



CUSTOMS TRANSIT PROCEDURES REGULATIONS 2019

Index

Regulation	Page
1 Title	3
2 Commencement	3
3 Interpretation.....	3
4 Common transit procedure	4
5 TIR transit procedure	4
6 Island transit procedure.....	4
7 North Atlantic Treaty procedure.....	4
 SCHEDULE 1	 6
THE COMMON TRANSIT PROCEDURE	6
GENERAL PROVISION FOR PART 3	36
 SCHEDULE 2	 42
THE TIR TRANSIT PROCEDURE	42
 SCHEDULE 3	 56
ISLAND TRANSIT PROCEDURE	56
 SCHEDULE 4	 58
PROCEDURE FOR NATO FORCES	58
 ENDNOTES	 60
TABLE OF ENDNOTE REFERENCES	60

Statutory Document No. 2019/0150

*Taxation (Cross-border Trade) Act 2018*

CUSTOMS TRANSIT PROCEDURES REGULATIONS 2019¹

*Laid before Tynwald: 21 May 2019**Coming into Operation: in accordance with regulation 2*

The Treasury makes the following Regulations under section 32(6) of, and paragraphs 5, 6, 7, 19(2) and 21(1) of Schedule 2 to, of the Taxation (Cross-border Trade) Act 2018, as it has effect in the Island¹.

1 Title

These Regulations are the Customs Transit Procedures Regulations 2019.

2 Commencement

These Regulations come into operation on exit day².

3 Interpretation

- (1) In these Regulations —
- (a) “**the Act**” means the Taxation (Cross-border Trade) Act 2018, as it has effect in the Island;
 - (b) an “**application**” to, or an “**authorisation**” given by, the Treasury is governed by regulations under Part 1 of the Act;
 - (c) the “**competent**” customs office or customs authority is the one responsible for the place in question;
 - (d) a “**declaration**” is to be understood in the light of provision made for the purposes of the Convention by or under Schedule 1 of the Act or, as the context requires, corresponding provision made for those purposes under the law of another common transit state;
 - (e) “**exit day**” has the same meaning as in the European Union and Trade Act 2019;

¹ The Taxation (Cross-border Trade) Act 2018, was applied in the Island by SD 2019/0080.

² Tynwald procedure - negative under section 32(6) of the Act.

- (f) “**officer**” has the meaning given in section 184(1) of the Customs and Excise Management Act 1986;
 - (g) “**public notice**” refers to one that must be published for the purposes in question by the Treasury having regard to those purposes, and in such manner as it considers appropriate for those purposes.
- (2) A public notice in sub-paragraph (1)(f) must be in operation so as to give effect to the purposes for which it must be published, but it may be amended, revoked or replaced by a further public notice.

Stipulations in the public notice have effect as if made in these Regulations.

4 Common transit procedure

- (1) Schedule 1 has effect for the purpose of the Island giving effect to the Convention done at Interlaken on 20 May 1987 on a common transit procedure³, [as most recently amended by Decision No 1/2017 of the EU-EFTA Joint Committee on common transit⁴].
- (2) That Schedule must be interpreted and applied consistently with, and so as to give proper effect to, that Convention in relation to goods moving to, from or within the Island subject to the common transit procedure.

5 TIR transit procedure

- (1) Schedule 2 has effect for the purpose of the Island giving effect to the Customs Convention on the International Transport of Goods subject to cover of TIR Carnets done at Geneva on 14 November 1975, as most recently amended on 1 October 2009⁵.
- (2) That Schedule must be interpreted and applied consistently with, and so as to give proper effect to, that Convention in relation to goods moving to, from or within the Island subject to the TIR transit procedure.

6 Island transit procedure

Schedule 3 has effect and makes provision for an Island transit procedure.

7 North Atlantic Treaty procedure

Schedule 4 has effect and makes provision for the use of NATO form 302 in the case of movements of goods from one point to another within the British Islands, goods leaving and re-entering the Island, and customs controls and formalities applicable in accordance with the Agreement between the Parties to the North

³ The Convention has been amended many times between 1988 to 2017.

⁴ OJ No. L8, 12.1.2018, p.1.

⁵ ECE/TRANS/WP.30.AC.2/95, paragraph 24; <http://www.unece.org/tir/welcome.html>.

Atlantic Treaty regarding the Status of their Forces, done in London on 19 June 1951⁶.

MADE 28 MARCH 2019

⁶ Available at https://www.nato.int/cps/en/natohq/official_texts_17265.htm

SCHEDULE 1

[Regulation 4]

THE COMMON TRANSIT PROCEDURE**PART 1****COMMON TRANSIT PROCEDURES THAT START OUTSIDE THE BRITISH ISLANDS****1 Common transit procedure: preliminary**

- (1) The goods need not be presented to Customs on import⁷ when goods subject to a common transit procedure that starts outside the British Islands are brought into the Island.

If they are chargeable goods⁸, they are deemed to be declared for a transit procedure within section 3(4)(b) of the Act, and no additional declaration for the purposes of that importation is necessary either before or on import.

- (2) For the purposes of this Part, the “**common transit procedure**” is one covered by the Convention of 20 May 1987 on a common transit procedure in regulation 4 and applicable to the carriage of goods into the Island⁹, and “**Convention**” refers to this one.
- (3) Where that common transit procedure does not end in the British Islands, the continuation of the procedure outside the British Islands discharges the procedure for the purposes of paragraph 19(2) of Schedule 2 to the Act.
- (4) Where goods transported by a fixed transport installation enter the Island through that installation, those goods are deemed to be subject to the common transit procedure.
- (5) In this Part —
- (a) a “**common transit state**” is a member State¹⁰ or is any other country that is a Contracting Party to the Convention or that has acceded to it, and also includes the Island, the Channel Islands and the Sovereign Base Areas of Akrotiri and Dhekelia;
- (b) a “**fixed transport installation**” is a technical means used for the continuous transport of goods such as electricity, gas or oil.

⁷ As would otherwise be the case under paragraph 1(1) of Schedule 1 to the Act.

⁸ Section 2 of the Act covers “chargeable goods”.

⁹ Articles 1 to 6 of the Convention provide further details.

¹⁰ A member of the EU, as defined in paragraph 1A of the Schedule to the Interpretation Act 2015. Paragraph 1A was inserted by the European Union and Trade Act 2019.

- (6) Chargeable goods may be moved within the British Islands without being subject to import duty if the movement takes place in accordance with the common transit procedure.
- (7) For the purposes of this Schedule —
 - (a) “**the Channel Islands**” means the Bailiwick of Jersey or Guernsey, as the case requires; and
 - (b) “**the SBA**” means the Sovereign Areas of Akrotiri and Dhekelia.

2 **Presentation of goods moved subject to the common transit procedure to the customs office of transit**

- (1) The goods in paragraph 1(1) together with the MRN of the declaration must, once brought into the Island, be presented to the office constituting the customs office of transit.
- (2) In this Part, a “**customs office of transit**” is —
 - (a) the office competent for the point of entry into the British Islands when the goods are entering the British Islands in the course of a common transit procedure; or
 - (b) the office competent for the point of exit from the British Islands when the goods are leaving the British Islands, in the course of a common transit procedure, via a frontier with another territory that is not a common transit state.
- (3) In this Part, the “**MRN**” is the master reference number allocated by the competent customs authority outside the British Islands to the declaration made there for the common transit procedure.
- (4) The MRN presented under sub-paragraph (1) must be accompanied by any corresponding transit accompanying document under sub-paragraph (5).
- (5) A transit accompanying document is one provided by the customs office of departure and corresponding to the document in paragraph 25(5).
- (6) The Treasury must record the border passage of the goods on the basis of the particulars of the common transit procedure received from the customs office of departure pursuant to the Convention. That passage must be notified by the Treasury to the customs office of departure.
- (7) In this Part, the “**customs office of departure**” is the customs office outside the British Islands where the declaration was accepted for the goods subject to the common transit procedure.
- (8) Where goods are carried via a customs office of transit that is not the one declared, the Treasury must request the particulars of the common transit procedure from the customs office of departure (but only if they do not already have these particulars) and notify the border passage of the goods to the customs office of departure.

- (9) Any inspection of the goods at a customs office of transit must be carried out mainly on the basis of the particulars of the common transit procedure received from the customs office of departure.

3 Incidents in the Island during movements of goods subject to the common transit procedure

- (1) A carrier must present the goods together with the MRN of the declaration to the Treasury if, within the Island –
- (a) the carrier is obliged to deviate from a route prescribed by the customs office of departure due to circumstances beyond the carrier's control;
 - (b) the seals are broken or tampered with in the course of the transport operation for reasons beyond the carrier's control;
 - (c) goods are transferred from one means of transport to another means of transport;
 - (d) imminent danger necessitates partial or total unloading of the sealed means of transport;
 - (e) there is an incident which may affect the ability of the holder of the procedure or the carrier to comply with their respective obligations; or
 - (f) any of the elements constituting a single means of transport is changed, namely –
 - (i) a road vehicle accompanied by each of its trailers or semi-trailers; or
 - (ii) boats constituting a single chain.
- (2) In this Part (except for the purposes of paragraph 4(5)(a)), in the context of entry, the “**carrier**” is the person who brings the goods, or who assumes responsibility for the carriage of the goods, into the Island.
- And in the context of exit, the “carrier” is the person who takes the goods, or who assumes responsibility for the carriage of the goods, out of the Island.
- (3) Where the Treasury considers that the common transit procedure concerned may continue, it may take any steps that it considers necessary.
- (4) In the case of an incident referred to in sub-paragraph (1)(c), presentation of the goods together with the MRN of the declaration is not required if the following conditions are fulfilled –
- (a) the goods are transferred from a means of transport that is not sealed; and
 - (b) the holder of the procedure or the carrier on behalf of the holder of the procedure provides relevant information concerning the transfer to the satisfaction of the Treasury.

- (5) In this Part (except for the purposes of paragraph 4(5)(b)), the “**holder**” of the procedure is the person who lodges the declaration for the common transit procedure, or on whose behalf that declaration is lodged.
- (6) In the case of an incident referred to in sub-paragraph (1)(f), where the tractor unit of a road vehicle is changed without its trailers or semi-trailers being changed, presentation of the goods together with the MRN of the declaration is not required if the holder of the procedure, or the carrier on behalf of the holder of the procedure, provides relevant information concerning the composition of the road vehicle to the satisfaction of the Treasury.
- (7) In the cases referred to in sub-paragraph (1), the carrier must make the necessary entries in any transit accompanying document.
- (8) Relevant information concerning incidents during common transit procedures must be recorded in the electronic transit system by the Treasury.

In this Part, the “**electronic transit system**” is any such system used by the common transit states for the completion of the customs formalities of the common transit procedure.

4 End of the common transit procedure in the Island (1): obligations of the holder of the procedure, and of the carrier and recipient of goods moving subject to the procedure

- (1) The holder of the common transit procedure is responsible for all of the following —
 - (a) presentation of the goods intact, and the required information in paragraph 5(1)(c), at the customs office of destination in the Island within the time-limit set by the customs office of departure and in compliance with the measures taken by the Treasury to ensure their identification;
 - (b) observance of the customs provisions relating to the procedure; and
 - (c) provision of any guarantee mentioned in the Convention in order to ensure payment of any import duty and other charges which may be incurred in respect of the goods.
- (2) In this Part, the “customs office of destination” is the office where the goods subject to the common transit procedure are presented in order to end the procedure.
- (3) The obligation of the holder of the procedure in sub-paragraph (1) is met and the common transit procedure ends when the goods subject to the common transit procedure and the required information are available at the customs office of destination, in accordance with paragraph 5.

This does not apply in a case covered by sub-paragraph (6) or (7).

- (4) A carrier, or recipient of goods who accepts goods knowing that they are moving subject to the common transit procedure, is also responsible for presentation of the goods intact at the customs office of destination within the time-limit set by the customs office of departure and in compliance with the measures taken by the Treasury to ensure their identification.
- (5) For the purposes of this Part and sub-paragraph (4) —
- (a) the operator of a fixed transport installation who is established in the Island is the carrier;
 - (b) the holder of the common transit procedure in the case of a fixed transport installation is —
 - (i) the operator of the installation who is established in the common transit state where the goods are placed in the installation at the start of the common transit procedure, or
 - (ii) the operator of the installation who is established in the common transit state in the territory of which the goods enter a common transit state.

The operator in either paragraph (b)(i) or (ii) must agree with the Treasury the methods of customs control over the goods transported.

- (6) The common transit procedure is deemed to have ended when the appropriate entry is made in the commercial records of the consignee, or the operator of a fixed transport installation, certifying that the goods transported by fixed transport installation —
- (a) have arrived at the consignee's plant;
 - (b) are accepted into the distribution network of the consignee; or
 - (c) have left the Island for a country other than a common transit state.
- (7) If an electronic transport document is used as the declaration if so authorised under provision corresponding to paragraph 18(5), the common transit procedure ends when both the goods are presented at the customs office of destination for the airport and the particulars of the electronic transport document have been made available to that customs office in accordance with the means defined in the authorisation.
- (8) The holder of the common transit procedure for the purposes of a case covered by sub-paragraph (7) must notify the Treasury, at the customs office of destination, of all offences and irregularities related to the common transit procedure.

5

- (1) Where goods subject to the common transit procedure arrive at the customs office of destination, the following must be presented to the Treasury at that office —
- (a) the goods;

- (b) the MRN of the declaration; and
- (c) any information required by the Treasury.

The presentation must take place during the official opening hours of the office. However the Treasury may, at the request of the person concerned, allow the presentation to take place outside the official opening hours or at any other place.

- (2) Where the presentation has taken place after the expiry of the time-limit set by the customs office of departure, the holder of the common transit procedure is deemed to have complied with the time-limit where the holder or the carrier proves to the satisfaction of the Treasury that the delay is not attributable to the holder or carrier.
- (3) The common transit procedure may be ended at an office other than that declared in the declaration. That office is then the customs office of destination.
- (4) The Treasury must notify the customs office of departure of the arrival of the goods on the day the goods and the MRN of the declaration are presented in accordance with sub-paragraph (1).
- (5) At the request of the person presenting the goods to the customs office of destination, the Treasury must endorse a receipt which certifies the presentation of the goods at that customs office and contains a reference to the MRN of the declaration.
- (6) The receipt must be provided as stipulated by paragraph 8 and must be completed in advance by the person concerned.
- (7) The receipt must not be used as proof of the common transit procedure having ended.

6 End of the common transit procedure in the Island (2): goods received by an authorised consignee

- (1) Upon application, the Treasury may authorise the following simplification regarding the end of the common transit procedure in the Island, namely the status of “authorised consignee”, allowing the holder of the authorisation to receive goods moved under the common transit procedure at an authorised place to end the procedure under paragraph 4(3).
- (2) The authorisation may be granted to an applicant fulfilling the following conditions, but only if the Treasury considers that it will be able to exercise control of the goods subject to the common transit procedure without introducing administrative measures disproportionate to the requirements of the person concerned —
 - (a) the applicant must be established in the Island;

- (b) the applicant will regularly receive goods subject to the common transit procedure;
 - (c) the applicant, and any director or senior employee of the applicant, have not been involved in a breach of an obligation relating to tax or a Customs obligation, which in the opinion of an officer is —
 - (i) a serious breach having regard to the circumstances and nature of any breach and the number of any breaches; and
 - (ii) relevant to the suitability of the applicant to be an authorised consignee;
 - (d) the applicant, and any director or senior employee of the applicant, have no criminal convictions which in the opinion of an officer are —
 - (i) serious having regard to the type of conviction; and
 - (ii) relevant to the suitability of the applicant to be an authorised consignee;
 - (e) the applicant maintains a logistical system and records that identify the movement of, and transactions in, chargeable goods and domestic goods and facilitate compliance with Customs obligations;
 - (f) the applicant meets any professional standards of competence stipulated in a public notice or, in the opinion of an officer, the applicant's practical experience makes the applicant suitable to be an authorised consignee; and
 - (g) the applicant must be able to comply with any condition additional to paragraphs (a) to (f) which the Treasury considers will be a justified condition of the authorisation if granted.
- (3) For the purposes of sub-paragraph (2)(a), the applicant is established in the Island —
- (a) in the case of an individual, where the individual is resident in the Island; or
 - (b) in any other case, where the applicant —
 - (i) has a registered office in the Island or United Kingdom; or
 - (ii) has a permanent place in the Island from which the applicant carries out activities for which the applicant is constituted to perform.

7

- (1) When the goods arrive at the authorised place in paragraph 6(1), the authorised consignee must —

- (a) immediately notify the customs office of destination about the arrival of the goods and inform them of any irregularities or incidents that occurred during transport;
 - (b) unload the goods, but only after obtaining permission to do so from the Treasury;
 - (c) after unloading, enter the results of the inspection and any other relevant information relating to the unloading into the authorised consignee's records without delay; and
 - (d) notify the customs office of destination about the results of the inspection of the goods and inform them of any irregularities, no later than the third day following the day on which permission from the Treasury to unload the goods was received.
- (2) When the Treasury has received notification of the arrival of the goods at the premises of the authorised consignee under sub-paragraph (1), it must notify the customs office of departure of the arrival of the goods.
- (3) The holder of the common transit procedure is deemed to have fulfilled the applicable obligations in paragraph 4(1), and the common transit procedure is deemed to end in accordance with paragraph 4(3), when the goods have been presented intact to the authorised consignee at the authorised place as provided for in paragraph 6(1) within the time-limit set by the customs office of departure.
- (4) At the carrier's request, the authorised consignee must issue a receipt which certifies the arrival of the goods at the authorised place in paragraph 6(1) and contains a reference to the MRN of the declaration. The receipt must be provided as stipulated by paragraph 8.

8 Receipt endorsed by the customs office of destination, and receipt issued by authorised consignee

A receipt under paragraph 5(5) or 7(4) must take the form stipulated in a public notice.

9 Verification and administrative assistance

- (1) The Treasury may use its powers to carry out post-release controls of the information supplied and of any documents, forms, authorisations or data relating to the common transit procedure in order to check that the entries, the information exchanged and the stamps are authentic.
- (2) It must respond without delay upon receiving a request for such controls from the customs authority of the United Kingdom, the Channel Islands or another common transit state.
- (3) Where the competent customs authority of the place of departure makes a request to the Treasury for a post-release control of information related to the common transit procedure, the conditions laid down in paragraph

13(1) for discharging the common transit procedure are deemed not to have been fulfilled until the authenticity and accuracy of the data have been confirmed.

- (4) For these purposes, “**post-release control**” is a specific act performed by the Treasury in order to ensure compliance with customs and other legislation governing the common transit procedure.

10 Controls and issuing of alternative proof

- (1) Where the common transit procedure ends in the Island, the Treasury must carry out customs controls on the basis of the particulars of the common transit procedure received from the customs office of departure.
- (2) Where the common transit procedure ends in the Island, no irregularity has been detected by the Treasury, and the holder of the procedure presents the transit accompanying document, the Treasury must endorse that document at the request of the holder of the procedure for the purpose of providing alternative proof of the ending of the procedure.
- (3) The endorsement must consist of the stamp, the signature of an officer, the date, and the following: “Alternative proof – 99202”.

11 Sending the control results

- (1) The Treasury must notify the control results to the customs office of departure at the latest on the third day following the day the goods are presented in accordance with paragraph 5(1). In exceptional cases, that time-limit may be extended up to 6 days.
- (2) Where goods are received by an authorised consignee as referred to in paragraph 6(1), the customs office of departure must be notified at the latest on the sixth day following the day the goods were delivered to the authorised consignee.

12 Enquiry procedure for goods moved subject to the common transit procedure

- (1) The Treasury must send the control results immediately after receiving a request from the customs office of departure where that request is made because that office has not received the control results in accordance with paragraph 11.
- (2) The Treasury must send its reply within 28 days from the day on which a request was sent to it by the customs office of departure for one or more of the following reasons –
 - (a) the customs office of departure has not received the notification of arrival of the goods by the expiry of the time-limit for the presentation of the goods mentioned in paragraph 5(2);

- (b) the customs office of departure has not received the control results requested in accordance with sub-paragraph (1); or
 - (c) the customs office of departure becomes aware that the notification of arrival of the goods was or the control results were sent in error.
- (3) Sub-paragraph (2) applies only if —
- (a) the request is set to the Treasury within a period of 7 days after the expiry of the time-limit in sub-paragraph (2)(a) or the time-limit applicable by virtue of paragraph 11 to sub-paragraph (2)(b); or
 - (b) the request is sent without delay to the Treasury before the expiry of the time-limit if the customs office of departure receives information that the common transit procedure has not ended correctly, or suspects that to be the case.
- (4) The Treasury must within 40 days from the date on which it was sent, reply to a request from the customs office of departure where —
- (a) the request indicates that the Treasury has not provided sufficient information for the common transit procedure to be discharged;
 - (b) that the customs office has, at the latest 28 days after initiating the enquiry procedure, requested the holder of the common procedure to provide that information;
 - (c) the request indicates that the information provided in reply from the holder of the procedure is not sufficient to discharge the common transit procedure; and
 - (d) that customs office has immediately sent the request for supplementary information to the Treasury.

13 Discharge of the common transit procedure

- (1) The common transit procedure ending in the Island is discharged when the Treasury and the customs authority for the customs office of departure outside the British Islands are in a position to establish, on the basis of a comparison of the data available to the customs office of departure and the Treasury, that the procedure has ended correctly.

The deemed transit procedure in paragraph 1(1) is then deemed to be similarly discharged for the purposes of paragraph 19(2) of Schedule 2 to the Act.

- (2) The Treasury, acting with other customs authorities as appropriate and as the case requires, must take all measures necessary and within their powers to regularise the situation of the goods in respect of which a common transit procedure has not been discharged under the conditions prescribed.
- (3) In the case of a common transit procedure ending in the Island under paragraph 4(7), that common transit procedure is deemed to be

discharged unless the Treasury has received information or has established that the procedure has not ended correctly.

The deemed transit procedure in paragraph 1(1) is then deemed to be similarly discharged for the purposes of paragraph 19(2) of Schedule 2 to the Act.

14 Consequences of common transit procedure discharge

- (1) On the discharge of a common transit procedure in the Island, except under paragraph 1(3), the chargeable goods that were subject to it become subject to sections 1 and 3 of the Act (charge to import duty and obligation to declare goods for a Customs procedure on import) and to regulations under section 39(1) of the Customs and Excise Management Act 1986.
- (2) They are then deemed to have been presented to Customs on import for the purposes of paragraph 1(1) of Schedule 1 to the Act (imported goods to be presented to Customs).
- (3) A declaration in respect of them is then deemed to have been made for storage in a temporary storage facility.

15 Treasury controls and seals

Wherever a seal needs to be removed in the Island to allow customs inspection for the purposes of this Part, the Treasury must endeavour to reseal as necessary with a customs seal of at least equivalent security features, and note the particulars of the action including the new seal number on the cargo documentation.

PART 2

COMMON TRANSIT PROCEDURES THAT START IN THE ISLAND

16 Common transit procedure: preliminary

- (1) For the purposes of this Part, the “**common transit procedure**” is one covered by the Convention of 20 May 1987 on a common transit procedure in regulation 4 and applicable to the carriage of domestic goods¹¹ or chargeable goods from the Island¹², and “**Convention**” refers to this one.
- (2) Where the goods are in the Island and are transported by a fixed transport installation, those goods are deemed to be subject to the common transit procedure once placed into the fixed transport installation.

¹¹ Section 33 of the Act covers “domestic goods”.

¹² Articles 1 to 6 of the Convention provide further details.

- (3) In this Part, the “**customs office of departure**” is the office in the Island where the declaration for the goods to the common transit procedure is accepted.
- (4) In this Part, the “**customs office of destination**” is the customs office in any common transit state where the goods subject to the common transit procedure are presented in order to end the procedure.
- (5) In this Part, “**common transit state**” and “**fixed transport installation**” have the same meanings as in paragraph 1(5).
- (6) Chargeable goods may be moved within the Island without being subject to import duty if the movement takes place in accordance with the common transit procedure.

17

- (1) The common transit procedure applies to goods passing through a country or territory outside the British Islands if one of the following conditions is fulfilled –
 - (a) the country or territory is a common transit state; or
 - (b) carriage through that country or territory is effected under cover of a single transport document drawn up in the British Islands (but the common transit procedure is suspended in a territory that is not part of a common transit state).
- (2) This Part does not authorise any export of goods from the Island otherwise than in accordance with the applicable export provisions¹³.

18 Formalities in the Island

- (1) The Treasury may authorise the simplification in sub-paragraph (4), (5), (7) or (8) regarding the common transit procedure or the end of that procedure.
- (2) In each case, the authorisation may be granted to an applicant fulfilling the following conditions, but only if the Treasury considers that it will be able to exercise control of the goods subject to the common transit procedure without introducing administrative measures disproportionate to the requirements of the person concerned –
 - (a) the applicant must be established in the Island;
 - (b) the applicant will regularly use the common transit procedure; and
 - (c) identical conditions to those described in paragraph 6(2)(c) to (g) (and not restricted to authorised consignees) are fulfilled in relation to the applicant.

¹³ Defined in section 35 of the Act.

- (3) For the purposes of sub-paragraph (2)(a), the applicant is established in the Island —
- (a) in the case of an individual, where the individual is resident in the Island; or
 - (b) in any other case, where the applicant —
 - (i) has a registered office in the Island or United Kingdom; or
 - (ii) has a permanent place in the Island from which the applicant carries out activities for which the applicant is constituted to perform.
- (4) Authorisation as an “authorised consignor” allows the holder of the authorisation to declare goods for the common transit procedure without presenting them to the Treasury.
- Such authorisation must only be granted to an applicant who is authorised in accordance with regulations under paragraphs 6 to 9 of Schedule 6 to the Act to provide a comprehensive guarantee, or to use a guarantee waiver if approved by the Treasury under paragraph 52(10).
- (5) Authorisation, in the case of air transport, to use an electronic transport document as a declaration for the common transit procedure, provided it contains the particulars of such declaration and those particulars are available to the Treasury and the customs authority for the place of destination to allow the customs control of the goods and the discharge of the procedure.
- (6) The authorisation in sub-paragraph (5) must only be granted where —
- (a) the Treasury has consulted the customs authority for the airport of destination and has received no notification from that authority, within 45 days from the communication, that the applicant does not fulfil one or more of the conditions for granting the authorisation;
 - (b) the applicant operates a significant number of flights between common transit state airports; and
 - (c) the applicant demonstrates the ability to ensure that the particulars of the electronic transport document are available to the Treasury for the airport of departure, and to the customs office of destination for the airport of destination, and that those particulars are the same.
- (7) Authorisation to use seals of a special type as set out in the application, where sealing is required to ensure the identification of the goods subject to the common transit procedure.
- (8) Authorisation for the status of “authorised consignee”, allowing the holder of the authorisation to receive goods moved under the common transit procedure at an authorised place to end the procedure under paragraph 29(4).

This status must only be granted to applicants who will regularly receive goods subject to the common transit procedure.

19

- (1) Each declaration for the common transit procedure must include only goods subject to that procedure that are moved, or are to be moved, from one customs office of departure to one customs office of destination on a single means of transport, in a container or in a package.

The declaration must, in particular, correctly declare the goods for the T1 or T2 procedure as provided for in the Convention.

- (2) However, one declaration for the common transit procedure may include goods moved, or to be moved, from one customs office of departure to one customs office of destination in more than one container, or in more than one package, where the containers or packages are loaded on a single means of transport.
- (3) For the purposes of this paragraph, any of the following constitute a single means of transport, provided that the goods are dispatched together —
 - (a) a road vehicle accompanied by each of its trailers or semi-trailers;
or
 - (c) boats constituting a single chain.
- (4) Where for the purposes of the common transit procedure a single means of transport is used for loading goods at more than one customs office of departure and for unloading at more than one customs office of destination, separate declarations must be lodged for each of the consignments.

20

- (1) The Treasury must set a time-limit within which the goods must be presented at the customs office of destination, taking into account the following —
 - (a) the route;
 - (b) the means of transport;
 - (c) transport legislation or other legislation which might have an impact on setting a time-limit; and
 - (d) any relevant information communicated to the Treasury by the holder of the common transit procedure.
- (2) In this Part, the “**holder**” of the procedure is the person who lodges the declaration in the Island for the common transit procedure, or on whose behalf that declaration is lodged.

But where goods are transported by a fixed transport installation, the holder of the common transit procedure is the operator of the fixed

transport installation in the Island, and that operator must agree with the Treasury the methods of customs control over the goods transported.

- (3) Goods subject to the common transit procedure must be moved to the customs office of destination along an economically justified route.
- (4) Where the Treasury considers, or the holder of the procedure considers it necessary, the Treasury must prescribe a route for the movement of goods during the common transit procedure taking into account any relevant information communicated to the Treasury by the holder of the procedure.

When prescribing a route, the Treasury must enter in the electronic transit system at least the indication of the common transit states through which the transit is to take place.

In this Part, the “**electronic transit system**” is any such system used by the common transit states for the completion of the customs formalities of the common transit procedure.

21 Sealing as an identification measure

- (1) Where goods are to be subject to the common transit procedure, the Treasury must seal the following –
 - (a) the space containing the goods, where the means of transport or container has been recognised by it as suitable for sealing; or
 - (b) each individual package, in other cases.
- (2) The Treasury must record the number of the seals and the individual seal identifiers, in the electronic transit system.

22

- (1) The Treasury must consider means of transport or a container to be suitable for sealing on the following conditions –
 - (a) seals can be simply and effectively affixed to the means of transport or container;
 - (b) the means of transport or container is so constructed that when goods are removed or introduced, the removal or introduction leaves visible traces, the seals are broken or show signs of tampering, or an electronic monitoring system registers the removal or introduction;
 - (c) the means of transport or container contains no concealed spaces where goods may be hidden; and
 - (d) the spaces reserved for the goods are readily accessible for inspection by a customs authority.
- (2) Road vehicles, trailers, semi-trailers and containers approved for the carriage of goods under customs seal in accordance with the Convention,

or any other international agreement to which the Island is a party and to similar effect, are also suitable for sealing.

23

- (1) Customs seals, and seals of a special type in paragraph 18(7), must have at least the following essential characteristics and comply with the following technical specifications —
 - (a) essential characteristics of the seals —
 - (i) remaining intact and securely fastened in normal use;
 - (ii) being easily checkable and recognisable;
 - (iii) being so manufactured that any breakage, tampering or removal leaves traces visible to the naked eye;
 - (iv) being designed for single use or, if intended for multiple use, being so designed that they can be given a clear, individual identification mark each time they are re-used; and
 - (v) bearing individual seal identifiers which are permanent, readily legible and uniquely numbered;
 - (b) technical specifications —
 - (i) the form and dimensions of seals may vary with the sealing method used but the dimensions are such as to ensure that identification marks are easy to read;
 - (ii) the identification marks of seals must be impossible to falsify and difficult to reproduce; and
 - (iii) the material used must be resistant to accidental breakage and such as to prevent undetectable falsification or reuse.
- (2) Where seals, or seals of a special type in paragraph 18(7), have been certified by a competent body in accordance with ISO International Standard No 17712:2013 ‘Freight containers – Mechanical Seals’¹⁴ published by the International Organization for Standardization in May 2013, Edition 2 (or any later edition), those seals are deemed to fulfil the requirements laid down in sub-paragraph (1).

The Treasury must ensure that, for containerised transports, seals or seals of a special type with high-security features must be used to the widest possible extent.
- (3) The customs seal must bear the following indications —
 - (a) the word “Customs” or a corresponding abbreviation; and

¹⁴ The standard is available at <https://www.iso.org/standard/62464.html>.

- (b) the country code, in the form of the ISO-alpha-2 country code¹⁵, “GB”.
- (4) A seal of a special type must bear either of the following indications —
 - (a) the name of the person authorised in accordance with paragraph 18(7) to use it; or
 - (b) the corresponding abbreviation or code on the basis of which the Treasury can identify the person concerned.
- (5) The holder of the procedure must enter the number and the individual seal identifiers of the seals of a special type in the declaration and those seals must be affixed no later than when the goods are released for the common transit procedure.
- (6) The Treasury must —
 - (a) notify the customs authorities of the United Kingdom, the Channel Islands and the other common transit states of seals of a special type which it has decided to approve, and have not decided to approve for reasons of irregularities or technical deficiencies;
 - (b) review the seals of a special type approved by it and in use, when it receives information that another customs authority has decided not to approve a particular seal of a special type;
 - (c) conduct a mutual consultation in order to reach a common assessment; and
 - (d) monitor the use of the seals of a special type in paragraph 18(7).

24 Alternative identification measures to sealing

- (1) By way of derogation from paragraph 21, the Treasury may decide not to seal the goods subject to the common transit procedure and instead rely on the description of the goods in the declaration or in the supplementary documents, provided that the description is sufficiently precise to permit easy identification of the goods and states their quantity, nature and any special features such as serial numbers of the goods.
- (2) By way of derogation from paragraph 21, unless the Treasury decides otherwise, neither the means of transport nor the individual packages containing the goods need to be sealed where the goods are carried by air, and either labels are affixed to each consignment bearing the number of the accompanying airway bill, or the consignment constitutes a load unit on which the number of the accompanying airway bill is indicated.

25 Release of goods for the common transit procedure

- (1) Only goods which have been sealed in accordance with paragraph 21, or in respect of which alternative identification measures have been taken in

¹⁵ Described at <https://www.iso.org/obp/ui/#iso:code:3166:GB>.

accordance with paragraph 24, may be released for the common transit procedure.

- (2) On release of the goods, the Treasury must transmit the particulars of the common transit procedure —
- (a) to the declared customs office of destination; and
 - (b) to each declared customs office of transit that corresponds in another common transit state to the office in paragraph 27(2)(b).

Those particulars must be based on data derived from the declaration, as amended where appropriate.

- (3) Sub-paragraph (2) does not apply in the case of a declared office that is an office within the British Islands.
- (4) The Treasury must notify the holder of the procedure of the release of the goods for the common transit procedure.
- (5) At the request of the holder of the common transit procedure, the Treasury must provide a transit accompanying document to the holder of the procedure.

The transit accompanying document must comply with the data requirements stipulated in a public notice.

- (6) In the case of an electronic transport document used as a declaration for air transport in paragraph 18(5) and (6), the goods may be released for the common transit procedure by the Treasury when the particulars of the electronic transport document have been made available to the customs office of departure for the airport in accordance with the means identified in the authorisation.
- (7) Where the goods are to become subject to the common transit procedure, the holder of the procedure must enter the appropriate codes next to all items in the electronic transport document.
- (8) Goods subject to the common transit procedure are subject to the control for customs purposes of any officer, in accordance with this Part or otherwise.
- (9) In the case of chargeable goods released and subject to a common transit procedure that starts in the Island, these are deemed to be declared for a transit procedure within section 3(4)(b) of the Act.

These goods need not be presented to the Treasury on re-import when they are brought into the Island, and for the purposes of that re-importation no additional declaration is necessary before or on re-import, subject to sub-paragraph (10).

- (10) However, if the goods in sub-paragraph (9) are re-imported directly from the Channel Islands or the SBA, those goods must be presented to Customs on re-import when they are brought into the Island.

26 Goods declared for the common transit procedure by an authorised consignor

- (1) An authorised consignor intending to declare goods for the common transit procedure must lodge a declaration at the customs office of departure and await the expiry of the time-limit specified for this purpose in the authorisation under paragraph 18(4).
- (2) The consignor must enter the following information into the electronic transit system —
 - (a) the route, if prescribed in accordance with paragraph 20(4);
 - (b) the time-limit set in accordance with paragraph 20(1) within which the goods must be presented at the customs office of destination; and
 - (c) the number and the individual seal identifiers of the seals, where appropriate.
- (3) The authorised consignor must print a transit accompanying document that complies with the data requirements stipulated in a public notice, but only after receipt of the notification of the release of the goods for the common transit procedure.

27 Presentation of goods moved subject to the common transit procedure to the customs office of transit

- (1) The goods together with the MRN of the declaration must be presented at each customs office of transit.
- (2) In this Part —
 - (a) the “**MRN**” is the master reference number allocated by the Treasury to the declaration for the common transit procedure; and
 - (b) a “**customs office of transit**” is —
 - (i) the office competent for the point of exit from the British Islands when the goods are leaving the British Islands, in the course of a common transit procedure, via a frontier with another territory that is not a common transit state; or
 - (ii) the office competent for the point of entry into the British Islands when the goods are re-entering the British Islands in the course of a common transit procedure.
- (3) The MRN presented under sub-paragraph (1) must be accompanied by any corresponding transit accompanying document under paragraph 25(5) or 26(3).
- (4) The Treasury must record the border passage of the goods on the basis of the particulars of the common transit procedure that appears on the declaration accepted by it at the customs office of departure.

- (5) Where goods are carried via an office constituting a customs office of transit that is not the one declared, the Treasury must amend its records accordingly.
- (6) Any inspection of the goods by a customs office of transit must be carried out mainly on the basis of the particulars of the declaration for the common transit procedure accepted by the Treasury.

28 Incidents in the Island during movement of goods subject to the common transit procedure

- (1) A carrier must present the goods together with the MRN of the declaration to the Treasury if, within the Island –
 - (a) the carrier is obliged to deviate from a route prescribed by the Treasury due to circumstances beyond the carrier's control;
 - (b) the seals are broken or tampered with in the course of the transport operation for reasons beyond the carrier's control;
 - (c) goods are transferred from one means of transport to another means of transport;
 - (d) imminent danger necessitates partial or total unloading of the sealed means of transport;
 - (e) there is an incident which may affect the ability of the holder of the common transit procedure or the carrier to comply with their respective obligations; or
 - (f) any of the elements constituting a single means of transport is changed, namely –
 - (i) a road vehicle accompanied by each of its trailers or semi-trailers; or
 - (ii) boats constituting a single chain.
- (2) In this Part (except for the purposes of the second sentence of paragraph 29(3)), in the context of entry, the "carrier" is the person who brings the goods, or who assumes responsibility for the carriage of the goods, into the Island.

And in the context of exit, the "carrier" is the person who takes the goods, or who assumes responsibility for the carriage of the goods, out of the Island.
- (3) Where the Treasury considers that the common transit procedure concerned may continue, it may take any steps that it considers necessary.
- (4) In the case of an incident referred to in sub-paragraph (1)(c), presentation of the goods together with the MRN of the declaration is not required if the following conditions are fulfilled –
 - (a) the goods are transferred from a means of transport that is not sealed; and

- (b) the holder of the common transit procedure or the carrier provides relevant information concerning the transfer to the satisfaction of the Treasury.
- (5) In the case of an incident referred to in sub-paragraph (1)(f), where the tractor unit of a road vehicle is changed without its trailers or semi-trailers being changed, presentation of the goods together with the MRN of the declaration is not required if the holder of the common transit procedure, or the carrier on behalf of the holder of the procedure, provides relevant information concerning the composition of the road vehicle to the satisfaction of the Treasury.
- (6) In the cases referred to in sub-paragraph (1), the carrier must make the necessary entries in the transit accompanying document.
- (7) Relevant information concerning incidents during common transit procedures must be recorded in the electronic transit system by the Treasury.

29 End of the common transit procedure (1): obligations of the holder of the procedure, and of the carrier and recipient of goods moving subject to the procedure

- (1) The holder of the common transit procedure is responsible for all of the following –
 - (a) presentation of the goods intact, and the required information in paragraph 30(1)(c), at the customs office of destination (see paragraph 16(3)) within the time-limit set under paragraph 20(1), and in compliance with the measures taken by the Treasury and other customs authorities to ensure their identification;
 - (b) observance of the customs provisions relating to the procedure; and
 - (c) unless otherwise provided for, provision of a guarantee pursuant to regulations under paragraphs 6 to 9 of Schedule 6 to the Act, as supplemented and modified by sub-paragraph (2) and paragraph 52, in order to ensure payment of the amount of any customs debt which may be incurred in respect of the goods.
- (2) In this Part (and for the purposes of paragraph 52 except sub-paragraph (10)(d)), a “**customs debt**” is the obligation in the Island on a person to pay an amount under the Act of import duty, export duty and other charges due, or to pay a corresponding amount owed to the United Kingdom, the Channel Islands or another common transit state.
- (3) A carrier, or recipient of goods who accepts goods knowing that they are moving subject to the common transit procedure, is also responsible for presentation of the goods intact at the customs office of destination within the time-limit set under paragraph 20(1) and in compliance with the

measures taken by the Treasury and other customs authorities to ensure their identification.

The operator of a fixed transport installation who is established in the Island is the carrier for these purposes.

- (4) The obligation of the holder of the procedure in sub-paragraph (1) is met and the common transit procedure ends when the goods subject to the common transit procedure and the required information are available at the customs office of destination, in accordance with paragraph 30.

This does not apply in a case covered by sub-paragraph (5) or (6).

- (5) The common transit procedure is deemed to have ended when the appropriate entry is made in the commercial records of the consignee, or the operator of a fixed transport installation, certifying that the goods transported by fixed transport installation –
- (a) have arrived at the consignee's plant;
 - (b) are accepted into the distribution network of the consignee; or
 - (c) have left the Island for a country other than a common transit state.
- (6) If an electronic transport document is used as the declaration if so authorised under paragraph 18(5), the common transit procedure ends when both the goods are presented at the customs office of destination for the airport and the particulars of the electronic transport document have been made available to that customs office in accordance with the means defined in the authorisation.
- (7) The holder of the common transit procedure for the purposes of a case covered by sub-paragraph (6) must notify the Treasury, and the customs office of destination if outside the Island, of all offences and irregularities related to the common transit procedure.

30

- (1) Where goods subject to the common transit procedure arrive at the customs office of destination, the following must be presented to the Treasury or, if different, the competent customs authority at that office –
- (a) the goods;
 - (b) the MRN of the declaration;
 - (c) any information required by the Treasury or that other customs authority.

The presentation must take place during the official opening hours of the office. However if in the Island, the Treasury may, at the request of the person concerned, allow the presentation to take place outside the official opening hours or at any other place.

- (2) Where the presentation has taken place after the expiry of the time-limit set by the Treasury under paragraph 20(1), the holder of the common

transit procedure is deemed to have complied with the time-limit where the holder or the carrier proves to the satisfaction of the Treasury or that other customs authority that the delay is not attributable to the holder or carrier.

- (3) The common transit procedure may be ended at a customs office other than that in the declaration. That customs office is then considered to be the customs office of destination, and the Treasury must notify the arrival to any customs office of destination outside the Island in the declaration.

But where the common transit procedure is ended at an office other than that declared in the declaration, the Treasury must amend its records accordingly.

- (4) At the request of the person presenting the goods to the customs office of destination, the Treasury must endorse a receipt which certifies the presentation of the goods at that customs office and contains a reference to the MRN of the declaration.
- (5) The receipt must be provided as stipulated by paragraph 32 and must be completed in advance by the person concerned.
- (6) The receipt must not be used as proof of the common transit procedure having ended.

31 End of the common transit procedure (2): goods received by an authorised consignee in the Island

- (1) When the goods arrive at the authorised place in paragraph 18(8), the authorised consignee must –
- (a) immediately notify the Treasury at the customs office of destination about the arrival of the goods and inform it of any irregularities or incidents that occurred during transport;
 - (b) unload the goods, but only after obtaining permission to do so from the Treasury;
 - (c) after unloading, enter the results of the inspection and any other relevant information relating to the unloading into the authorised consignee's records without delay; and
 - (d) notify the customs office of destination about the results of the inspection of the goods and inform it of any irregularities, no later than the third day following the day on which permission from the Treasury to unload was received.
- (2) When the Treasury has received notification of the arrival of the goods at the premises of the authorised consignee under sub-paragraph (1), or of a person similarly authorised as such by a customs authority in another common transit state, it must update its records accordingly.
- (3) When the Treasury has received the results of the inspection of the goods in sub-paragraph (1)(d), it must update its records accordingly no later

than the sixth day following the day the goods were delivered to the authorised consignee.

- (4) The holder of the common transit procedure is deemed to have fulfilled the applicable obligations in paragraph 29(1), and the common transit procedure is deemed to end in accordance with paragraph 29(4), when the goods have been presented intact to the authorised consignee at the authorised place as provided for in paragraph 18(8), or to a person similarly authorised as such by a customs authority in another common transit state, within the time-limit set by the Treasury under paragraph 20(1).
- (5) At the carrier's request, the authorised consignee in sub-paragraph (1) must issue a receipt which certifies the arrival of the goods at the authorised place mentioned in paragraph 18(8) and contains a reference to the MRN of the declaration. The receipt must be provided as stipulated by paragraph 32.

32 Receipt endorsed by the customs office of destination, and receipt issued by authorised consignee

A receipt under paragraph 30(4) or 31(5) must take the form stipulated in a public notice.

33 Verification and administrative assistance

- (1) The Treasury may use its powers to carry out post-release controls of the information supplied and of any documents, forms, authorisations or data relating to the common transit procedure in order to check that the entries, the information exchanged and the stamps are authentic.
- (2) It must respond without delay upon receiving a request for such controls from the customs authority of another common transit state.
- (3) Where the Treasury makes a request to the competent customs authority of another common transit state for a post-release control of information related to the common transit procedure, the conditions laid down in paragraph 38(1) for discharging the common transit procedure are deemed not to have been fulfilled until the authenticity and accuracy of the data have been confirmed.
- (4) For these purposes, "**post-release control**" is a specific act performed by the Treasury in order to ensure compliance with customs and other legislation governing the common transit procedure.

34 Controls

- (1) Where the common transit procedure ends in the Island, the Treasury must carry out customs controls on the basis of the particulars of the common transit procedure known to it.

- (2) Where the common transit procedure ends in the Island, no irregularity has been detected by the Treasury, and the holder of the procedure presents the transit accompanying document, the Treasury must endorse that document at the request of the holder of the procedure for the purpose of providing alternative proof of the ending of the procedure.
- (3) The endorsement must consider of the stamp, the signature of an officer, the date, and the following: “Alternative proof – 99202”.

35 Alternative proof of ending the common transit procedure

- (1) The common transit procedure must be considered as having been ended correctly where the holder of the procedure presents, to the satisfaction of the Treasury, one of the following documents identifying the goods —
 - (a) a document certified by the customs authority of a common transit state of destination which identifies the goods and establishes that the goods have been presented at the customs office of destination, or have been delivered to a person who is an authorised consignee or is correspondingly authorised by a customs authority in another common transit state;
 - (b) a document or a customs record, certified by the customs authority of a common transit state, which establishes that the goods have physically left the British Islands;
 - (c) a customs document issued in a third country where the goods are subject to a customs procedure (and here and in paragraph (d), “**third country**” is any country except a common transit state); or
 - (d) a document issued in a third country, stamped or otherwise certified by the customs authority of that country and establishing that the goods are considered to be in free circulation in that country.
- (2) Instead of the documents referred to in sub-paragraph (1), copies certified as being true copies by the body which certified the original documents may be provided as proof.
- (3) The notification of arrival of the goods received by the Treasury corresponding to the one referred to in paragraph 5(4) or 7(2), or a receipt corresponding in relation to another common transit state to the one referred to in paragraph 32, must not be considered to be proof that the common transit procedure has been ended correctly.

36 Enquiry procedure for goods moved subject to the common transit procedure

- (1) Where, after receiving the notification of the arrival of the goods, the Treasury has not received any control results from the customs office of destination outside the Island within 6 days of the goods being presented to that office, or of the goods being presented to the person in another

common transit state as mentioned in paragraph 31(2), the Treasury must immediately request the control results from the customs office of destination.

Here, “**control results**” are those in another common transit state corresponding to the ones in paragraphs 10 and 11.

- (2) Where the Treasury has not yet received information that allows for the discharge of the common transit procedure or for the recovery of the customs debt, it may request the relevant information from the holder of the procedure or, where sufficient particulars are available at the place of destination outside the Island, from the customs office of destination outside the Island, in the following cases –
- (a) the Treasury has not received the notification of arrival of the goods, corresponding to that in paragraph 5(4), by the expiry of the time-limit set for the presentation of the goods under paragraph 20(1);
 - (b) the Treasury has not received the control results requested in accordance with sub-paragraph (1); or
 - (c) the Treasury becomes aware that the notification of arrival of the goods was or the control results were sent in error.
- (3) The Treasury must send requests for information in accordance with sub-paragraph (2)(a) within a period of 7 days after the expiry of the time limit referred to there, and requests for information in accordance with sub-paragraph (2)(b) within a period of 7 days after the expiry of the applicable time-limit referred to in sub-paragraph (1).

However if, before the expiry of those time-limits, the Treasury receives information that the common transit procedure has not been ended correctly, or suspects that to be the case, it must send the request without delay.

- (4) Where, following a request in accordance with sub-paragraph (2), the customs office of destination outside the Island has not provided sufficient information for the common transit procedure to be discharged, the Treasury must require the holder of the procedure to provide that information, at the latest 28 days after initiating the enquiry procedure.

The holder of the procedure, if in the Island, must reply to that requirement within 28 days from the date on which it was sent.

- (5) If the information provided in a reply from the holder of the procedure in accordance with sub-paragraph (4) is not sufficient to discharge the common transit procedure, but the Treasury considers it sufficient in order to continue the enquiry procedure, the Treasury must immediately send a request for supplementary information to the customs office in sub-paragraph (4).

- (6) Where during the steps of an enquiry procedure set out in sub-paragraphs (1) to (5) it is established that the common transit procedure was ended correctly, the Treasury must discharge the common transit procedure and must immediately inform the holder of the procedure and, where appropriate, any customs authority outside the Island that may have initiated recovery proceedings for the customs debt.
- (7) Where during the steps of an enquiry procedure set out in sub-paragraphs (1) to (5) it is established that the common transit procedure cannot be discharged, the Treasury must establish whether a customs debt has been incurred.

If a customs debt has been so incurred, the Treasury must take the following measures —

- (a) identify the debtor; and
- (b) determine the customs authority responsible for notifying the customs debt to the debtor.

37

- (1) Sub-paragraphs (2) and (3) apply where the Treasury, during the enquiry procedure, obtains evidence that the place where the events from which the customs debt arises occurred is in the United Kingdom, the Channel Islands or another common transit state.
- (2) The Treasury shall immediately, and in any event within the time-limit in sub-paragraph (3), send all the information available to the competent customs authority at that place outside the Island.
- (3) The time-limit is 7 months from the latest date on which the goods should have been presented at the customs office of destination, unless before the expiry of that time-limit a request to transfer the recovery of the customs debt was sent by the authority responsible for the place where, according to the evidence obtained by the Treasury, the events from the customs debt arises occurred, in which case, that time-limit is extended by one month.
- (4) If the Treasury has not within 28 days received information from that competent customs authority acknowledging the information and informing it where it is responsible for the recovery of the customs debt, it must immediately resume the enquiry procedure or start the recovery of that customs debt in the Island.

38 Discharge of the common transit procedure

- (1) The common transit procedure is discharged when the Treasury and any customs authority for the customs office of destination outside the Island are in a position to establish, on the basis of a comparison of the data available to the Treasury and any customs office of destination, that the procedure has ended correctly.

The deemed transit procedure in paragraph 25(9) is then deemed to be similarly discharged for the purposes of paragraph 19(2) of Schedule 2 to the Act.

- (2) The Treasury, acting with any customs authority for any customs office of destination outside the Island, must take all the measures necessary and within its powers to regularise the situation of the goods in respect of which a common transit procedure has not been discharged under the conditions prescribed.
- (3) In the case of a common transit procedure ending in accordance with paragraph 29(6), that common transit procedure is deemed to be discharged unless the Treasury has received information or has established that the procedure has not ended correctly.

The deemed transit procedure in paragraph 25(9) is then deemed to be similarly discharged for the purposes of paragraph 19(2) of Schedule 2 to the Act.

39 Consequences of common transit procedure discharge

- (1) On the discharge of a common transit procedure in the Island, any chargeable goods that were subject to it become subject to sections 1 and 3 of the Act (charge to import duty and obligation to declare goods for a Customs procedure on import) and to regulations under section 39(1) of the Customs and Excise Management Act 1986 (regulation of unloading, removal, etc. of imported goods).
- (2) They are then deemed to have been presented to Customs on import for the purposes of paragraph 1(1) of Schedule 1 to the Act (imported goods to be presented to Customs).
- (3) A declaration in respect of them is then deemed to have been made for storage in a temporary storage facility.

40 Treasury controls and seals

Whenever a seal needs to be removed in the Island to allow customs inspection for the purposes of this Part, the Treasury must endeavour to reseal as necessary with a customs seal of at least equivalent security features, and note the particulars of the action including the new seal number on the cargo documentation.

PART 3

SIMPLIFICATIONS FOR THE PAPER-BASED COMMON TRANSIT PROCEDURE FOR GOODS CARRIED BY AIR

41 Authorisations for the use of paper-based common transit procedure for

goods carried by air

- (1) The Treasury may grant an applicant meeting the following conditions of authorisation for the use of paper-based common transit procedure for goods carried by air —
 - (a) the applicant is an airline company;
 - (b) the applicant is established in the Island (in accordance with the criteria in paragraph 18(3));
 - (c) the applicant regularly uses the common transit procedure, or the Treasury knows that the applicant can meet the obligations under the procedure;
 - (d) the applicant, and any director or senior employee of the applicant, have not been involved in a breach of an obligation relating to tax or a Customs obligation, which in the opinion of an officer is —
 - (i) a serious breach having regard to the circumstances and nature of any breach and the number of any breaches; and
 - (ii) relevant to the suitability of the applicant to be authorised under this paragraph; and
 - (e) the applicant, and any director or senior employee of the applicant, have no criminal convictions which in the opinion of an officer are —
 - (i) serious having regard to the type of conviction; and
 - (ii) relevant to the suitability of the applicant to be authorised under this paragraph.
- (2) The authorisation for the use of the paper-based common transit procedure for goods carried by air only applies in the common transit states specified in the authorisation.
- (3) The authorisation operates as a simplification of the common transit procedure in Parts 1 and 2.
- (4) For the purposes of this Part, an authorisation granted by Her Majesty's Revenue and Customs is deemed to be an authorisation granted by the Treasury under this paragraph.

42 A manifest as a declaration for the use of the paper-based common transit procedure for goods carried by air

- (1) The Treasury may authorise an airline company to use the goods manifest as a declaration where it corresponds in substance to the form set out in Appendix 3 of Annex 9 to the Convention on International Civil Aviation, done at Chicago on 7 December 1944, Ninth Edition (or any later edition)¹⁶ (“**the Convention**”).

¹⁶ See Civil Aviation Administration (CAA) webpage under Business & Industries on www.gov.im

- (2) The authorisation referred to in paragraph 41 must indicate the form of the manifest and the airports of departure and destination for common transit procedures. The airline company authorised in accordance with paragraph 41 must send an authenticated copy of that authorisation to the competent customs authorities for each of the airports concerned.

43 Formalities to be carried out by the airline company

- (1) The airline company must enter the following information into the manifest —
 - (a) the code —
 - (i) T1 in accordance with Article 109(1)(a) of Appendix I to the Convention; or
 - (ii) T2 or T2F in accordance with Article 109(1)(b) of Appendix I to the Convention;
 - (b) the name of the airline company transporting the goods;
 - (c) the flight number;
 - (d) the date of the flight; and
 - (e) the airport of departure and the airport of destination.
- (2) In addition to the information in sub-paragraph (1), the airline company must for each consignment enter into that manifest the following information —
 - (a) the number of the airway bill;
 - (b) the number of packages;
 - (c) the trade description of the goods, including all the details necessary for their identification; and
 - (d) the gross mass.
- (3) Where goods are grouped, their description in the manifest must be replaced, where appropriate, by the entry ‘Consolidation’, which may be abbreviated. In that case the airway bills for consignments on the manifest must contain the trade description of the goods, including all the details necessary for their identification. These airway bills must be attached to the manifest.
- (4) The airline company must date and sign the manifest.
- (5) At least two copies of the manifest must be presented to the competent customs authority for the airport of departure, and if that is in the Island, the Treasury must retain one copy.
- (6) A copy of the manifest must be presented to the competent customs authority for the airport of destination, which is the Treasury if that airport is in the Island.

44 Verification of a list of manifests used as a paper-based declaration for goods carried by air

- (1) Once a month, the Treasury for each airport of destination in the Island must authenticate a list of manifests drawn up by the airline companies which were presented to the Treasury during the previous month, and must transmit it to the customs authority for each airport of departure.
- (2) That list must include the following information for each manifest —
 - (a) the number of the manifest;
 - (b) the code identifying the manifest as a declaration in accordance with paragraph 43(1)(a);
 - (c) the name of the airline company which transported the goods;
 - (d) the flight number; and
 - (e) the date of the flight.
- (3) The authorisation as referred to in paragraph 41 may also provide that the airline company itself may transmit the list referred to in sub-paragraph (1) to the competent customs authorities of each airport of departure outside the British Islands.
- (4) In the event of irregularities found in connection with the information on the manifests appearing on the list, the Treasury must inform the competent customs authority for the airport of departure and the competent customs authority which granted the authorisation, referring in particular to the airway bills for the goods in question.

GENERAL PROVISION FOR PART 3**45 Provision relating to authorisations for the use of the paper-based common transit procedures for goods carried by air**

- (1) An authorisation referred to in paragraph 41 must only be granted provided that —
 - (a) the Treasury considers that it will be able to exercise control of the goods subject to the common transit procedure without introducing administrative measures disproportionate to the requirements of the person concerned;
 - (b) the applicant keeps records which enables the Treasury to carry out effective controls; and
 - (c) the applicant must be able to comply with any condition additional to paragraphs (a) and (b) which the Treasury considers will be a justified condition of the authorisation if granted.
- (2) Where an application holds an authorised economic operator authorisation in accordance with regulations under section 22 of the Act

the requirements set out in paragraphs 41(1)(d) and (e) and sub-paragraph (1) are deemed to be met.

PART 4

GENERAL PROVISION FOR THE PURPOSES OF THIS SCHEDULE

46 Requirement for information

A requirement for information under paragraph 36(4) has effect as if made under section 23 of the Finance Act 1994 (of Parliament), as it has effect in the Island¹⁷, and to a person to whom that section applies.

47 Liability to import duty

Nothing in this Schedule affects any incurrance of liability to import duty from a common transit procedure, or the person liable, by or under the Act, except that in situations covered by paragraph 4(4) or the first sentence of paragraph 29(3), the carrier or recipient of the goods is also jointly and severally liable with any person liable by or under the Act.

48 Establishing the customs status of goods, etc

For the purposes of Article 8(2), 9(4), 9(7), 10(3) or 12(1) of Appendix II to the Convention, the Treasury may carry out the functions of the “competent office”, “customs office”, or “customs office of departure” if in each respective case it is in the Island.

49

- (1) A person able to be authorised under paragraph 18(2) may be authorised by the Treasury to issue T2L or T2LF data for the purposes of the Convention without having to present this to the Treasury for endorsement.
- (2) Authorisation under sub-paragraph (1) only applies to a person who —
 - (a) will regularly issue the data and use it for a proper purposes; and
 - (b) is able to comply with any condition additional to sub-paragraph (a) which the Treasury considers will be a justified condition of the authorisation if granted.
- (3) The authorisation may stipulate that the front of the forms used in issuing the T2L or T2LF data and any continuation sheets must be —

¹⁷ Section 23 of the Finance Act 1994 was applied to the Island by SD 369/94.

- (a) stamped in advance with the stamp of the office referred to in Article 15(1)(a) of Appendix II to the Convention, and signed by an official of that office; or
 - (b) stamped by the authorised issuer in sub-paragraph (1) with a special metal stamp approved by the competent authorities and conforming to the specimen in Annex B9 of Appendix III to the Convention. The stamp may be pre-printed on the forms if the printing is entrusted to a printer approved for that purpose.
- (4) In the event of the misuse by any person of T2L or T2LF data issued under sub-paragraph (1), the authorised issuer shall be liable, without prejudice to any criminal proceedings, for the payment of duties and other charges payable in respect of goods carried under cover of such data, unless the issuer can satisfy the Treasury that the authorised issuer took all necessary security measures required under Article 16 of Appendix II to the Convention.
- (5) The authorised issuer in sub-paragraph (1) may be authorised by the Treasury not to sign such T2L or T2LF data issued using the special metal stamp in sub-paragraph (3)(b) which are drawn up by an electronic or automatic data processing system. Such authorisation is subject to the authorised issuer previously having given to the Treasury a written undertaking acknowledging liability for the legal consequences arising from all such T2L and T2LF data.
- (6) Each T2L or T2LF data drawn up in accordance with sub-paragraph (5) must contain in place of the authorised issuer's signature the endorsement: "Signature waived".

50 Co-operation with other customs services

Provision corresponding to section 26 of the Act applies where the Treasury co-operates with other customs services (whether or not about import duty under the Act) on matters of mutual concern for any of the purposes of this Schedule.

51 Business continuity procedure for the common transit procedure

A public notice must stipulate the business continuity procedure for use by the holder of the common transit procedure, including an authorised consignor, in the event of a temporary failure of —

- (a) the electronic transit system in Parts 1 and 2;
- (b) the computerised system used by the holders of the procedure for making the declarations for the common transit procedure by means of electronic data-processing techniques; or
- (c) the electronic connection between the computerised system used by the holders of the procedure for making the declarations for the common

transit procedure by means of electronic data-processing techniques and the electronic transit system.

52 Guarantees: supplementary rules for the common transit procedure

- (1) This paragraph supplements and modifies the provision mentioned in paragraph 29(1)(c) about guarantees for the purposes of each common transit procedure.
- (2) For the purpose of calculating the amount of the guarantee, domestic goods carried subject to the common transit procedure must be treated as chargeable goods.
- (3) The specified amount of the guarantee must correspond to an amount of customs debt which may become payable in connection with each common transit procedure in respect of which the guarantee is provided, in the period between the declaring of the goods for the common transit procedure and the discharge of that procedure.

For the purpose of that calculation, account must be taken of the highest rates of customs debt applicable to goods of the same type in the Island, and of sub-paragraph (2).

The Treasury must establish the specified amount for the purposes of a comprehensive guarantee in cooperation with the holder of the procedure, on the basis of the information on goods subject to the common transit procedure in the preceding 12 months, and on an estimate of the volume of intended common transit procedures as shown in particular by the commercial documentation and accounts of the holder of the procedure.

Where the information necessary to determine the specified amount for the purposes of a comprehensive guarantee is not available to the Treasury, that amount is fixed according to Article 74(2) (third subparagraph) of Appendix I and Article 22 of Appendix II to the Convention.

- (4) Only the types and forms of guarantee stipulated in a public notice are acceptable for the purposes of this Schedule.
- (5) Where the common transit procedure has not been discharged, the Treasury must, within 9 months from the time limit prescribed under paragraph 20(1) for presentation of the goods at the customs office of destination, notify the guarantor that the common transit procedure has not been discharged.
- (6) Where the common transit procedure has not been discharged and the customs debt is incurred in the Island, the Treasury must, within 3 years from the date of acceptance of the declaration for the common transit procedure, notify the guarantor that the guarantor is or might be required to pay the customs debt for which the guarantor is liable in respect of the common transit procedure in question.

- (7) The guarantor is released from the obligations if either of the notifications provided for in sub-paragraphs (5) and (6) have not been issued to the guarantor before the expiry of the time limit.
- (8) Where either of the notifications has been discharged, the guarantor must be informed by the Treasury of the recovery of the import duty or the discharge of the common transit procedure.
- (9) No guarantee is required in any of the following situations —
- (a) goods carried by air in accordance with the authorisation in paragraph 18(5);
 - (b) goods carried by a fixed transport installation as mentioned in paragraph 16(4); or
 - (c) goods carried by air under Part 3.
- (10) The Treasury must approve a waiver to the requirement for a comprehensive guarantee in relation to a potential liability to pay a customs debt if satisfied that the person authorised to give the comprehensive guarantee —
- (a) draws up accounts in accordance with generally accepted accounting practice;
 - (b) maintains reliable business records;
 - (c) is solvent;
 - (d) has in the preceding 3 years discharged any liability to pay any customs debt however it was incurred in the Island;
 - (e) has sufficient financial resources to meet the liability or potential liability not guaranteed as a result of the waiver;
 - (f) maintains procedures to ensure that the Treasury is notified of any breach of any Customs obligations;
 - (g) allows officers access to all electronic and physical information systems maintained by that person;
 - (h) maintains a logistical system that identifies chargeable goods and domestic goods and their location;
 - (i) where the liability relates to agricultural goods, has satisfactory procedures to ensure compliance with any relevant regulatory obligation in relation to agricultural goods;
 - (j) has satisfactory procedures in relation to archiving records; and
 - (k) maintains satisfactory computer system security measures.
- (11) Where an applicant holds an authorised economic operator authorisation in accordance with regulations under section 22 of the Act the requirements set out in sub-paragraph (10)(a) to (k) are deemed to be met.
- (12) Reference to “import duty” and “Customs procedure” in regulations under paragraphs 6 to 9 of Schedule 6 to the Act about guarantees must

be taken for the purposes of this Schedule as respective references to “customs debt” and “common transit procedure”.

53 Provision for airlines

- (1) The Treasury may authorise, in the case of air transport, the use of an electronic transport document as a declaration for the common transit procedure, provided it contains the particulars of such declaration and those particulars are available to the customs authorities for the place of departure and destination to allow the customs control of the goods and the discharge of the procedure.
- (2) The authorisation in sub-paragraph (1) is subject to paragraph 18(1) to (3) (but only to the extent that it concerns paragraph 18(5) and (6)) and must only be granted where —
 - (a) the Treasury have consulted the customs authorities for the airports of departure and destination and have received no notification from either authority, within 45 days from the communication, that the applicant does not fulfil one or more of the conditions for granting the authorisation;
 - (b) the applicant operates a significant number of flights between common transit state airports; and
 - (c) the applicant demonstrates the ability to ensure that the particulars of the electronic transport document are available to the customs office of departure for the airport of departure and to the customs office of destination for the airport of destination, and that those particulars are the same.
- (3) Expressions used in this paragraph have the same meaning as corresponding expressions in Part 2.

SCHEDULE 2

[Regulation 5]

THE TIR TRANSIT PROCEDURE**PART 1****GENERAL PROVISION FOR THE TIR TRANSIT PROCEDURE****1 The TIR transit procedure: introduction**

- (1) Under the TIR transit procedure provided for by this Schedule, chargeable goods may be moved within the Island without being subject to import duty if the movement takes place in accordance with the Customs Convention on the International Transport of Goods subject to the cover of TIR Carnets done at Geneva on 14 November 1975 in regulation 5 (the “**TIR Convention**”), as most recently amended on 1 October 2009, provided that the movement —
 - (a) begins or ends outside the British Islands; or
 - (b) is effected between two points in the British Islands through territory outside.
- (2) That procedure may also be used for the export of domestic goods from the Island or United Kingdom under the applicable export provisions.
- (3) For the purposes of this Schedule —
 - (a) the customs office of entry, departure, destination or exit is any office stipulated for the purposes of the TIR transit procedure in a public notice;
 - (b) the customs office of entry is the office stipulated in that public notice and where goods subject to the TIR procedure are to be presented after entry into the Island from outside the British Islands;
 - (c) the customs office of departure, as the context requires, is the office stipulated in that public notice and where the TIR transit procedure starts in the Island, or the customs office outside the Island where the TIR transit procedure starts;
 - (d) the customs office of destination is the customs office stipulated in that public notice and where the TIR transit procedure ends;
 - (e) the customs office of exit is the customs office stipulated in that public notice and where the goods subject to the TIR transit procedure are to leave the British Islands; and
 - (f) a single TIR transit procedure must not include more than four customs offices of departure or destination, in total.

2

The “**carrier**” for the purposes of the TIR transit procedure is the person who brings the goods, or assumes responsibility for the carriage of the goods, to a customs office in the Island.

It is also for the purposes of the TIR transit procedure a person who takes the goods from, or assumes responsibility for the carriage of the goods from, the Island.

PART 2**TIR TRANSIT PROCEDURES THAT START OUTSIDE THE BRITISH ISLANDS****3 TIR transit procedure: preliminaries**

- (1) The goods need not be presented to Customs on import when goods subject to a TIR transit procedure are brought into the Island from outside the British Islands.

If they are chargeable goods, these are deemed to be declared for a transit procedure within section 3(4)(b) of the Act, and no additional declaration for the purposes of the importation is necessary either before or on import.

- (2) But the goods in sub-paragraph (1) must then be presented to the customs office of entry by or on behalf of the holder of the TIR Carnet in question.
- (3) The TIR Carnet counterfoils completed by customs authorities outside the British Islands in the course of the TIR transit procedure are sufficient evidence of the goods being subject to the TIR transit procedure.

4 Formalities to be completed at the office of entry

- (1) The TIR Carnet holder must without delay submit the TIR Carnet for the TIR transit procedure at the customs office of entry.
- (2) That customs office of entry may set a time-limit within which the goods must be presented to the customs office of destination, taking into account the following —
- (a) the route;
 - (b) the means of transport;
 - (c) transport legislation or other legislation which might have an impact on setting a time-limit; and
 - (d) any relevant information communicated to the Treasury by the TIR Carnet holder.

- (3) The customs office of entry may prescribe a route for the TIR transit procedure, if it considers this necessary, taking into account any relevant information communicated to the Treasury by the TIR Carnet holder.
- (4) Where the goods are then released by the Treasury for the TIR transit procedure in the British Islands, the customs office of entry must notify the TIR Carnet holder of the release of the goods for the TIR transit procedure.
- (5) The provision made by Articles 16 and 17 of, and Annex 5 to, the TIR Convention, applies to a TIR transit procedure in the Island ("TIR" plates on vehicles; proper use of TIR Carnets).

5 Incidents during movement of goods

- (1) The carrier must present without undue delay, after any incident in the Island (or, if the place of the incident cannot be established, detected there), during the TIR transit procedure, the goods together with the road vehicle, the combination of vehicles or the container, and the TIR Carnet of the TIR transit procedures to the nearest office where —
 - (a) the carrier is obliged to deviate from the route prescribed in accordance with paragraph 4(3) due to circumstances beyond the carrier's control; or
 - (b) there is an incident or accident within the meaning of Article 25 of the TIR Convention.
- (2) Where the Treasury considers that the TIR transit procedure concerned may continue, it may take any steps that it considers necessary (and must disregard minor breaches of time-limits or routes).

Where the Treasury considers that the TIR transit procedure concerned must not continue, the procedure terminates and the Treasury must proceed according to paragraph 10.

Relevant information concerning the incidents referred to in sub-paragraph (1) must be recorded in TIR Carnet by the Treasury.

6 Presentation of goods at the customs office of destination

- (1) Where goods moved subject to a TIR transit procedure arrive at a customs office of destination, the following must be presented at that office —
 - (a) the goods together with the road vehicle, the combination of vehicles or the container;
 - (b) the TIR Carnet; and
 - (c) any information required by the Treasury.

The presentation must take place during the official opening hours of the office. However the Treasury may, at the request of the person concerned,

allow the presentation to take place outside the official opening hours or at any other place.

- (2) Where the presentation has taken place at the customs office of destination after expiry of the time-limit set by the customs office of entry, the TIR Carnet holder is deemed to have complied with the time-limit where the holder or the carrier proves to the satisfaction of the Treasury that the delay is not attributable to the holder or the carrier.
- (3) A TIR transit procedure may be terminated at a customs office other than that in the TIR Carnet. That office is then the customs office of destination.

7 Formalities at the customs office of destination

- (1) The customs office of destination must terminate the TIR transit procedure in accordance with Articles 1(d) and 28(1) of the TIR Convention. It must complete counterfoil No. 2 of the TIR Carnet and retain Voucher No. 2 of the TIR Carnet. The TIR Carnet must be returned to the TIR Carnet holder or to the person acting on that holder's behalf.
- (2) Where paragraph 6 applies, the Treasury must return the appropriate part of Voucher No. 2 of the TIR Carnet to the customs office of departure without delay.

8 Formalities for goods received by an authorised consignee

- (1) When the goods arrive at the authorised place in the authorisation referred to in paragraph 25, the authorised consignee must —
 - (a) immediately notify the customs office of destination about the arrival of the goods and inform them of any irregularities or incidents that occurred during transport, in each case within the time-limit for the purpose set in that authorisation;
 - (b) unload the goods, but only after obtaining permission from the Treasury to do so, and enter the results of the inspection and any other relevant information relating to the unloading into the authorised consignee's records without delay; and
 - (c) notify the customs office of destination about the results of the inspection of the goods, and inform it of any irregularities, no later than the third day following the day on which permission from the Treasury to unload the goods was received.
- (2) The authorised consignee must ensure that the TIR Carnet for the TIR transit procedure is presented, within the time-limit laid down in the authorisation, at the customs office of destination for the purposes of terminating the TIR transit procedure in accordance with paragraph 7(1).
- (3) The TIR Carnet holder is considered to have fulfilled the obligations under Article 1(o) of the TIR Convention, where the TIR Carnet together with the road vehicle, the combination of vehicles or the container and the goods

have been presented intact to the authorised consignee at the place specified in the authorisation in paragraph 25.

9 Alternative proof of termination of the TIR transit procedure

- (1) The TIR transit procedure must be considered as having been terminated correctly, within the time-limit set in accordance with provision corresponding to paragraph 14(2), where the TIR Carnet holder or the guaranteeing association in Article 1(q) of the TIR Convention, presents, to the satisfaction of the Treasury, one of the following documents identifying the goods –
 - (a) a document certified by the Treasury which identifies the goods and establishes that the goods have been presented at the customs office of destination, or have been delivered to an authorised consignee in paragraph 25;
 - (b) a document or a customs record, certified by the Treasury or other customs authority in the British Islands, which establishes that the goods physically left the British Islands;
 - (c) a customs document issued in a country outside the British Islands, where the goods are placed under a customs procedure; or
 - (d) a document issued in a country outside the British Islands, stamped or otherwise certified by the customs authority of that country and establishing that the goods are considered to be in free circulation in that country.
- (2) Instead of the documents referred to in sub-paragraph (1), copies certified as being true copies by the body which certified the original documents, or by the authority of that country outside the British Islands, may be provided as proof.

10 Enquiry procedure

- (1) Where the TIR transit procedure terminates under paragraph 5(2), or under 7(1) but with an irregularity, the Treasury must require information about that irregularity from holder of the TIR Carnet.
- (2) That holder must provide the information no later than 28 days after receiving the requirement.
- (3) If the Treasury remains unable to discharge the TIR transit procedure upon receiving that information, it must immediately notify the guaranteeing association in question and invite it to provide proof that the procedure should be discharged.

11 Discharge of the TIR transit procedure

The Treasury must discharge the TIR transit procedure where it is properly terminated without irregularity under paragraph 7(1), or any irregularity is resolved following receipt of the information in paragraph 10(2) or 10(3).

PART 3

TIR TRANSIT PROCEDURES THAT START IN THE ISLAND

12 Place for controls and formalities for goods leaving and re-entering the Island

Where, in the course of movement of goods from one point to another point in the British Islands, goods leave and re-enter the Island, the customs controls and formalities applicable in accordance with the TIR Convention must be carried out by the Treasury at the points where the goods temporarily leave the British Islands (from the Island) and where they re-enter the British Islands (in the Island).

13 Route for movements of goods

- (1) Goods moved subject to the TIR transit procedure must be transported to the customs office of destination along an economically justified route.
- (2) Where the customs office of departure considers it necessary, it may prescribe a route for the TIR transit procedure taking into account any relevant information communicated to the Treasury by the TIR Carnet holder.

14 Formalities to be completed at the office of departure

- (1) The TIR Carnet holder must submit the TIR Carnet for the TIR transit procedure at the customs office of departure.
- (2) The Treasury may set a time-limit within which the goods must be presented to the customs office of exit, taking into account the following —
 - (a) the route;
 - (b) the means of transport;
 - (c) transport legislation or other legislation which might have an impact on setting a time-limit; and
 - (d) any relevant information communicated to the Treasury by the TIR Carnet holder.
- (3) The Treasury must notify the TIR Carnet holder of the release of the goods in the Island for the TIR transit procedure.

- (4) The goods in sub-paragraph (2) must then be presented to the customs office of departure by or on behalf of the holder of the TIR Carnet in question.
- (5) The goods moved subject to the TIR transit procedure must then be presented to the customs office of exit, and the following must be presented at that office –
 - (a) the goods together with the road vehicle, the combination of vehicles or the container;
 - (b) the TIR Carnet; and
 - (c) any information required by the Treasury or other customs authority in the British Islands.

The presentation must take place during the official opening hours of the office. However the Treasury may, at the request of the person concerned, allow the presentation to take place outside the official opening hours or at any other place.

- (6) The provision made by Articles 16 and 17 of, and Annex 5 to, the TIR Convention, applies to a TIR transit procedure in the Island (“TIR” plates on vehicles; proper use of TIR Carnet).

15 Incidents during movement of goods

- (1) The carrier (see paragraph 2) must present without undue delay, after any incident in the Island (or, if the place of the incident cannot be established, detected there), during the TIR transit procedure, the goods together with the road vehicle, the combination of vehicles or the container and the TIR Carnet of the TIR transit procedure to the nearest office where –
 - (a) the carrier is obliged to deviate from a route prescribed in accordance with paragraph 13(2) due to circumstances beyond the carrier’s control; or
 - (b) there is an incident or accident within the meaning of Article 25 of the TIR Convention.
- (2) Where the Treasury considers that the TIR transit procedure concerned may continue, it may take any steps that it considers necessary (and must disregard minor breaches of time-limits or routes).

Where the Treasury considers that the TIR transit procedure concerned must not continue, the procedure terminates and the Treasury must proceed according to paragraph 22.

Relevant information concerning the incidents referred to in sub-paragraph (1) must be recorded in TIR Carnet by the Treasury.

16 Returning goods subject to the TIR transit procedure

- (1) In the case of chargeable goods subject to a TIR transit procedure that starts in the British Islands, these are deemed to be declared for a transit procedure within section 3(4)(b) of the Act.

These goods need not be presented to Customs on re-import when they are brought into the Island, and for the purposes of that re-importation no additional declaration is necessary before or on re-import.

- (2) The TIR Carnet counterfoils completed by customs authorities outside the British Islands in the course of the TIR transit procedure are sufficient evidence of the goods being subject to the TIR transit procedure.
- (3) But the goods in sub-paragraph (1) must then be presented to the customs office of entry by or on behalf of the holder of the TIR Carnet in question.

17 Formalities to be completed at the office of entry

- (1) The TIR Carnet holder must without delay submit the TIR Carnet for the TIR transit procedure at the customs office of entry.
- (2) That customs office of entry may set a time-limit within which the goods must be presented to the customs office of destination, taking into account the following —
 - (a) the route;
 - (b) the means of transport;
 - (c) transport legislation or other legislation which might have an impact on setting a time-limit; and
 - (d) any relevant information communicated to the Treasury by the TIR Carnet holder.
- (3) The customs office of entry may prescribe a route for the TIR transit procedure, if it considers this necessary, taking into account any relevant information communicated to the Treasury by the TIR Carnet holder.
- (4) Where the goods are then released by the Treasury for the TIR transit procedure in the Island, the customs office of entry must notify the TIR Carnet holder of the release of the goods for the TIR transit procedure.
- (5) The provision made by Articles 16 and 17 of, and Annex 5 to, the TIR Convention, applies to a TIR transit procedure in the Island (“TIR” plates on vehicles; proper use of TIR Carnets).

18 Presentation of goods at the customs office of destination

- (1) Where goods moved subject to a TIR transit procedure arrive at the customs office of destination, the following must be presented at that office —

- (a) the goods together with the road vehicle, the combination of vehicles or the container;
- (b) the TIR Carnet; and
- (c) any information required by the Treasury.

The presentation must take place during the official opening hours of the office. However the Treasury may, at the request of the person concerned, allow the presentation to take place outside the official opening hours or at any other place.

- (2) Where the presentation has taken place at the customs office of destination after expiry of the time-limit set by the customs office of exit, the TIR Carnet holder is deemed to have complied with the time-limit where the holder or the carrier proves to the satisfaction of the Treasury that the delay is not attributable to the holder or the carrier.
- (3) A TIR transit procedure may be terminated at a customs office other than that in the TIR Carnet. That office is then considered to be the customs office of destination.

19 Formalities at the customs office of destination

- (1) The customs office of destination must terminate the TIR transit procedure in accordance with Articles 1(d) and 28(1) of the TIR Convention,. It must complete Counterfoil No. 2 of the TIR Carnet and retain Voucher No. 2 of the TIR Carnet. The TIR Carnet must be returned to the TIR Carnet holder or to the person acting on that holder's behalf.
- (2) Where paragraph 18 applies, the Treasury must return the appropriate part of Voucher No. 2 of the TIR Carnet to the customs office of departure without delay.

20 Formalities for goods received in the Island by an authorised consignee

- (1) When the goods arrive at the authorised place in the authorisation referred to in paragraph 25, the authorised consignee must —
 - (a) immediately notify the customs office of destination about the arrival of the goods and inform it of any irregularities or incidents that occurred during transport, in each case within the time-limit for the purpose set in that authorisation;
 - (b) unload the goods, but only after obtaining permission from the Treasury to do so, and enter the results of the inspection and any other relevant information relating to the unloading into the authorised consignee's records without delay; and
 - (c) notify the customs office of destination about the results of the inspection of the goods, and inform it of any irregularities, no later than the third day following the day on which permission from the Treasury to unload the goods was received.

- (2) The authorised consignee must ensure that the TIR Carnet of the TIR transit procedure is presented, within the time-limit laid down in the authorisation, at the customs office of destination for the purposes of terminating the TIR transit procedure in accordance with paragraph 19(1).
- (3) The TIR Carnet holder is considered to have fulfilled the obligations under Article 1(o) of the TIR Convention, where the TIR Carnet together with the road vehicle, the combination of vehicles or the container and the goods have been presented in tact to the authorised consignee at the place specified in the authorisation in paragraph 25.

21 Alternative proof of termination of the TIR transit procedure

- (1) The TIR transit procedure started under paragraph 14 must be considered as having been terminated correctly, within the time-limit set in accordance with paragraph 14(2), where the TIR Carnet holder or the guaranteeing association in Article 1(q) of the TIR Convention, presents, to the satisfaction of the Treasury, one of the following documents identifying the goods —
 - (a) a document certified by the Treasury which identifies the goods and establishes that the goods have been presented at the customs office of destination, or have been delivered to an authorised consignee in paragraph 25;
 - (b) a document or a customs record, certified by the Treasury or other customs authority in the British Islands, which establishes that the goods physically left the British Islands;
 - (c) a customs document issued in a country outside the British Islands, where the goods are placed under a customs procedure; or
 - (d) a document issued in a country outside the British Islands, stamped or otherwise certified by the customs authority of that country and establishing that the goods are considered to be in free circulation in that country.
- (2) Instead of the documents referred to in sub-paragraph (1), copies certified as being true copies by the body which certified the original documents, or by the authority of that country outside the British Islands, may be provided as proof.

22 Enquiry procedure

- (1) Where the TIR transit procedure terminates under paragraph 15(2), or under 19(1) but with an irregularity, the Treasury must require information about that irregularity from holder of the TIR Carnet.
- (2) That holder must provide the information no later than 28 days after receiving the requirement.

- (3) If the Treasury remains unable to discharge the TIR transit procedure upon receiving that information, it must immediately notify the guaranteeing association in question and invite it to provide proof that the procedure should be discharged.

23 Discharge of the TIR transit procedure

The Treasury must discharge the TIR transit procedure where it is properly terminated without irregularity under paragraph 19(1), or any irregularity is resolved following receipt of the information in paragraph 22(2) or 22(3).

PART 4

MISCELLANEOUS PROVISION FOR THE PURPOSES OF THIS SCHEDULE

24 Irregularities: supplementary

- (1) A discrepancy between the TIR manifest of the goods covered by the TIR Carnet, and the actual contents of the road vehicle, combination of vehicles or container, is not an irregularity by the TIR Carnet holder where the discrepancy is not due to mistakes committed knowingly or through negligence when the goods were loaded or dispatched, or when the TIR manifest was made out.
- (2) The Treasury must, on request from a customs authority for a Contracting Party to the TIR Convention giving relevant reasons, provide that authority with all the available information about matters covered by sub-paragraph (1), and minor discrepancies covered by paragraph 15(2).

PART 5

AUTHORISATIONS FOR THE TIR TRANSIT PROCEDURE

25 Authorisation of authorised consignees

- (1) Provision corresponding to that made by paragraph 18(1) to (3) (without the references to sub-paragraphs (4), (5) and (7)) and (8) (without reference to “under paragraph 29(4)”) of Schedule 1, applies in relation to the TIR transit procedure (authorised consignee).
- (2) Any such authorisation existing for the purposes of the TIR Convention when this Schedule comes into operation continues, but subject to and as if made under Part 1 of the Act.

26 Authorisation of guaranteeing associations

- (1) A public notice must stipulate the rules that have effect for a “guaranteeing association” for the purposes of the TIR Convention.
- (2) A “**guaranteeing association**” for these purposes is one approved by the Treasury or Her Majesty’s Revenue and Customs (“**HMRC**”) to act as surety for any person using the TIR transit procedure.
- (3) That public notice must make comprehensive provision for a guaranteeing association under the TIR Convention, including the requirements and conditions of approval, and the procedure for approval by the Treasury; the guarantee of transport operations subject to the TIR transit procedure; the liabilities of a guaranteeing association, in and outside the British Islands; the undertakings that must be given by a guarantee association; the maximum sum that may be claimed from the guaranteeing association per TIR Carnet; the functions of the guaranteeing association in relation to a TIR Carnet, such as the form and content of a TIR Carnet; the facilities and information that the Treasury must provide for guaranteeing associations for the purpose of their functions.
- (4) The Treasury may provide to a guaranteeing association information about —
 - (a) a person’s suitability for access to the TIR transit procedure, given any relevant breach of a serious customs obligation or other serious obligation relating to the importation goods, or any relevant criminal conviction; and
 - (b) its decision under this paragraph to exclude a person, temporarily or permanently, from access to the TIR transit procedure on the basis of the matters set out in paragraph (a).
- (5) The Treasury may share the decision in sub-paragraph (4)(b) with —
 - (a) a customs authority where the person is established (as defined for this purpose by provision corresponding to that made by paragraph 6(3) of Schedule 1);
 - (b) the guaranteeing association where the matters in sub-paragraph (4)(a) took place; and
 - (c) the TIR Executive Board for the TIR Convention.
- (6) The Treasury may amend, suspend or revoke an approval of a guaranteeing association for breach of a requirement or condition of approval, or other just cause.
- (7) The stipulations in the public notice must not differ significantly from the rules in operation in the Island about guaranteeing associations immediately before this Schedule comes into operation.
- (8) The Treasury authorisation for a guaranteeing association that was current immediately before this Schedule comes into operation remains so in that

form after it comes into operation, and becomes treated as given under this paragraph such that section 23 of the Act applies to it.

27 Approval of vehicles and containers; controls etc. on heavy or bulky goods

- (1) In general, only road vehicles, combinations of vehicles or containers within Article 3(a)(i) of the TIR Convention may be used in a TIR transit procedure (approved vehicles, etc.).
- (2) Other road vehicles, other combinations of vehicles or other containers within Article 3(a)(ii) of the TIR Convention may be used in a TIR transit procedure, subject to the conditions in Chapter III(c) of that Convention (heavy or bulky goods).
- (3) Vehicles in Article 3(a)(iii) of the TIR Convention may be used in a TIR transit procedure, subject to the conditions in Article 3(a)(iii) and Chapter III(c) of that Convention (goods travelling by own means).
- (4) The arrangements that applied in the Island immediately before this Schedule comes into operation, for the purposes of Articles 3(a)(i), 12, 13 and 14 of the TIR Convention, continue to apply after it comes into operation as if corresponding provision had been made in this paragraph (approval procedure for road vehicles or containers; conditions about construction and equipment; certificates of approval for road vehicles and containers).
- (5) Anything in sub-paragraph (4) that was valid and current immediately before this Schedule comes into operation remains so after it comes into operation, and becomes treated as if done under that sub-paragraph.
- (6) Everything that applied in the Island immediately before this Schedule comes into operation, for the purposes of Articles 3(a)(ii) or (iii), and 29 to 35 of the TIR Convention, continues to apply after it comes into operation as if corresponding provision had where necessary been made under this paragraph (control of heavy or bulky goods, and associated items about guaranteeing association liabilities, TIR Carnet endorsements and customs seals).

PART 6

FURTHER GENERAL PROVISION FOR THE PURPOSES OF THIS SCHEDULE

28

- (1) Provision corresponding to that made by paragraphs 14 and 15 to Schedule 1, applies for the purposes of the TIR transit procedure in Part 2 (consequences of discharge; removal of customs seals).

- (2) Provision corresponding to that made by paragraphs 39 and 40 to Schedule 1, applies for the purposes of the TIR transit procedure in Part 3 (consequences of discharge; removal of customs seals).
- (3) Discharge of the TIR procedure also discharges the deemed transit procedure mentioned in paragraphs 3(1) and 16(1).
- (4) A requirement for information under paragraph 10(1) or 22(1) has effect as if made under section 23 of the Finance Act 1994 (of Parliament), as it has effect in the Island¹⁸, and to a person to whom that section applies.

¹⁸ Section 23 of the Finance Act 1994 was applied in the Island by SD 369/94.

SCHEDULE 3

[Regulation 6]

ISLAND TRANSIT PROCEDURE



SCHEDULE 4

[Regulation 7]

PROCEDURE FOR NATO FORCES**1 Place for controls and formalities for NATO goods leaving and re-entering the Island**

Where, in the course of movement of goods from one point to another point in the British Islands, goods leave and re-enter the Island, the customs controls and formalities applicable in accordance with the Agreement in regulation 7 must be carried out by the Treasury at the points where the goods temporarily leave the British Islands (from the Island) and where they re-enter the British Islands (in the Island).

2 Customs office and form 302

- (1) The Treasury must designate the customs offices in the Island responsible for formalities and controls concerning the movement of goods carried out by or on behalf of NATO forces.
- (2) A designated customs office must supply the NATO forces stationed in its area with forms 302 which —
 - (a) are pre-authenticated with the stamp and official signature of an officer of that office;
 - (b) are serially numbered; and
 - (c) bear the full address of that designated customs office for the return copy of the form known as “form 302”.
- (3) In this Schedule, “**NATO forces**” are those of the North Atlantic Treaty Organisation eligible to use form 302 as provided for in or under the Agreement in regulation 7.

3 Procedural rules for the form 302

- (1) The Treasury must stipulate in a public notice the procedural rules applying to, and to the use of, form 302.
- (2) Those stipulations have effect as if made under this Schedule.
- (3) Those stipulations must provide for, in particular —
 - (a) the means by which the NATO forces must lodge the form at the office;
 - (b) the means by which the Treasury may authenticate a form that is so lodged;

- (c) the rules for use of the form, or a copy, in relation to customs controls and formalities about NATO forces that dispatch goods, or on whose behalf goods are dispatched; and
 - (d) the rules for use of the form as an accompanying document for movements of goods by or on behalf of NATO forces.
- (4) That public notice must be published and in operation no later than when this Schedule comes into operation.
- (5) That public notice may be amended, revoked or replaced by a further public notice.

ENDNOTES

Table of Endnote References

¹ The format of this legislation has been changed as provided for under section 75 of, and paragraph 2 of Schedule 1 to, the Legislation Act 2015. The changes have been approved by the Attorney General after consultation with the Clerk of Tynwald as required by section 76 of the Legislation Act 2015.