
STATUTORY INSTRUMENTS

2021 No. 1156

The Free Zones (Customs, Excise and Value Added Tax) Regulations 2021

PART 2

CUSTOMS

Amendment of the Customs (Import Duty) (EU Exit) Regulations 2018

2.—(1) The Customs (Import Duty) (EU Exit) Regulations 2018(1) are amended as follows.

(2) In regulation 2 (interpretation)—

(a) the existing text becomes paragraph (1);

(b) in that paragraph, in the appropriate places insert—

““customs warehouse” means premises owned, occupied or otherwise used by a person who is approved by HMRC under the special procedures regulations to operate the premises as a place to keep goods declared for a storage procedure(2);”;

““free zone” means an area in the United Kingdom designated as a special area for customs purposes under section 100A of CEMA 1979(3);”;

““free zone activity” means an activity falling within the description in regulation 3(2)(c) of the special procedures regulations (authorisation requirement);”;

““free zone business” means a person authorised to declare goods for a free zone procedure or to carry out a free zone activity and an authorisation as a free zone business is an authorisation to carry out one or both of those activities;”;

““responsible authority” means a person appointed as a responsible authority for a free zone under section 100A(3)(c) of CEMA 1979, and references to a responsible authority for a free zone are to a responsible authority so appointed in relation to that free zone;”;

““special procedures regulations” means the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018(4);”;

(c) after paragraph (1) insert—

“(2) In these Regulations—

(1) [S.I. 2018/1248](#). Relevant amending instruments are [S.I. 2019/108](#), [2019/1215](#), [2019/1346](#), [2020/1234](#), [2020/1449](#), and [2020/1552](#).

(2) “HMRC” is defined by section 37(1) of the Act as “Her Majesty’s Revenue and Customs”. See paragraph 2(1) of Schedule 2 to the 2018 Act for the meaning of goods declared for “a storage procedure”.

(3) “CEMA 1979” is defined by section 37(1) of the Act as “the Customs and Excise Management Act 1979” (c. 2). Section 100A was inserted by section 8 of, and Part 1 of Schedule 4 to, the Finance Act 1984 (c. 43).

(4) [S.I. 2018/1249](#). There are amending instruments, but none is relevant.

- (a) a declaration of goods for “a customs warehouse procedure” is a declaration of goods for a storage procedure in a case where the goods are to be kept in a customs warehouse; and
 - (b) a declaration of goods for “a free zone procedure” is a declaration of goods for a storage procedure in a case where the goods are to be kept in a free zone.”.
- (3) In regulation 4(1) (notification of importation)—
- (a) after sub-paragraph (d), omit “or”; and
 - (b) at the end insert—
 - “(f) where the goods are to be kept in a free zone—
 - (i) a person authorised by HMRC to carry out a free zone activity in that free zone; or
 - (ii) a responsible authority for that free zone.”.
- (4) In regulation 15(2)(a) (eligibility of persons to make Customs declaration: UK establishment), for “storage procedure” substitute “customs warehouse procedure”.
- (5) For regulation 16 (goods excluded from sections 2 to 4)(5) substitute—
- “**16.**—(1) Subject to paragraphs (2) and (3), none of the provisions in sections 2 to 4 of this chapter apply to chargeable goods which are the subject of—
- (a) an application for repayment or remission of import duty which has not been rejected or determined;
 - (b) a tariff suspension further to any regulations made under section 12 of the Act; or
 - (c) a restriction on import imposed under an enactment.
- (2) Regulations 22(4) or (4A), 26E, 27E, and 29(3C) and (5D) apply notwithstanding that the chargeable goods are the subject of a restriction falling within paragraph (1)(c).
- (3) Regulations 27F and 29(5E) apply notwithstanding that the chargeable goods are the subject of any matter mentioned in paragraph (1)(a), (b) or (c).”.
- (6) After regulation 27E (temporary admission procedure: NATO forces)(6) insert—

“Storage procedure: free zones

- 27F.**—(1) A free zone business may make a Customs declaration for a free zone procedure by the conduct described in paragraph (2) in respect of goods that have been received in the free zone by or on behalf of the free zone business if—
- (a) the free zone business is authorised to declare goods for a free zone procedure;
 - (b) the free zone business, or a person acting with their authority, has made an entry in that business’s commercial records containing the particulars specified in a notice published by HMRC;
 - (c) any requirement to give a notification that goods are to be kept in a free zone under regulation 18D(1) of the special procedures regulations has been complied with; and
 - (d) the case is not one set out in version 1 of the document dated 14 October entitled “Cases where goods cannot be declared by conduct or are not treated as declared for a free zone procedure on discharge of a transit procedure in a free zone”(7).

(5) Regulation 16 was amended by [S.I. 2020/1552](#).

(6) Regulation 27E was inserted by [S.I. 2020/1552](#).

(7) The document is available electronically at <https://www.gov.uk/government/collections/customs-vat-and-excise-uk-transition-legislation-from-1-january-2021>. A person unable to access the documents electronically may access them, while

- (2) The conduct referred to in paragraph (1) is where—
 - (a) in a case where the free zone business has received the goods from a place outside the free zone, it has notified a responsible authority for that free zone that the goods have been received;
 - (b) in a case where goods subject to a free zone procedure have been transferred from another free zone business within the free zone, the recipient free zone business has notified a responsible authority for that free zone of the transfer.
- (3) A notification under paragraph (2) must—
 - (a) contain the matters; and
 - (b) be made in the form and manner,
specified in a notice published by HMRC.
- (4) HMRC must publish—
 - (a) a notice specifying the particulars referred to in paragraph (1)(b); and
 - (b) a notice specifying the requirements referred to in paragraph (3).
- (5) Regulation 23(2)—
 - (a) applies to a Customs declaration made by conduct described in paragraph (2)(a) only to the extent that a previous Customs declaration made in respect of the goods was a declaration for—
 - (i) a transit procedure, where the goods enter the free zone under that procedure; or
 - (ii) a free zone procedure; and
 - (b) does not apply to a Customs declaration made by conduct described in paragraph (2)(b).
- (6) Regulation 23(3) applies to a Customs declaration made by the conduct described in paragraph (2) as if sub-paragraph (b) of regulation 23(3) were omitted.”.
- (7) In regulation 29 (Customs declarations made by conduct: notification, acceptance and discharge)—
 - (a) after paragraph (5D)(8) insert—
 - “(5E) Where a Customs declaration for a free zone procedure is made by conduct as provided by regulation 27F, acceptance of the Customs declaration is treated as occurring when the conduct described in regulation 27F(2)(a) or (b) occurs.”;
 - (b) in paragraph (6)(9), for “or (5D)” substitute “, (5D) or (5E)”.
- (8) In regulation 30(2) (definition: simplified Customs declaration process) insert at the end “or a free zone procedure”.
- (9) In regulation 35 (exceptions to requirement to make a supplementary Customs declaration)—
 - (a) in paragraph (1), for “storage procedure” substitute “customs warehouse procedure”;
 - (b) in paragraph (2)(10)—
 - (i) for sub-paragraph (b) substitute—
 - “(b) the first declaration was not made—
 - (i) orally or by conduct; or

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(8) Paragraph (5D) was inserted by [S.I. 2020/1552](#).

(9) Paragraph (6) was amended by [S.I. 2019/1215](#) and [2020/1552](#).

(10) Paragraph (2) was substituted by [S.I. 2020/1234](#).

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(ii) using the simplified Customs declaration process, or, if it was so made, the declaration included making a supplementary Customs declaration;”;

(ii) after sub-paragraph (g)(iii), omit “or”;

(iii) at the end insert—

“or;

(v) a free zone procedure.”.

(10) In regulation 73(5)(b) (no significant effect on procedures), after “a transit procedure” insert “or a free zone procedure”.

(11) For regulation 103 (goods presumed not to be domestic goods)(11) substitute—

“**103.**—(1) Goods to which this paragraph applies are presumed not to be domestic goods unless the contrary is shown.

(2) Paragraph (1) applies to—

(a) goods that are in Great Britain because they have been imported; and

(b) goods that have been removed from a free zone otherwise than in accordance with regulation 18F of the special procedures regulations.”.