
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”) as a consequence of the United Kingdom leaving the European Union. They are to be brought into force by way of a separate statutory instrument made under the Act.

The Regulations specify the rate of import duty which is applicable to quota goods (“the quota duty rate”) for the purposes of Part 2 of these Regulations. For the purposes of Chapter 2 of Part 2, “quota goods” are goods which meet the qualifying criteria in regulation 9; these criteria include a requirement to meet any conditions for the goods concerned which are specified in Part A of Schedule 1. For the purposes of Chapter 3 of Part 2, “quota goods” are goods which meet the qualifying criteria in regulation 17; these criteria include a requirement to meet any conditions for the goods concerned which are specified in Part B of Schedule 1. Each quota is subject to a total volume (“quota volume”) of goods which may be imported (regulation 6) and applies for a specified period (“the quota period”) (regulation 7). The particulars for the quota duty rate, quota volume, and quota period which apply in respect of each quota are specified in the Table contained in the document entitled “Tariff Quotas, version 1.0”, dated 9th December 2020, (defined in regulation 2 as the “Quota Table”).

Chapter 2 of Part 2 provides that quota goods which are listed in Part A and Part B of the Quota Table are each subject to the quota duty rate, provided, in the case of goods which are listed in Part B, that the goods have also been declared for an authorised use procedure in accordance with the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 (S.I. 2018/1249) (“the Special Procedures Regulations”) (regulation 11). The Special Procedures Regulations make provision for the end-use of the goods concerned.

Chapter 2 of Part 2 also makes provision for the allocation of quotas in respect of the quota goods specified in Part A and Part B of the Quota Table. Deductions from quota volumes are allocated against the quantity of imported goods (regulation 12) and quota is allocated against requests received to benefit from the quotas (regulation 13). Regulation 14 identifies quotas for which there is more than one quota period where unused quota volume can be carried into the next quota period. Provision is made for the lodging of a security where quota becomes critical (regulation 15).

Chapter 3 of Part 2 provides that quota goods which are listed in Part C of the Quota Table are subject to the quota duty rate, provided, in the case of goods which are listed in the second section of Part C, that the goods have also been declared for an authorised use procedure in accordance with the Special Procedures Regulations.

Part 3 establishes a licensing system under which applications can be made to the Secretary of State for a licence to import quota goods. The quotas to which this Part applies are identified in Part C of the Quota Table and in specified quotas listed in the “Preferential Quota Table” so defined in the Customs Tariff (Preferential Trade Arrangements) (EU Exit) Regulations 2020. Regulation 23 sets out the requirements for the grant of a licence. These include not applying for more than the available quantity of quota goods, qualification as an operator (regulation 24), time limits and the number of applications which may be made for a quota (regulation 25); and lodging the applicable security specified in the Licensing Table set out in Schedule 2 for the quota concerned (regulation 26). Regulation 23 also identifies quotas which attract additional conditions for the grant of a licence, as indicated in the Licensing Table. These conditions are detailed in regulations 27 to 33. The Secretary of State may suspend licence applications where the available quantity published under regulation 22 has been allocated (regulation 34).

Regulation 35 provides for the issue and period of validity of the import licence. The Secretary of State must specify the volume of quota goods to be imported under the licence by applying an

Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Customs (Tariff Quotas) (EU Exit) Regulations 2020. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

allocation coefficient (regulation 36). The licence may be made subject to terms and conditions as the Secretary of State considers necessary (regulation 37). A licence may be transferred to another person if that person meets the conditions specified in regulation 38 and may be surrendered by returning it to the Secretary of State (regulation 39). Regulation 40 sets conditions for the return of any security held by the Secretary of State following the grant of an import licence. The Secretary of State must give notification of any decision to refuse the grant of an import licence (regulation 41) and may apply penalties where any information or document submitted by an applicant for a licence or its transfer is materially incorrect or misleading (regulation 42). In either case, the Secretary of State must notify the person concerned of the right to appeal under regulation 43.

In Part 4, the Special Procedures Regulations are amended (regulation 45). Regulation 46 gives effect to provisions of the Act and of these Regulations as modified by Schedule 4 in relation to the Crown Dependencies.

This instrument is one of a group of instruments covered by an overarching Tax Information and Impact Note. The TIIN primarily focusses on the Customs Tariff (Establishment) (EU Exit) Regulations 2020 and will be available in due course at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>. A person unable to access this document electronically can arrange access to a hard copy, while government advice on social distancing and unnecessary travel applies, by telephoning the Department for Environment, Food and Rural Affairs on 03459 33 55 77.

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Changes and effects yet to be applied to :

- reg. 2(1) words substituted by [S.I. 2024/563 reg. 5](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch. 1 Pt. B para. 18 inserted by [S.I. 2023/1192 reg. 5\(2\)](#)
- Sch. 1 Pt. B para. 19 inserted by [S.I. 2023/1192 reg. 5\(3\)](#)