
EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations are made by the Treasury further to Part 1 of the Taxation (Cross-border Trade) Act 2018 (c. 22) (“the Act”). The Regulations make provision in relation to the place of origin of chargeable goods, including provision for rules to determine the place of origin. This is an EU Exit statutory instrument.

Regulation 2 contains definitions used in the Regulations, including “Rules of Origin”. This means the document entitled “Rules of Origin: Special Rules for Determining Non-Preferential Origin, version 1.0 dated 7th December 2020”. The Rules of Origin contain four Parts, the contents of which are given effect by provisions of the Regulations. Regulation 2 also defines the rule of origin in section 17(3) of the Act as the “Second General Rule”.

By regulation 3, the Regulations are made for the purposes of Part 1, except sections 9 and 10, of the Act. Section 9 provides for the Treasury to make regulations to give effect to preferential arrangements for the rate of import duty made with a government of a country or territory outside the United Kingdom. Section 10 provides for the Secretary of State to make regulations to give effect to trade preference schemes (as defined in that section) made with eligible developing countries (see Schedule 3 to the Act).

Regulation 4 provides for circumstances where processing of goods is not economically justified, such that a place of origin otherwise applicable is in consequence disregarded.

Regulation 5 provides that regard must not be had to the place of origin of materials used in the manufacture of goods but which do not form part of their final composition when determining if goods are obtained in two or more countries or territories such that the Second General Rule applies.

Regulation 6 provides for instances where cases or containers of goods are to be disregarded for the purposes of determining the place of origin of the goods under the Second General Rule.

Regulation 7 provides that where a country or territory of origin under the Second General Rule is disregarded because processing there is not economically justified, the place of origin is determined by reference to the value of materials in the goods.

Regulation 8 provides that goods falling within a description of goods given in Part One of the Rules of Origin have a place of origin according to the rule applicable to the goods set out in that Part.

Regulation 9 provides that operations set out in Part Two of the Rules of Origin which may be applied to goods do not constitute an important stage of manufacture.

Regulation 10 provides that accessories, spare parts or tools falling within a description given in Part Three of the Rules of Origin have a place of origin according to the applicable rule set out in that Part.

Regulation 11 provides for circumstances where the product specific rules in Part Four of the Rules of Origin apply to determine the place of origin of goods.

This instrument is one of a group of instruments covered by an overarching Tax Information and Impact Note (TIIN). 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>.

Changes to legislation:

There are currently no known outstanding effects for the The Customs (Origin of Chargeable Goods) (EU Exit) Regulations 2020.