
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision under Part 1 of the Taxation (Cross-border) Trade Act 2018 (“the Act”) in relation to outward processing and special Customs procedures, other than transit. These procedures are defined in sections 3 and 36 of the Act. These Regulations replace provisions in European Union legislation which will cease to have effect when the United Kingdom ceases to be a member of the European Union.

These Regulations are made alongside the Customs (Import Duty) (EU Exit) Regulations 2018 ([S.I. 2018/1248](#)) which make further provision under Part 1 of the Act relating to import duty. Further instruments relevant to outward processing and special Customs procedures will be made in due course covering matters such as applicable export provisions and the customs tariff.

Part 1 makes provision in relation to citation, commencement and interpretation.

Part 2 makes provision in relation to authorisation and approvals. In particular, this Part:

- specifies the activities relating to outward processing and non-transit special Customs procedures that may only be carried out by a person who is authorised or approved to do so;
- makes provision for declarations of goods to be treated as an application for authorisation or amendment of an approval;
- specifies eligibility criteria for authorisation or approval that apply to more than one procedure;
- makes provision in relation to the period for which an authorisation is to have effect and the circumstances in which an authorisation may have effect from a time before the application for it is made.

Regulation 11 provides for circumstances in which an authorisation may have effect from a time before the application for it is made. This retrospective effect is authorised by paragraph 1(2)(i) of Schedule 2 to the Act.

Part 3 makes provision in relation to declarations for outward processing and non-transit special Customs procedures.

Part 4 sets out the rules that apply to each procedure in relation to eligibility, conditions of approval or authorisation and requirements of the procedure and other matters relating to the operation of the procedure.

Part 5 sets out other general rules relating to outward processing and non-transit special Customs procedures, including the circumstances in which rights and obligations in relation to the procedures may be transferred and the use of equivalent goods.

Copies of the documents referred to in this instrument are available at <https://www.gov.uk/government/collections/customs-vat-and-excise-regulations-leaving-the-eu-with-no-deal> and hard copies are available for inspection, free of charge, at the offices of HMRC at 100 Parliament Street, London, SW1A 2BQ.

This instrument is one of a group of instruments covered by a single overarching HMRC impact assessment which will be published on 4 December 2018 and will be available on the website at <https://www.gov.uk/government/collections/customs-vat-and-excise-regulations-leaving-the-eu-with-no-deal>.