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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations adjust a number of EU exit instruments relevant to the taxation of cross-border trade, including those about associated penalties.

They make provision for electronic Customs declarations made in advance of importation in relation to goods other than non-commercial goods imported by a qualifying traveller in accompanied baggage or in or on a motor vehicle, for advance declarations, for consequential amendments to aircraft and ships' reporting rules, for controls on movements of goods, and for declarations made orally or by conduct.

They provide that goods declared for an authorised use procedure can be put to a specified use in the UK sector of the continental shelf. Goods exported to the UK sector of the continental shelf put to a specified authorised use need not be exported in accordance with the applicable export provisions. Goods remaining on the UK sector of the continental shelf will not be domestic goods on the discharge of an authorised use procedure for which those goods were declared.

They provide for Customs declarations, the cessation of EU customs law, repayments of duty, and relief for authorised uses of goods.

In relation to special Customs procedures and outward processing, they limit the circumstances in which it is a requirement of the inward processing procedure that goods are not exported; limit the circumstances in which a breach of an authorised use or outward processing procedure will result in the loss of preferential treatment; and ensure the treatment of waste and scrap aligns with the treatment under existing EU legislation.

They modify the common and UK customs transit rules to accommodate the Crown Dependencies and the Sovereign Base Areas in the light of the United Kingdom's accession to the Convention on a common transit procedure, and of the customs union with the Crown Dependencies.

They provide for onward export notifications which replace most references to re-export notifications, allow HMRC to approve places for the examination of goods prior to export, and make other miscellaneous amendments about the export of goods.

This instrument will be covered by an overarching HMRC impact assessment (third edition) which will be published and available on the website at:

<https://www.gov.uk/government/collections/customs-vat-and-excise-regulations-leaving-the-eu-with-no-deal>.