
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1984, Schedule 4. (See end of Document for details)

SCHEDULES

SCHEDULE 4

Section 8.

FREE ZONES

PART I

PROVISIONS INSERTED IN ^{M1} CUSTOMS AND EXCISE MANAGEMENT ACT 1979 AS PART VIIIA

Marginal Citations

M1 1979 c. 2.

“PART VIIIA

FREE ZONES

Designation of free zones.

- 100A(1) The Treasury may by order designate any area in the United Kingdom as a special area for customs purposes.
- (2) An area so designated shall be known as a “free zone”.
- (3) An order under subsection (1) above—
- (a) shall have effect for such period as shall be specified in the order;
 - (b) may be made so as to take effect, in relation to the area or any part of the area designated by a previous order under this section, on the expiry of the period specified in the previous order;
 - (c) shall appoint one or more persons as the responsible authority or authorities for the free zone;
 - (d) may impose on any responsible authority such conditions or restrictions as may be specified; and
 - (e) may be revoked if the Commissioners are satisfied that there has been a failure to comply with any condition or restriction.
- (4) The Treasury may by order—
- (a) from time to time vary—
 - (i) the conditions or restrictions imposed by a designation order; or
 - (ii) with the agreement of the responsible authority, the area designated; or

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- (b) appoint one or more persons as the responsible authority or authorities for a free zone either in addition to or in substitution for any person appointed as such by a designation order.
- (5) In this Act “designation order” means an order made under subsection (1) above.
- (6) Any order under this section shall be made by statutory instrument.

Free zone regulations.

- 100B(1) The Commissioners may by regulations (in this Act referred to as “free zone regulations”) make provision with respect to the movement of goods into, and the removal of goods from, any free zone and the keeping, securing and treatment of goods which are within a free zone.
- (2) Subject to any provision of the regulations, references in this Act to “free zone goods” are references to goods which are within a free zone.

Free zone goods: customs duties, etc.

- 100C(1) Subject to any contrary provision made by any directly applicable [F1EU] provision, goods which are chargeable with any customs duty or agricultural levy, or in respect of which any negative monetary compensatory amount is payable, may be moved into a free zone and may remain as free zone goods without payment of that duty, levy or amount.
- (2) Except in such cases as may be specified in free zone regulations, subsection (1) above shall not apply in relation to goods which are chargeable with any excise duty unless that duty has been paid and not repaid.
- (3) Without prejudice to the generality of section 100B above, free zone regulations may make provision—
 - (a) for enabling the Commissioners to allow goods to be removed from a free zone without payment of customs duty, agricultural levy, or any negative monetary compensatory amount, in such circumstances and subject to such conditions as they may determine;
 - (b) for determining, where any customs duty, agricultural levy or negative monetary compensatory amount becomes payable in respect of goods which cease to be free zone goods—
 - (i) the rates of any duty, levy or monetary compensatory amount applicable; and
 - (ii) the time at which those goods cease to be free zone goods;
 - (c) for determining, for the purpose of enabling customs duty or agricultural levy to be charged or any negative monetary compensatory amount to be paid in respect of free zone goods in a case where a person wishes to pay that duty or levy or to receive the negative monetary compensatory amount notwithstanding that the goods will continue to be free zone goods, the rate of duty, levy or negative monetary compensatory amount to be applied; and
 - (d) permitting free zone goods to be destroyed without payment of any customs duty, agricultural levy or negative monetary compensatory amount in such circumstances and subject to such conditions as the Commissioners may determine.

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- (4) Without prejudice to the generality of section 100B above, free zone regulations may make provision—
- (a) for relief from the whole or part of any value added tax chargeable on the importation of goods into the United Kingdom in such circumstances as they may determine;
 - (b) in place of, or in addition to, any provision made by section 4 or 5 of the Value Added Tax Act 1983 or any other enactment, for determining the time when a supply of goods which are or have been free zone goods is to be treated as taking place for the purposes of the charge to value added tax; and
 - (c) as to the treatment, for the purposes of value added tax, of goods which are manufactured or produced within a free zone from other goods or which have other goods incorporated in them while they are free zone goods.

- (5) In this section—

“agricultural levy” means any tax or charge, not being a customs duty, provided for under the common agricultural policy or under any special arrangements which, pursuant to Article 235 of the EEC Treaty, are applicable to goods resulting from the processing of agricultural products;

“negative monetary compensatory amount” means an amount granted on importation under the Regulation of the Commission of the [F¹EU] dated 19th May 1981 No. 1371/81 or any [F¹EU] provision for the time being amending or replacing that Regulation.

Free zone regulations: supplemental.

- 100D) Without prejudice to the generality of section 100B above, free zone regulations may make provision—
- (a) specifying the circumstances in which goods which are within a free zone are to be treated, for the purposes of this Act and the regulations, as not being free zone goods;
 - (b) specifying the circumstances in which goods which are not within a free zone are to be treated, for those purposes, as being within a free zone;
 - (c) requiring any goods which are within a free zone to be produced to, or made available for inspection by, an officer on request by him;
 - (d) imposing, or providing for the Commissioners to impose by direction, conditions and restrictions to which free zone goods are to be subject;
 - (e) prohibiting the carrying out on free zone goods of operations other than those prescribed by, or allowed under, the regulations;
 - (f) requiring any permitted operations to be carried out in such manner and subject to such conditions and restrictions as may be imposed by or under the regulations ;
 - (g) imposing, or providing for the Commissioners to impose by direction, obligations on responsible authorities in relation to the security of free zones and in respect of conditions and restrictions imposed by designation orders;
 - (h) enabling the Commissioners to recover from any responsible authority expenditure incurred by the Commissioners in consequence of any failure by that authority to comply with any requirements imposed by or under the regulations;
 - (i) imposing, or providing for the Commissioners to impose by direction, requirements on the occupier of any premises, or proprietor of any goods,

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within a free zone to keep and preserve records relating to his business as such an occupier or proprietor and to produce them to an officer when required to do so for the purpose of allowing him—

- (i) to inspect them;
 - (ii) to copy or take extracts from them; or
 - (iii) to remove them at a reasonable time and for a reasonable period;
 - (j) imposing, or providing for the Commissioners to impose by direction, on the responsible authority requirements in connection with any provision made by virtue of paragraph (i) above;
 - (k) providing for the Commissioners to specify by direction the information which must be given to them in connection with free zone goods and the form in which, persons by whom and time within which, it must be given;
 - (l) for the forfeiture of goods in the event of non-compliance with any condition or restriction imposed by virtue of paragraph (f) above or in the event of the carrying out of any operation on free zone goods which is not by virtue of paragraph (e) above permitted to be carried out on such goods.
- (2) Free zone regulations may make different provision for goods or services of different classes or descriptions or for goods or services of the same class or description in different circumstances.
- (3) If any person fails to comply with any free zone regulation or with any condition, restriction or requirement imposed under a free zone regulation he shall be liable on summary conviction to a penalty of level 3 on the standard scale together with a penalty of £20 for each day on which the failure continues.

Control of trading in free zones.

- 100(F) No person shall carry on any trade or business in a free zone unless he is authorised to do so by the Commissioners.
- (2) An authorisation under this section may be granted for such period and subject to such conditions as the Commissioners consider appropriate.
- (3) The Commissioners may at any time for reasonable cause revoke, or vary the terms of, any authorisation under this section.
- (4) If any person—
- (a) contravenes subsection (1) above, or
 - (b) fails to comply with any condition imposed under subsection (2) above,
- he shall be liable on summary conviction to a penalty of level 3 on the standard scale.

Powers of search.

- 100(F) Any person entering or leaving a free zone shall answer such questions as any officer may put to him with respect to any goods and shall, if required by the officer, produce those goods for examination at such place as the Commissioners may direct.
- (2) At any time while a vehicle is entering or leaving a free zone, any officer may board the vehicle and search any part of it.
- (3) Any officer may at any time enter upon and inspect a free zone and all buildings within the zone.”

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Textual Amendments

F1 Words in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\)](#), arts. 2, 3, 6 (with arts. 3(2)(3), 4(2), 6(4)(5))

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PART II

FURTHER AMENDMENTS OF 1979 ACT

1 In section 1 (interpretation) the following definitions shall be inserted at the appropriate places—

““designation order” has the meaning given by section 100A(5);

“free zone” has the meaning given by section 100A(2);

“free zone goods” has the meaning given by section 100B(2);

“free zone regulations” has the meaning given by section 100B(1);”

2 In section 31(1) (power to make regulations controlling the movement of goods)—

(a) in paragraph (a) after the words “clearance out of charge of such goods” there shall be inserted the words “, a free zone ”; and

(b) after paragraph (a) there shall be inserted—

“(aa) the movement of goods between—

(i) a free zone and a place approved by the Commissioners for the clearance out of charge of such goods,

(ii) such a place and a free zone, and

(iii) a free zone and another free zone;”.

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Textual Amendments

F2 [Sch. 4 para. 3](#) repealed (1.1.1993) by [S.I. 1992/3095](#), reg. 10(2), [Sch.2](#).

4 In section 119(1) (delivery of imported goods on giving of security for duty) after “warehouse” there shall be inserted the words “ or free zone ”.

5 In section 159 (power to examine and take account goods), in subsection (1) there shall be inserted after paragraph (b)—

“(bb) which are in a free zone; or”.

6 In section 164 (power to search persons) in subsection (4) there shall be inserted after paragraph (e)—

“(ee) any person in, entering or leaving a free zone;”.

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