
STATUTORY INSTRUMENTS

1991 No. 2727

CUSTOMS AND EXCISE

The Free Zone Regulations 1991

Made - - - - *4th December 1991*
Laid before Parliament *11th December 1991*
Coming into force - - *1st January 1992*

The Commissioners of Customs and Excise, being a Department designated for the purposes of section 2(2) of the European Communities Act 1972⁽¹⁾ in relation to customs matters of the European Communities⁽²⁾, in exercise of the powers conferred upon them by the said section 2(2), and of all other powers enabling them in that behalf, hereby make the following Regulations:

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⁽³⁾;

“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(1) Subject to paragraph (2) below, the following sections of the Act are hereby repealed—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

(1) 1972 c. 68.
(2) S.I.1977/980.
(3) 1979 c. 2.

section 100E (control of trading in free zones)(4)

(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(5)–

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)–

(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(6) 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.

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

(5) 1983 c. 55.

(6) 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.

Supplementary

7.—(1) Section 139 of and Schedule 3 to the Act(7)(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(8)(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
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4th December 1991

Alexander W. Russell
Commissioner of Customs and Excise

(7) 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).

(8) 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.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

SCHEDULE

Regulation 2

RELEVANT COMMUNITY PROVISIONS

(1) <i>Community Regulation</i>	(2) <i>Relevant Provision</i>	(3) <i>Subject Matter of Provision</i>
Council Regulation (EEC) No. 2504/88 ⁽⁹⁾	Article 2–paragraph 4 Articles 7, 8 and 9 Article 11–paragraph 1 Article 11–paragraph 2	Construction of a building needs authorization Activities need authorization Stock accounts to be kept in approved form and at disposal of customs authority; goods to be identified and movements recorded Transshipment documents to be kept at disposal of customs authority
Commission Regulation (EEC) NO. 2562/90 ⁽¹⁰⁾	Article 7 Article 11 Article 13–paragraph 2 Article 27–paragraph 1 Article 27–paragraph 2 Article 29	Advance notification of activities Activities commenced before approval of stock accounts Entry of goods into premises to be recorded immediately in stock accounts Article 24 Removal of goods from premises to be recorded immediately in stock accounts Prefinanced goods to be presented and declaration lodged Form of declaration Permitted forms of handling for prefinanced goods

⁽⁹⁾ OJ No. L225, 15.8.88, p.8.

⁽¹⁰⁾ OJ No. L246, 10.9.90, p.33.

EXPLANATORY NOTE

(This note is not part of the Regulations)

From 1st January 1992 the administration of free zones will be governed by Council Regulation (EEC) No. 2504/88 and Commission Regulation (EEC) No. 2562/90. The provisions of the Customs and Excise Management Act 1979 which are superseded by that legislation are repealed by these Regulations.

Free zones will continue to be designated under section 100A of the 1979 Act in statutory instruments.

These Regulations provide that the effect of certain of the repealed provisions will be retained in connection with the application of value added tax to goods in free zones.

Penalties and forfeiture are provided for contravention of the requirements of the EC Regulations.