

JERSEY CUSTOMS & IMMIGRATION SERVICE (JCIS)

REVENUE & GOODS CONTROL

BREXIT PREPARATIONS

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

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1. PURPOSE OF THIS NOTICE

The Brexit withdrawal agreement is a treaty between the European Union (EU), and the United Kingdom (UK), signed on 24 January 2020, setting the terms of the withdrawal of the latter from the former (Brexit). The text of the treaty was published on 17 October 2019, and is a renegotiated version of an agreement published half a year earlier. The earlier version of the withdrawal agreement was rejected by the House of Commons on three occasions. The UK Parliament gave its approval to the then draft Agreement by enacting implementing legislation (the European Union (Withdrawal Agreement) Act 2020) on 23 January 2020. The Agreement was ratified by the Council of the European Union on 30 January 2020, following the consent of the European Parliament on 29 January 2020.

The UK's withdrawal from the EU happened at 11 p.m. GMT on 31 January 2020. The withdrawal agreement provides for a transition period until 31 December 2020, during which the UK remains in the single market, in order to ensure frictionless trade until a long-term relationship is agreed. If no such agreement is reached by that date and the transition period is not extended, a no-deal Brexit would remain the default outcome in 2021. The Jersey Customs & Immigration Service (JCIS) are preparing to ensure the islands customs regime is ready to cope with an orderly departure from the EU or a no deal scenario.

JCIS has worked closely with colleagues from other Government departments, Guernsey Customs & Excise, Her Majesties Revenue & Customs (HMRC) and the Department for International Trade (DIT) to ensure we are able to operate effective and robust customs controls in light of the significant operational challenges that Brexit presents.

This notice identifies key customs related activities which may be affected and provides information on how JCIS is preparing to meet those challenges. This is not an exhaustive list and businesses and citizens are strongly advised to consider their own unique circumstances in the context of an orderly departure or a no deal. If you have any questions concerning this document, please contact JCIS via email at traderengagement@gov.je

JCIS has also engaged with both Jersey Business and the Jersey Chamber of Commerce. Please refer to their webpages for further information.

[Jersey Business here](#)

[Jersey Chamber of Commerce here](#)

2. WHY IS JERSEY AFFECTED BY BREXIT

Jersey is a Crown Dependency (CD) and is outside the EU, but the UK is a Member State and Jersey's formal connection with the EU is through the UK. This connection enables the freedom of movement of people and goods. The formal relationship between Jersey and the EU is enshrined in Protocol 3 of the UK's 1972 Accession Treaty, once the UK leaves the EU this formal relationship will end. The CDs are formally mentioned in the Withdrawal Agreement meaning we will be subject to the Withdrawal Agreement in its totality.

3. EXPLANATION OF A "NO DEAL"

A no deal is one where the UK leaves the EU without a Withdrawal Agreement and framework for a future relationship in place. In this scenario, there would be no requirement to apply any of the elements of the proposed Withdrawal Agreement and the EU would treat the UK as a third country with immediate effect.

4. TRADE WITH THE UK POST BREXIT

Jersey Officials, along with colleagues from Guernsey and Isle of Man, have been working with the UK Government to ensure the trading relationship between the CDs and the UK remains as it is today after Brexit, regardless of the outcome of negotiations between the UK and EU.

A Customs Arrangement was signed on 26th November 2018, binding the four territories into a UK – CDs Customs Union. On exit from the EU, the Arrangement will take effect covering all trade in goods involving the elimination of customs duty on imports and exports and any charges having equivalent effect. All parties of the Customs Union will adopt a common customs tariff in relation to trade with countries outside the Customs Union. This will formalise the historic constitutional trading relationship Jersey has with the UK and will see no change to how goods currently move between Jersey, Guernsey, the UK and Isle of Man.

Jersey will remain outside the fiscal territory of the UK (i.e. for VAT) and will continue to determine its own domestic taxes such as GST and excise duties on alcohol, tobacco and hydrocarbon oils. These goods will continue to be liable to excise duty when traded with UK, Guernsey and Isle of Man.

Preparations are being made to ensure that trade with the UK and other CDs will remain the same, regardless of the Brexit outcome – this includes a no deal scenario. Traders can therefore assume that trade with the UK, Guernsey and the Isle of Man, in terms of customs procedures, will not change.

5. TRADE WITH THE EU POST BREXIT

Businesses and individuals can currently move ‘free circulation’ goods between Jersey and any EU member state without incurring import duty. Many import and export restrictions are not applied to goods from Jersey entering the EU or when arriving into Jersey from the EU.

‘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 with import duty paid.

In a no deal, the EU will be treated as a third country for both imports and exports. This could mean some goods will be subject to import/export duty and/or additional restrictions. The same logic will apply vice versa. Alcohol, tobacco and hydrocarbon oils will continue to be liable to excise duty when traded with the EU and import GST will still apply.

If the UK agrees a trade deal with the EU, it is likely Jersey would enter into the same agreement by accession. It is not possible to provide details of what this might include until negotiations are concluded. However, the transition period exists to allow the smooth changeover to the new arrangements.

If the UK agrees a trade deal with the EU, JCIS will revise this guidance to align with those arrangements. However, until such time businesses and individuals involved in trade of goods or customs procedures are strongly advised to prepare for a no deal.

6 TRADE WITH THE EU – NO DEAL SCENARIO

If the UK (and Jersey, by virtue of our relationship with the EU through the UK) leaves the EU without a deal there would be immediate changes to the procedures that apply to trade with the EU. It would mean the free circulation of goods between Jersey and the 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 this guidance has been issued by HMRC and is therefore written for UK businesses and individuals. Whilst the most of the content in relation to customs procedures will be relevant to businesses and individuals in Jersey, some may not. This information has been supplied solely to assist businesses and individuals with their Brexit preparations.*

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

IMPACTS ON TRADE

- **Applying the same customs rules** to goods moving between Jersey and the EU as currently apply in cases where goods move between Jersey and a country outside of the EU. Customs import duty may be liable on imports from the EU. *See section below – “Customs procedures” and “Trade Tariff and classifying goods”*
- **Additional customs declarations** will be needed when goods are exported from Jersey directly to a third country. This is known as an export declaration and as Jersey 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 CAESAR”*
- **Safety and security declarations** will need to be made by the carrier of the goods (this is usually the haulier, airline or shipping line, depending on the mode of transport used) for all goods imported or exported directly to/from a third country. As Jersey does not currently trade directly with countries outside the EU this is a new requirement. *See section below – “Safety & Security declarations” and “Changes to CAESAR”*
- **Import and export licenses or supporting documentation**, that were not required before Brexit, may be required after Brexit to import and export specific goods into and from Jersey. *See section below – “Import & export controls (Licensing)”*
- **Preference certificates (free trade agreements)** may no longer be available. *See section below – “Preference certificates (free trade agreements)”*

7 CUSTOMS PROCEDURES

In the event of a no deal, 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 Jersey, 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. Broadly, these procedures would apply to trade with the EU in a no deal:

- [Importing from Non-EU Countries*](#)
- [Exporting goods outside the EU*](#)

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

- **Warehousing / temporary storage** – 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 may be required to provide 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 in Jersey and must be exported within a certain timeframe.
- **Specific use** - to get relief from import duty on goods that are imported from a third country to be processed and then exported or they are put to a prescribed end-use.

8 TRADE TARIFF AND CLASSIFYING GOODS

Under the current arrangements, Jersey applies the EU Trade Tariff to goods imported from a place outside the EU. 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 will also leave the EU 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 inevitable that Jersey would accede to that agreement.

TRADE TARIFF – ‘NO DEAL’ SCENARIO

In the event of no deal, goods traded between Jersey and the EU will be treated as third country goods. In this scenario, Jersey will be applying the UK’s Trade Tariff and associated measures to all goods imported from territories not included in the UK-CD Customs Union. Any goods cleared into Jersey can then move freely within the territory of Customs Union. The rules and rates in the UK Trade Tariff are likely to be broadly similar to those in the EU Trade Tariff to begin with, but they will diverge over time.

[UK temporary Trade Tariff](#)

The EU will apply its trade tariff to goods imported into the EU from Jersey. The EU rates are set out in the [EU tariff](#).

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

The following guidance issued by HMRC sets out the way in which businesses and individuals will need to identify their goods in the correct way, in order to establish what duties and specific rules apply.

- [Import, export and customs for businesses](#)

**Please note this guidance has been issued by HMRC and is therefore written for UK businesses and individuals. Whilst the most of the content in relation to [customs procedures](#) will be relevant to businesses and individuals in Jersey, some may not. This information has been supplied solely to assist businesses and individuals with their Brexit preparations.*

9 IMPORT DECLARATIONS

Importers will be required, as they are currently, to submit a declaration onto the JCIS freight management system [CAESAR](#) for all goods imported from third countries. In a scenario where the EU is a third country, a declaration will have to be submitted for all consignments imported from the EU. A temporary easement is in place allowing those importers registered with JCIS to make their declarations up to 30 days after the arrival of their goods and a Simplified Declaration Procedure is being developed to further relieve the administrative burden. The current duty deferment arrangements will be extended to cater for customs duties as well as import GST and excise. When the temporary easement is lifted, pre-arrival declarations or the use of the Simplified Declaration Procedure will be required to ensure minimal delays and disruption at the border. In the interim, importers are encouraged to submit ‘pre-arrival’ declarations so that they become familiar with the process. See section below – “Changes to CAESAR” for further information.

CAESAR has been upgraded to improve the declaration process and ensure that Jersey can continue to comply with import measures (UK or EU, whichever the case may be).

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.
- To register with JCIS if you want to benefit from fast-track customs clearance.
- Consider submitting pre-arrival declarations to allow goods to be released upon arrival.
- Obtaining duty deferment facilities if they expect to import large quantities of dutiable goods from the EU. In the absence of a duty deferment facility, all duties would need to be paid prior to the release of the goods.
- Familiarise themselves with the UK Trade Tariff and how to classify goods. Import declarations will require the correct commodity code and an accurate value.
- Consider how they will submit import declarations. Businesses wishing to do this themselves will need to acquire appropriate access to CAESAR.

10 EXPORT DECLARATIONS

Functionality now exists on CAESAR to allow Traders to submit export declarations. All goods that are exported **directly** to a third country will require the submission of an export declaration prior to the export of those goods. *See section below – “Changes to CAESAR” for further information.*

Export declarations are required for all goods exported directly to third countries. After Brexit this will mean that goods exported directly to third countries from Jersey will need to be declared using CAESAR prior to export being authorised.

Currently there are no services operating from Jersey that export goods directly to third countries. Instead, such goods go via the UK or EU where they are declared for export at the point of exit from the UK or EU. After Brexit, this will change and Jersey will have services operating directly to third countries, i.e. France. In this scenario, export declarations will need to be lodged on CAESAR prior to the goods being exported.

In light of the above information, businesses may wish to consider the following if they export goods directly to third countries:

- To register with JCIS if you want to benefit from fast-track customs clearance.
- The impact on their business due to the requirement for export declarations.
- Consider how they would submit export declarations. Businesses wishing to do these themselves will need to acquire appropriate access to CAESAR.

11 SAFETY AND SECURITY DECLARATIONS

Current EU legislation requires that carriers, or their authorised representatives, lodge electronic entry summary declarations (ENS) at the first air/port 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 air/port of exit from the customs territory of the EU. This is done to enable EU member states to risk assess freight against a common set of

security profiles. Currently there are no direct freight arrivals from third countries, instead all freight is routed via an EU member state where they clear Safety and Security procedures at the first point of entry before moving on to Jersey. Whilst the UK has indicated that it wishes to remain in the EU's Safety and Security zone, (retaining the status quo) there is a possibility that in a no deal scenario this would not be the case. Therefore, any freight carrier operating a service into Jersey from a third country (which would include France) will have to submit ENS declarations.

Carriers will be required to lodge electronic safety and security declarations in relation to goods arriving from third countries post Brexit.

It will be mandatory for all carriers, and in some cases the hauliers themselves, to provide customs authorities with advance information relating to goods brought into Jersey from a third country. These declarations must be pre-notified ahead of the arrival of the goods. The time that this must happen depends on the nature of the cargo:

When shipping goods via	Entry Summary Declarations (ENS) submission deadline
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 flight	At least four hours before arrival

JCIS propose to discharge this requirement by using the UK's Import Control System ("ICS"). It is anticipated that local carriers will be required to lodge an electronic ENS declaration onto the UK's ICS. The ICS will provide local carriers with a movement reference number ("MRN") that will then need to be provided to JCIS at the time of lodging their freight manifest onto CAESAR. **Failure to provide a valid MRN will result in goods being held at the port of arrival.**

Full details of ICS, including information on how to register and lodge entries, can be found on the GOV.UK website [GOV.UK - Import Control System Guidance](#). The carrier or their authorized 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 [Get an EORI number](#)

Businesses that are required to submit safety and security declarations or provide JCIS with a valid MRN for goods they are carrying may wish to consider the following now:

- Familiarising themselves with the safety and security requirements, including ICS.
- Advertising the requirements to customers, who may themselves need to lodge ENS declarations onto ICS and provide the MRN to their carrier (where a business is the 'active means of transport' they will need to lodge the declaration themselves).
- Applying for an EORI. The application is free and UK EORI authorisations will be transitioned automatically after Brexit.

Important: To assist business to cope with this change the UK Government has as introduced a phased approach to the introduction of ENS declarations. More details can be found [here](#)

There is also a requirement for safety and security checks to be conducted on freight exported to third countries. This will be achieved through the submission of export declarations (ENX) using CAESAR and not on a separate UK safety and security system. This requirement will take effect at the end of the transition period.

12 CHANGES TO CAESAR

CAESAR currently directly receives the EU Trade Tariff feed. When importers submit import declarations the commodity code declared by the importer links to the data in the EU Trade Tariff, which then provides 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 ‘customs measures.’ Currently all customs 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.

CAESAR has been upgraded to enable it to receive the UK Trade Tariff feed instead of the EU Trade Tariff feed, and to automatically apply the full range of customs measures at the point an import declaration is submitted. Traders will be able to ‘pre-lodge’ their declarations to enable the immediate release of the goods so long as they are not subject to a customs measure.

Customs measures can be broadly put into seven 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)

Functionality has also been introduced to enable export declarations to be submitted. *See section “Export declarations”.*

A number of changes have been made to CAESAR. It is recommended that those affected familiarise themselves with the new functionality.

13 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 Jersey 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 Jersey that the preferential rate of duty can be applied.

When the UK leaves the EU, subject to any deal, 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.

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 may have on their business.

14 TRANSIT AND NCTS

The UK is party to the Common Transit Convention (“CTC”) in its own right and it has been extended to include Jersey. This facilitates the movement of goods in duty suspension between the contracting parties of the Convention. Any duties or taxes due are paid in the country of destination. Local businesses using transit should not experience any significant changes to the procedures already in operation. However, they may be required to provide a financial guarantee determined upon the amount of times they use transit procedures.

15 GENERAL IMPORT AND EXPORT CONTROLS (LICENCING)

The movement of certain goods is subject to stricter controls and traders may require a license to import or export them. In the current context, most of these goods can move freely within the EU customs territory. However, depending on the outcome of Brexit, this may change and a license may be obligatory even if the goods are moving to or from the EU.

In addition, animals, products of animal origin, animal feed, plants and chemicals, to name a few, all currently enjoy relative free movement between Jersey and the EU. Work is ongoing, by the relevant Government Departments, to ensure, where possible this remains the case, however in the event of a no deal procedures and requirements may change.

Importers and exporters who currently trade with the EU, are advised to identify any goods 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' (DUAL USE/MILITARY ITEMS)

Military items (including firearms)

You currently need a license to export military items to any destination, including the EU. These controls are implemented by Jersey legislation. This will not change, regardless of the outcome of Brexit.

Dual-use items

Dual-use items are those that have both civilian and military applications or can be used in the production or development of military hardware.

Exporters should be aware that in the event of a no deal the export of dual use items will continue to require an export licence if exported to a third country. The export of dual-use items to the UK or EU will not require an export licence except in certain specific circumstances.

Further details relating to military and dual-use items can be found in the [UK Strategic Export Control Lists](#)

17 FURTHER CUSTOMS INFORMATION

GOV.JE Website

Further, general information, regarding Jersey and Brexit can be found on the gov.je Brexit pages here - <https://www.gov.je/government/brexit/Pages/index.aspx>

Contact Jersey Customs & Immigration

JCIS will endeavour to answer specific customs related questions in relation to the impact that Brexit may have on Jersey businesses. You can email us on traderengagement@gov.je

GOV.UK Website

The UK government has released a number of technical notices regarding import and export procedures that advise businesses on how to prepare if the UK leaves the EU with no deal. They can be found [here](#)

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