

## **GUERNSEY CUSTOMS & EXCISE NOTICE**

# **BREXIT PREPARATIONS - VERSION 4**

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.

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## **IMPORTANT NOTE**

**Despite ongoing political and legal developments in the UK, the possibility that the UK will leave the EU without a deal (“no deal scenario”) still remains a real possibility.**

### **1. Summary of main amendments made since original version**

#### **Significant Amendments made in this Version (v.4):**

- **Economic Operator Registration and Identification (EORI Numbers):**
  - Updated explanation of EORI requirements.

#### **Significant Amendments made in previous Version (v.3):**

- **Trade Tariff and classifying goods:**
  - Details of the UK’s Temporary tariff regime for no deal.
- **Safety & Security declarations:**
  - An extension to the import Safety & Security declaration waiver until 1<sup>st</sup> Nov 2020.
  - Further details provided regarding export safety and security data requirements.
- **Changes to GEMS:**
  - Further details provided regarding the export functionality that will be implemented on GEMS in the near future.
- **Economic Operator Registration and Identification (EORI Numbers):**
  - Explanation of EORI provided including requirements for such and application process.
- **Customs legislation:**
  - A list of Bailiwick legislation made as a consequence of Brexit has been added.
- **Transit and NCTS:**
  - Further and updated information provided in relation to CTC and ‘National Transit.’
- **Further information:**
  - Links to French informative documents provided, including links to French EORI applications.

#### **Significant Amendments made in previous Version (v.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.

## 2. 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.

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 scenario on 31<sup>st</sup> October 2019. As we get nearer to the deadline and whilst uncertainty over Brexit remains, preparations for a no deal scenario will continue. This will ensure that plans are, where possible, in place for any outcome.

This notice identifies key areas of Customs related business that may be affected 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 required in a no deal scenario.

## 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 many 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 26<sup>th</sup> November 2018, forming a joint customs union. On exit from the EU, 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 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 continue 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’<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. 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.

If the UK agrees a trade agreement 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 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

If the UK (and the Bailiwick, by virtue of the relationship with the EU, through the UK) leaves the EU on 31<sup>st</sup> October 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.

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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.

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 after Brexit:

- [Get your business ready to import from the EU to the UK after Brexit\\*](#)
- [Get your business ready to export from the UK to the EU after Brexit\\*](#)

*\*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, 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 trade 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 31<sup>st</sup> October 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 along with the rest of the world.

The UK Government has published details of the [UK's Temporary tariff regime for no-deal](#). These rates would only be applied if the UK were to leave the EU with no deal and would be in place for up to 12 months. The UK Government publication states:

“This regime is temporary, and the government would closely monitor the effects of these tariffs on the UK economy. It would apply for up to 12 months while a full consultation and review on a permanent approach to tariffs is undertaken. British businesses would not pay customs duties on the majority of goods when importing into the UK if we leave the European Union without an agreement.”

The no-deal temporary import duty rates can be found here:

<https://www.gov.uk/government/publications/temporary-rates-of-customs-duty-on-imports-after-eu-exit>

These rates would be applicable to goods imported into the Bailiwick immediately after a no deal Brexit. If your goods aren't listed, they will have a zero duty rate.

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](#). The EU may change these rates between now and 31<sup>st</sup> October 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 have been 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 has now been completed and will remain in place 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 cleared by a customs officer. 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-lodged' 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 and cleared by customs 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 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.\*](#)

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 or through an online 'portal'.** 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.

The following information from GOV.UK details the technical specifications for Import Control System software developers - [Import Control System: support for software developers](#)

**Important update published in September 2019 - Plans to phase in Entry Summary Declarations for goods arriving from the EU were extended. In a no deal scenario, import Safety & Security declarations will not be mandatory for goods arriving from the EU until 1<sup>st</sup> November 2020.**

### **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 export manifest data submitted by carriers onto GEMS. Export manifests will soon incorporate export declaration data submitted by exporters in addition to the mandatory data fields currently supplied by carriers. GEMS export manifest fields will be expanded to accommodate this additional data requirements. *See section below – ["Changes to GEMS"](#) for further information.*

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 outside of the Customs territory (the Bailiwick is currently within the EU customs territory, however in no deal the Customs territory will solely comprise the UK and the Crown Dependencies), 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 (where exported by sea freight and the voyage is less than 24 hours, 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). 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”) will be provided to enable the carrier to automate the process of checking export consignment status.

### **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 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 EU Exit.**

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 now in advance of Brexit. The application is free and UK EORI authorisations will be transitioned automatically after Brexit. [\*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.

## **10. Changes to GEMS**

### **Import declaration functionality**

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.’

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 prohibitions and licencing)
- Descriptive (e.g. Requirement for supplementary units)

Developments have been 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. This work has now been completed and will remain in place regardless of the outcome of Brexit. In order that tariff measures can be properly applied, declarations now 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 facilitate immediate release of goods on arrival that are not subject to customs measures.

#### **Export declaration functionality**

Developments are being made to GEMS to ensure that all goods exported directly to a place outside the customs territory (the Bailiwick is currently within the EU customs territory, however following Britain's exit from the EU the new Customs territory may solely comprise the United Kingdom and the Crown Dependencies) are accompanied by a customs export declaration submitted to GEMS. 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, e.g. France. In these cases an export declaration would need to be lodged onto GEMS prior to the goods being exported. Where goods are being exported indirectly to a place outside of the customs territory (e.g. to USA via the UK and, in a no-deal Brexit, to France via the UK) GEMS export manifest fields will be expanded to require the mandatory inclusion of a commodity code for those goods.

This requirement will be in addition to export manifests that carriers currently submit. However, the new functionality will be developed to enable data submitted in an export declaration to be carried across to the export manifest to avoid duplication. It is anticipated that 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 outside the customs territory 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.' Where export goods are detained or 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 implement new functionality to

confirm that permission to export has been granted. An Application Program Interface (“API”) will be provided to enable the carrier to automate the process of checking export consignment status.

New timeframes will also be introduced for the submission of export manifests where goods are being exported directly to a place outside the customs territory. 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.

A supplementary document is available from Guernsey Customs and Excise 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

**All exporters or businesses that submit export data to Guernsey Customs now or think they may be required to do so after Brexit should [contact Guernsey Customs and Excise](#) to clarify the new export requirements and obtain the supplementary information if appropriate.**

## 11. 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 Brexit 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. General information on when a UK EORI will be required can be found here <https://www.gov.uk/government/publications/hmrc-brexit-communications-resources>.

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 a no-deal Brexit:

- **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 you'll be able to create one when you apply.**

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 post Brexit 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.***

## 12. 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. Therefore, documents such as the EUR1 may no longer be issued to enable importers in 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.

## 13. Customs legislation

At the meeting on 18<sup>th</sup> 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 - [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 only come into force on exit from the EU:

- [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 will be published on [Guernsey Legal Resources](#) once made.

## 14. Transit and NCTS

The UK is set to remain in the Common Transit Convention (“CTC”) after Brexit. The UK is currently a member of the CTC while it is in the EU, and has successfully negotiated membership in its own right after Brexit 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. This would apply to any new trading relationship with the EU or in the event of a no deal.

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. The Bailiwick will have access to UK Transit and it is anticipated that this will be achieved using NCTS as is currently the case.

Any exporter who currently uses transit or believes that they will need to transit goods after Brexit is advised to [contact Guernsey Customs and Excise](#) to ensure that they have the necessary approvals in place to achieve this.

## 15. 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](#), 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 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 these requirements may change. Importers and exporters of restricted goods are therefore advised to 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.

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.**

## 16. 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 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 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 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**

In a no deal, 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. The States of Guernsey is continuing to pursue the inclusion of the Bailiwick on this list. 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](#) (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. PARTICULAR ATTENTION SHOULD BE GIVEN TO DUAL-USE GOODS SOURCED FROM THE EU.**

## 17. 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>

### 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.*

### 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:

- <http://www.douane.gouv.fr/articles/a15055-working-through-brexit-together->
- <http://www.douane.gouv.fr/Portals/0/fichiers/douane/brexit/brexit-customs-guidelines.pdf>

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>

### 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](mailto:customsandexcise@gba.gov.gg)

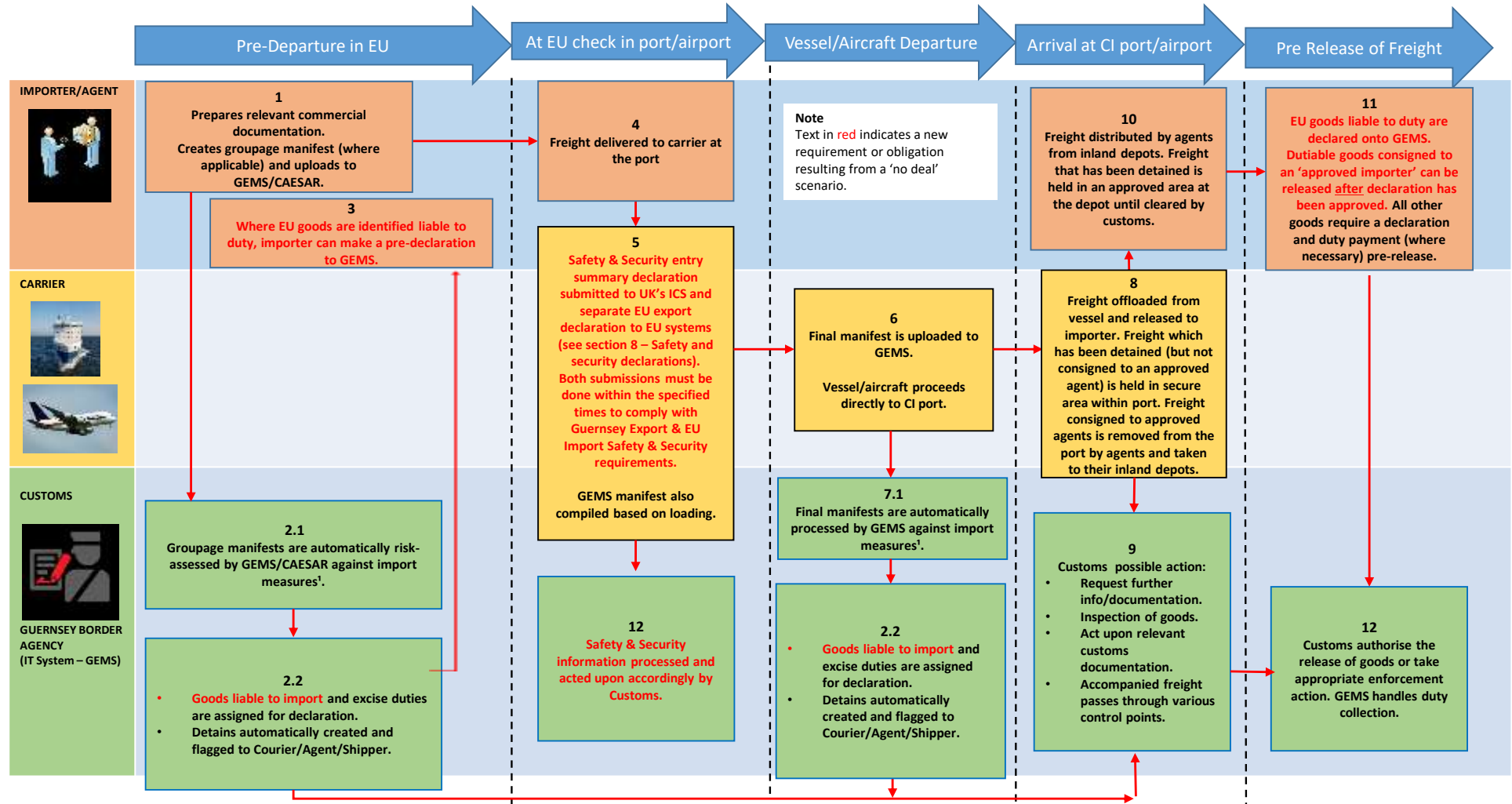
☎ Telephone - 01481 741431

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

## **18. 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.

## 19. Appendix A – Anticipated freight flows to the Bailiwick from EU in a no deal scenario



## 20. Appendix B – Anticipated freight flows from the Bailiwick to EU in no deal scenario

