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STATUTORY INSTRUMENTS

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**1991 No. 2727**

**The Free Zone Regulations 1991**

**Citation and commencement**

1. These Regulations may be cited as the Free Zone Regulations 1991 and shall come into force on 1st January 1992.

**Interpretation**

2. In these Regulations—

“the Act” means the Customs and Excise Management Act 1979<sup>(1)</sup>;

“the customs and excise Acts” has the same meaning as in section 1(1) of the Act;

“relevant Community provision” means any provision of a Community Regulation specified in the first and second columns of the Schedule.

**Repeals**

3. —

(1) Subject to paragraph (2) below, the following sections of the Act are hereby repealed—  
section 100B (free zone regulations),  
section 100C (free zone goods: customs duties, etc), except for subsection (4),  
section 100D (free zone regulations: supplemental), and  
section 100E (control of trading in free zones)<sup>(2)</sup>

(2) This regulation shall not have effect in relation to the application of the following provisions of the Act by virtue of section 24(1) of the Value Added Tax Act 1983<sup>(3)</sup>—

section 100B (free zone regulations),

section 100C(1) (free zone goods) insofar as the subsection purports to apply to goods chargeable with customs duty, and

section 100C(3) (scope of free zone regulations).

**Amendments**

4. In section 1(1) of the Act (interpretation)—

(a) in the definition of “free zone goods”, for “100B(2)” there shall be substituted “100C(4)(d)”; and

(b) the definition of “free zone regulations” shall be omitted.

5. In section 100C(4) of the Act (free zone regulations)—

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(1) 1979 c. 2.

(2) Sections 100B-100E were inserted by the Finance Act 1984 (c. 43), section 8 and Schedule 4 Part I.

(3) 1983 c. 55.

- (a) for the preamble there shall be substituted “The Commissioners, with respect to free zone goods or the movement of goods into any free zone, may be regulations make provision–”; and
- (b) at the end there shall be inserted the following paragraph–
  - “(d) references in this Act to “free zone goods” are references to goods which are within a free zone.”.

### **Offences, penalty and forfeiture**

6. In the event of any contravention or failure to comply with–
- (a) any relevant Community provision; or
  - (b) any requirement or condition imposed by or under any such provision; or
  - (c) any undertaking given pursuant to any such provision or requirement; or
  - (d) any regulation made under section 100B of the Act in its continued application by virtue of regulation 3(2) above; or
  - (e) any regulation made under section 100C(4) of the Act,

the person responsible for the contravention or failure shall be liable on summary conviction to a penalty of level 3 on the standard scale(4)together with a penalty of £40 for each day on which the contravention or failure continues and any goods in respect of which the offence was committed shall be liable to forfeiture.

### **Supplementary**

7.—(1) Section 139 of and Schedule 3 to the Act(5)(detention, seizure and condemnation of goods) shall apply to any goods where liable to forfeiture under regulation 6 above as if the goods were liable to forfeiture under the customs and excise Acts.

(2) Sections 144 to 148 and 150 to 155 of the Act(6)(proceedings for offences, mitigation of penalties, proof and other matters) shall apply in relation to offences and penalties under regulation 6 above and proceedings for such offences or for condemnation of any thing as being forfeited under that regulation as they apply in relation to offences and penalties and proceedings for offences or for condemnation under the customs and excise Acts.

New King’s Beam House 22 Upper Ground  
London SE1 9PJ  
4th December 1991

*Alexander W. Russell*  
Commissioner of Customs and Excise

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(4) The levels of the penalties on the standard scale currently in force are set out in S.I.1984/447 (England and Wales), 1984/526 (Scotland) and S.R. (N.I.) 1984 No. 253 (Northern Ireland). Those penalties are increased by section 17 of the Criminal Justice Act 1991 (c. 53) with effect from a date to be appointed by the Secretary of State under section 102 of that Act.

(5) Section 139(7) was amended by the Criminal Justice Act 1982 (c. 48), section 46, by the Criminal Procedure (Scotland) Act 1975 (c. 21), section 289G (which was inserted by the Criminal Justice Act 1982, section 54), and by S.I. 1984/703 (N.I.3).

(6) Section 147(2) was amended by the Magistrates’ Courts Act 1980 (c. 43), section 154 and Schedule 7 paragraph 176; section 147(5) was repealed by the Criminal Justice Act 1982 (c. 48), section 77 and Schedule 14 paragraph 42 and section 78 and Schedule 16; section 151 was amended by the Magistrates’ Courts Act 1980, section 154 and Schedule 7 paragraph 177; section 153(4) was inserted by the Finance Act 1981 (c. 35), section 11 and Schedule 8 Part 1 paragraph 9.