make informed plans and preparations.

THIS IS VERSION 2 - Summary of Main Amendments Made Since Original Version:

Amendments made in Version 2:

- **Safety & Security declarations:**
 - Import Safety & Security declarations will not need to be submitted for a period of six months post EU Exit.
 - Export Safety & Security obligations will be achieved through current GEMS export manifests.
 - Carriers will be required to supply additional export manifest data.
 - Safety & Security requirements at EU ports.
- **Changes to GEMS:**
 - Carriers will be required to supply additional export manifest data.
- **Exporting 'strategic goods' (e.g. dual-use and military goods):**
 - The export of dual-use goods from the EU to the Bailiwick will become subject to licensing controls in a no-deal scenario. This could lead to delays and additional costs to the importers of those items into the Bailiwick.

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1. Purpose of this notice

This notice sets out information relating to Customs & Excise matters to enable businesses and individuals to understand various scenarios in order to make informed plans and preparations.

At a special meeting of the European Council on 25th November 2018, the [Withdrawal Agreement and Political Declaration](#) on the future relationship between the UK and EU was endorsed. **However, until the UK Government approves the Withdrawal Agreement, there remains a possibility that the UK may leave the EU without a deal in March 2019 (a ‘no deal’ scenario).**

Guernsey Customs & Excise are preparing to ensure the Bailiwick’s Customs regime will be ready from day 1 in all scenarios, including a potential ‘no deal’ on 29th March 2019. As we get nearer to March 2019 and until the parliamentary vote on the Withdrawal Agreement, preparations for a ‘no deal’ scenario will continue. This will ensure that plans are in place for any outcome.

This notice identifies key areas of Customs related business that may be affected and highlights what a ‘no deal’ scenario might look like and provides information on how Guernsey Customs & Excise are preparing to mitigate those risks. 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 preparations may be impacted in a ‘no deal’ scenario.

This document will be updated as further information becomes available and certainty of a future relationship with the EU is achieved.

2. Explanation of “no deal”

Until the UK Government approves the Withdrawal Agreement that was endorsed by the European Council, there remains a possibility that the UK may leave the EU without a deal in March 2019.

The UK triggered Article 50 of the Treaty of the European Union on 29th March 2017. As set out under that treaty, the UK has two years to negotiate a Withdrawal Agreement and framework for a future relationship with the EU before the point of the UK’s exit from the EU at 11pm GMT on 29th March 2019.

A ‘no deal’ scenario is one where the UK leaves the EU at 11pm GMT on 29th March 2019 without agreement by the UK Government to apply any of the elements of the Withdrawal Agreement described above. The EU would then treat the UK as a third country with immediate effect.

3. Trade with the UK post Brexit

Guernsey Officials, along with colleagues from Jersey and Isle of Man (“the Crown Dependencies”) have been working with the UK Government for a number of months to ensure that trading relationships between the Crown Dependencies and the UK will, where possible, remain as they are today, regardless of the outcome of negotiations between the UK and EU.

A high level Arrangement was signed between each of the three Crown Dependencies and the UK on 26th November 2018, forming a joint customs union. On exit from the EU, the Arrangements 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 of Guernsey (hereinafter referred to 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.

This will formalise the historic constitutional trading relationship the Bailiwick has with the UK and will see no change to how goods currently move between the Bailiwick and the UK, Jersey and Isle of Man.

Preparations are being made to ensure that trade with the UK, Jersey and Isle of Man, in terms of Customs procedures, will, where possible, remain the same regardless of the Brexit outcomes - this includes a ‘no deal’ scenario.

4. Trade with the EU post Brexit

Businesses and individuals can currently move ‘free circulation’¹ 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. As the Bailiwick is outside the fiscal territory of the EU (i.e. for VAT and excise duty), customs declarations are required for fiscal purposes. VAT and excise duty is liable, where applicable, on all goods traded between the Bailiwick and EU member states.

¹ ‘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.

If the UK agrees a trade deal with the EU it is expected that the Bailiwick would enter into that trade agreement, as an accession to that agreement. Until such an agreement is concluded it is not possible to provide details of what this might include. If the outline objectives for a future trade deal with the EU are approved by UK Parliament, along with the Withdrawal Agreement, it is highly likely that an implementation period will follow Brexit day to allow a smooth transition to these new arrangements.

If the UK agrees a trade deal with the EU, the Guernsey Border Agency will revise this guidance to align with the relevant arrangements as they become known. However businesses and individuals involved in trade of goods or customs procedures are strongly advised to prepare for a 'no deal' scenario until such time.

Trade with the EU - 'No Deal' Scenario

If the UK (and the Bailiwick, by virtue of the relationship with the EU, through the UK) leaves the EU on 29th March 2019 without a deal there would be immediate changes to the procedures that apply to trade with the EU. It would mean that the 'free circulation' of goods between the Bailiwick and EU would cease.

The following guidance has been issued by HMRC to inform businesses of the implications for the trade in goods between the UK and EU countries in a 'no deal' scenario:

- [Trading with the EU if there's no Brexit deal*](#)

**Please note that this guidance has been issued by HMRC 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 Brexit preparations.*

In a 'no deal' scenario, the Bailiwick would become a third country to the EU and the EU would become a third country to the Bailiwick. This is important to consider when reading the following advice within the notice.

For trade with the EU, the impacts could 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. Customs import duty may also become due on imports from the EU. *See section below – [“Customs procedures”](#) and [“Trade Tariff and classifying goods”](#)*
- **Additional customs declarations** would be needed when goods are exported from the Bailiwick directly to a third country. This is known as an export declaration and as Guernsey does not currently trade directly with countries outside the EU, this would be a new requirement for exporters. *See section below – [“Export declarations”](#) and [“Changes to GEMS”](#)*

- **Safety and security declarations** would 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 a third country. As Guernsey does not currently trade directly with countries outside the EU this would be a new requirement for carriers. *See section below – [“Safety & Security declarations”](#) and [“Changes to GEMS”](#)*
- **Import and export licences or supporting documentation**, that were not required before Brexit, may be required after Brexit to import and export specific types of goods into and from the Bailiwick. This may be to meet the conditions of the new relevant customs import or export procedure. *See section below – [“General import and export controls \(Licencing\)”](#)*
- **Preference certificates (free trade agreements)** may no longer be available. *See section below – [“Preference certificates \(free trade agreements\)”](#)*

5. Customs procedures

In the event of a ‘no deal’ scenario, after Brexit, importers of goods from the EU will be required to follow customs procedures in the same way that they currently do when importing goods from a country outside the EU. This means that for goods entering the Bailiwick from the EU (directly or in transit from Jersey or the UK) an import declaration will be required and any customs import duties must be paid.

The following guidance issued by HMRC explains the customs procedures that currently apply when importing or exporting goods from/to non-EU countries. These are broadly the procedures that would apply to trade with **the EU** in a ‘no deal’ scenario:

- [Importing from non-EU countries*](#)
- [Exporting goods outside the EU*](#)

**Please note that this guidance has been issued by HMRC 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 Brexit preparations.*

Goods from the EU may need to be placed under special customs procedures in certain circumstances. These may include:

- **Warehousing** – to suspend import duty on goods from a third country until goods are entered for free circulation and the import duty is paid. Import duty warehouses will require customs approval and 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.

6. Trade Tariff and classifying goods

Under current arrangements, the EU's Common Customs Tariff ("CCT") is applied to all goods imported into the bailiwick from a place outside the European Union. Once any import duties have been paid on third country goods, and any other formalities complied with, those goods can move between member states (they are in 'free circulation') without further payments of import duty.

The UK Government has indicated that when it leaves the EU it is going to leave the Customs Union. However, it intends to negotiate a future economic partnership with the EU, which will allow frictionless movement of goods between the UK and the EU. If this is achieved it is expected that the Bailiwick would enter into that trade agreement as an accession to that agreement. If this is achieved, details of how a trade tariff is to be applied will be released.

Trade Tariff - 'No Deal' Scenario

In the event of 'no deal', goods traded between the Bailiwick and the EU after 11pm (GMT) on 29th March 2019 will be subject to the same requirements as third country goods, including the payment of customs import duty. In this scenario, the UK's trade tariff and associated measures will be applied to all goods imported from territories not included in the Crown Dependencies/UK customs union. This will ensure that goods can move tariff free between the Bailiwick, Jersey, UK and/or IoM.

In this scenario, the UK's tariff rates will be applied to goods imported into the Bailiwick from the EU. The UK Government will determine and publish these new duty rates before Brexit. They may be different from the rates in the EU's tariff. The EU will also apply its tariff rates to goods imported into the EU from the Bailiwick. The EU rates are set out in the [EU tariff](#). The EU may change these rates between now and March 2019.

In a 'no deal' scenario, anyone importing goods into the Bailiwick from the EU, or exporting goods to the EU from the Bailiwick, will have to comply with customs procedures where previously these were not necessary. As set out above, this potentially includes the payment of import duty on Bailiwick-EU trade.

The following guidance issued by HMRC sets out the way in which businesses and individuals will need to identify their goods correctly, in order to establish what duties and specific rules apply, as a requirement of the declaration process:

[Classifying your goods in the UK Trade Tariff if there's no Brexit deal*](#)

**Please note that this guidance has been issued by HMRC 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 Brexit preparations.*

7. Import declarations

Importers will be required, as they are currently, to submit an import declaration onto the [Guernsey Electronic Manifest System](#) ("GEMS") for goods imported from third countries. In a scenario where the EU is a third country, an import declaration will have to be submitted onto GEMS for all consignments imported from the EU.

System developments are being made to improve the declaration process and ensure that the Bailiwick can continue to comply with import measures (UK or EU, whichever the case may be); this work will be completed regardless of the outcome of Brexit. To ensure that measures are correctly applied, no goods will be released from customs control until an import declaration has been submitted and the goods are released. Duty deferment will remain, but only once declarations have been submitted, i.e. goods cannot be released prior to an import declaration being submitted. Importers will have the opportunity to 'pre-lodge' import declarations ahead of the goods arriving to enable the immediate release of goods on arrival that are not subject to customs measures. [See section below – "Changes to GEMS" for further information.](#)

In light of the above information, businesses may wish to consider the following:

- The impact on their business due to the requirement for additional declarations.
- Consider submitting 'pre-logged' import declarations to allow for goods to be released upon arrival.
- Obtaining duty deferment facilities if they expect to import large quantities of dutiable goods from the EU (in a 'no deal' scenario). In the absence of duty deferment facilities all duties would need to be paid prior to the release of the goods.
- Familiarise themselves with the trade tariff and how to classify goods liable to import declarations. Import declarations will require a correct classification and value.
- Consider how they will submit import declarations, including whether to engage a customs agent. Businesses wishing to do this themselves will need to acquire appropriate access to the Guernsey Electronic Manifest System ("GEMS").

8. Export declarations

Developments are being made to improve the declaration process and ensure that the Bailiwick can continue to comply with customs export measures. Therefore all goods that are exported **directly** to a third country from the Bailiwick will require the submission of an export declaration onto GEMS prior to the export of those goods. *See section below – [“Changes to GEMS”](#) for further information.*

IMPORTANT NOTE – Export declarations are required on all goods exported directly to third countries.

After Brexit this may mean that goods exported directly to third countries (i.e. could include France) from the Bailiwick will need to be declared onto GEMS prior to export being authorised by Customs.

Currently there are no regular services operating from the Bailiwick that enable goods to be exported directly to a third country. Goods travelling via the UK or an EU country are declared for export to a third country at the point of exit by the carrier or agent in the EU country of exit. After Brexit this may change and the Bailiwick could have regular services operating directly to third countries, i.e. France. In these cases an export declaration would need to be lodged onto GEMS prior to the goods being exported.

In light of the above information, businesses may wish to consider the following if likely to export goods directly to a third country after Brexit:

- The impact on their business due to the requirement for additional (export) declarations.
- Consider how they would submit export declarations, including whether to engage a customs agent. Businesses wishing to do these themselves will need to acquire appropriate access to the Guernsey Electronic Manifest System (“GEMS”).

9. Safety & Security declarations

Current [EU legislation](#), which is based on international agreed practices, requires that carriers or their authorised representatives lodge electronic declarations at the first port or airport of entry into the customs territory of the EU. This must be done at a prescribed time ahead of the arrival of the goods, even if the eventual destination of the cargo is outside of the EU. The same applies to carriers at the last port or airport of exit from the customs territory of the EU. This is done to enable EU member states to perform risk analysis based on the information and agreed EU risk profiles, before passing on the information to subsequent ports or airports for the vessel or aircraft’s journey.

Import Safety & Security

Currently it is very rare for any services of goods to operate into the Bailiwick directly from a third country that would therefore require a Safety & Security declaration submission. Any such services currently need to go via an EU member state port, clear Safety & Security and then proceed to a Bailiwick customs port for customs clearance.

Whilst the UK has indicated that it wishes to remain in the EU's Safety & Security zone, (which would not change the status quo in relation to Bailiwick services) in a 'no deal' scenario this may not be the case. Therefore any carrier operating a service of goods into the Bailiwick from a third country (which could include France) would have to submit a Safety & Security declaration.

IMPORTANT NOTE – Carriers may be required to lodge electronic Safety & Security declarations, in advance of their arrival, for any services of goods that operate into the Bailiwick directly from a third country (may include France) after Brexit.

It would 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 a third country. 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	You must submit the ENS
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

The UK's Import Control System ("ICS") will be used to discharge this requirement. Local carriers will be required to lodge electronic Safety & Security declarations, known as entry summary declarations ("ENS") onto the UK's ICS. Failure to submit an ENS within the timeframes required may result in goods being held at the port of arrival.

The carrier or their authorised representative submitting the ENS must have a valid Economic Operator Registration and Identification ("EORI") number. Details of how to apply for an EORI can be found here - <https://www.gov.uk/eori>

Full details of ICS, including information on how to register for and lodge entries into ICS, can be found on the GOV.UK website here - [GOV.UK - Import Control System Guidance](#)

It should be noted that there is no method for entering an ENS manually into ICS. The declaration must be submitted through one of two possible routes, both via a software client to enable uploads of the

data in XML format to the required protocols as well as enabling an exchange of messages concerning the status of the declaration. The two methods are:

- a dedicated community service provider (“CSP”) message gateway over leased lines conforming to HMRC/IMS security
- Trader Front End, available to registered gateway users authorised to use the online ICS system

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.

Important update published 19th February 2019 - Plans to phase in Entry Summary Declarations for goods arriving from the EU have been announced. In a no-deal scenario Import Safety & Security declarations will not need to be submitted for a period of six months post EU Exit. After the six-month period, carriers will be legally responsible for ensuring Entry Summary Declarations are submitted pre-arrival.

<https://www.gov.uk/government/news/hmrc-outlines-phased-approach-for-entry-summary-declarations>.

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 third country. This will be achieved by using the manifest data submitted by carriers onto GEMS. Manifest data, in addition to the mandatory data fields currently supplied by carriers, will be needed to achieve this. GEMS export manifest fields will be expended to accommodate this additional data requirement. Carriers will be advised of these new requirements in due course and will be provided a reasonable period of time to comply with this new mandatory requirement which may require updates to the systems used to upload export manifest data.

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 would 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.

IMPORTANT NOTE – In a no-deal scenario, carriers would also be required to lodge electronic Safety & Security declarations at the EU ports or 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 EU Exit.

Businesses that may be required to submit Safety & Security declarations, or provide Guernsey Customs with a valid MRN for goods that they are carrying, may wish to consider the following now:

- 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 now in advance of Brexit. The application is free and UK EORI authorisations will be transitioned automatically after Brexit. Details of how to apply for an EORI can be found here - <https://www.gov.uk/eori>
- Establishing how they would submit Safety & Security declarations to EU ports/airports of departure and arrival.

10. Changes to GEMS

The Guernsey Electronic Manifest System ("GEMS") currently receives an electronic copy of the EU tariff. When importers submit import declarations onto GEMS the commodity code declared by the importer links to the electronic copy of the EU tariff to provide the rate of import duty liable on the declared goods. In addition to the rate of duty, there are a number of other import or export controls that may be associated with certain commodity codes and/or certain countries of origin. These are known as 'tariff measures.' Currently all tariff measures, other than the rate of import duty, are applied manually by customs officers either when the goods are manifested by the carrier or once a declaration has been supplied by the importer.

Developments are being made to GEMS to ensure that it can receive an electronic copy of the new UK tariff and improve the process for applying tariff measures, where possible, automatically at the time the declaration is made. Tariff measures can be broadly categorised into 7 categories:

- Tariff (e.g. Third country duty, additional duties, preferences)
- Quotas (e.g. Preferential tariff quota)
- Suspensions (e.g. Airworthiness tariff suspension)
- Trade remedies (e.g. Anti-dumping duty, countervailing duty)
- Import restrictions (e.g. Restriction on entry into free circulation)
- Export restrictions (Export prohibition)
- Descriptive (e.g. Requirement for supplementary units)

These changes will result in a number of visual changes to the GEMS declaration process and potentially the information required, dependant on the commodity code and country of origin declared.

Functionality will also be introduced to enable export declarations to be submitted where necessary. *See section "[Export declarations](#)" above.*

In order that tariff measures can be properly applied, declarations will need to be submitted for all imports of third country goods, prior to goods being released from customs control. Duty deferment will remain, but only once declarations have been submitted, i.e. goods cannot be released prior to an import declaration being submitted. Importers will have the opportunity to 'pre-lodge' import declarations ahead of the goods arriving to enable the immediate release of goods on arrival that are not subject to customs measures.

Changes are being made to GEMS as a consequence of reviews undertaken for Brexit. These changes will now happen regardless of the outcome of Brexit. Import declaration functionality is expected to be implemented from 30th March 2019 with export declaration functionality being introduced, where necessary, shortly after. As and when functionality becomes available importers and agents will be invited to receive training and will be provided testing platforms.

The current EU tariff can be found here - [EU tariff](#). Whilst after Brexit it is likely that the Bailiwick will be using the UK trade tariff, importers can use this current EU tariff tool to establish whether goods are liable to tariff measures at present and therefore likely to be after Brexit. For example "men's footwear" of commodity "6403599500" declared from USA would be liable to 8% import duty plus the 'additional duties' measure of 25%. There may also be 'import restriction' measures if the product contained CITES protected articles or other protected animal products.

GEMS export manifest data, in addition to the mandatory data fields currently supplied by carriers, will also be required to perform safety and security export checks. [See section "Safety & Security declarations" above](#). GEMS export manifest fields will be expended to accommodate this additional data requirement. Carriers will be advised of these new requirements in due course and will be provided a reasonable period of time to comply with this new mandatory requirement which may require updates to the systems used to upload export manifest data.

11. Preference certificates (Free Trade Agreements)

Currently imports from a country with which the EU has a free trade agreement may qualify for preferential rates of duty and 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.

When the UK leaves the EU, subject to any deal reached with the EU, it may no longer be part of the EU trade agreements and therefore documents such as the EUR1 would no longer be issued in order for importers of those countries to benefit from reduced or nil rates of duty. It would then be for the UK to agree trade deals with other countries independently. What certificates would be required by the importers of those countries to receive the preference would then be confirmed.

When the UK leaves the EU, subject to any deal reached with the EU, it may no longer be part of the EU trade agreements and therefore EU free trade agreements may no longer apply. Documents such as the EUR1 may no longer be valid.

The following link to GOV.UK provides guidance on current EU trade preference agreements for import and export - [GOV.UK - Trade preference agreements: import and export](#)

Importers and exporters may wish to identify any trade preferences that they, or their customers, currently benefit from to establish what potential effects Brexit changes may have on their business.

12. Customs legislation

At the meeting on 18th July 2018, The States considered the policy letter entitled "[Customs Duties and Associated Powers Required in Respect of Brexit](#)", dated 29th May 2018. The States resolved to introduce a flexible Bailiwick-wide legislative framework to facilitate the imposition of customs duties on imported and exported goods and associated requirements as a consequence of Brexit.

The Customs and Cross-Border Trade (General and Enabling Provisions) (Bailiwick of Guernsey) Law, 2018 has therefore been drafted to give effect to this resolution. The new legislative framework deals with 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 - <https://www.gov.gg/article/169118/The-Customs-and-Cross-Border-General-and-Enabling-Provisions-Bailiwick-of-Guernsey-Law-2018>.

13. Transit and NCTS

The UK will re-join to the Common Transit Convention ("CTC") when it leaves the EU; this convention will be extended to the Bailiwick. 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.

14. 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. Depending on the outcome of Brexit the, requirements for licences may apply to trade with the EU.

Goods listed in schedule 8 to [the Import \(Control\)\(Guernsey\) Order, 2010](#) (and associated [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.” In the current content, the customs territory includes the EU, this may change after Brexit.

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. Work is ongoing, by the relevant States Committees, to ensure where possible this remains the case, however in the event of a ‘no deal’ requirements may change.

Importers and exporters who currently trade with the EU, are advised to identify any goods that they trade now that might be subject to stricter controls post Brexit and make preparations accordingly.

Importers and exporters may need to consider whether additional import and export licences will be required for their goods after Brexit.

15. Exporting ‘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 are not expected to be any changes to controls on the export of military items (including firearms) from the Bailiwick, other than minor legislative fixes, after Brexit, regardless of the outcome.

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 Guernsey 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 items 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, such as machine tools, civil nuclear equipment, chemical manufacturing equipment or computers.

In the event of a 'no deal' the overall framework of controls for dual-use exports is not anticipated to change. Exporters of such items may be required to make a one off registration with Customs to use a General Export Authorisation which would permit transfers under simplified procedures. Records of such exports would then need to be kept to the satisfaction of Customs.

Dual-use goods – Imports from UK

In a no-deal scenario, the export of dual-use goods 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 Customs and record keeping.

Dual-use goods – Imports from EU

In a no-deal scenario, the export of dual-use goods will become subject to licensing controls. The EU have a General Export Authorisation but the Bailiwick is not currently included on that list. The Government of Guernsey is pursuing the inclusion of the bailiwick on this list but due to the legislative processes of the EU this is unlikely to happen prior to Brexit. This means that EU companies would need individual licences to export dual-use items to Guernsey. 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](#) (where imported, 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.

16. Further information

GOV.GG Website

Further, general information, regarding the Bailiwick of Guernsey and Brexit can be found on the GOV.GG Brexit pages here:

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

GOV.UK Website

The UK government has released a number of technical notices, regarding import and export, which advise businesses on how to prepare if the UK leaves the EU with no deal. These notices can be found here:

- [GOV.UK - Guidance on how to prepare for Brexit if there's no deal*](#)
- [GOV.UK - Partnership pack: preparing for changes at the UK border after a 'no deal' EU exit*](#)

**Please note that this guidance has been issued by HMRC 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 Brexit preparations.*

Contact Guernsey Customs & Excise

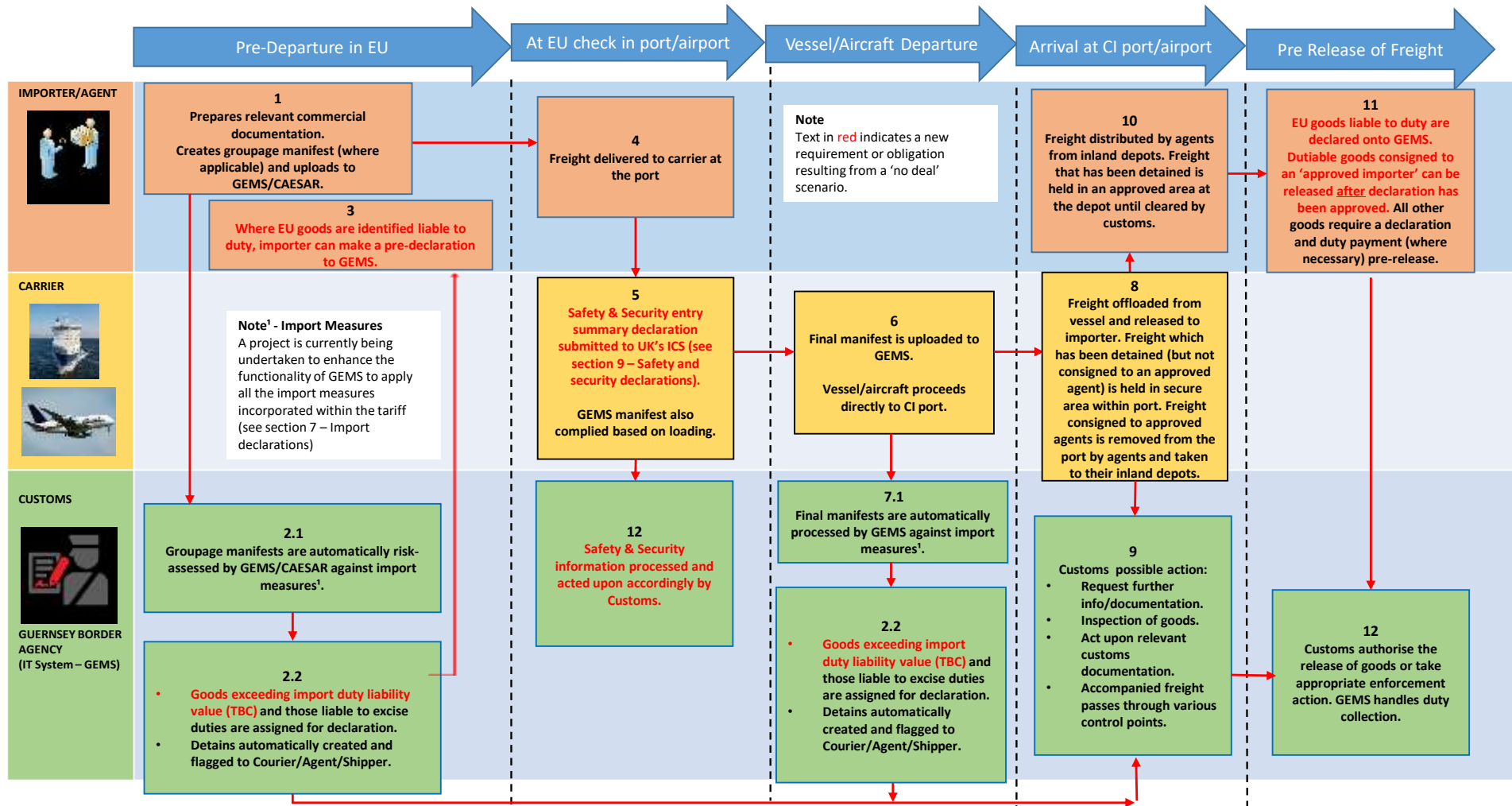
Guernsey Customs & Excise may be able to answer specific customs related questions in relation to the impact that Brexit may have on Bailiwick based businesses. Customs & Excise contact details:

- ✉ Email - customsandexcise@gba.gov.gg
- ☎ Telephone - 01481 741431
- 📍 Customs and Excise, New Jetty, White Rock, St Peter Port, Guernsey, GY1 2LL

17. Appendices

The two freight flow diagrams below, labelled Appendix A and Appendix B, illustrate the anticipated freight flows between the Bailiwick & EU and EU & the Bailiwick in the event of a 'no deal.' The illustrations cross-cut a number of the sections discussed in this document and highlight, in red, any new requirements or obligations resulting from a 'no deal' scenario.

18. Appendix A – Anticipated freight flows to the Bailiwick from EU in a ‘no deal’ scenario



19. Appendix B – Anticipated freight flows from the Bailiwick to EU in ‘no deal’ scenario

