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STATUTORY INSTRUMENTS

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**2020 No. 1438**

**The Trade Preference Scheme (EU Exit) Regulations 2020**

**PART 6**

**Specification and determination of GSP rate of import duty**

**General**

**11.**—(1) The rules for determination of import duty in regulations 13 and 14 are subject to the general rules in this regulation.

(2) Whenever the application of any other regulation in this Part would result in a GSP rate that is greater than or equal to the standard rate of import duty, no GSP rate applies.

(3) The GSP rate of import duty is to be a nil rate where—

- (a) the standard rate of import duty is a nil rate; or
- (b) the application of a provision specified in this Part to the standard rate of import duty would result in a duty rate that is less than a nil rate.

(4) A reference in this Part to a specific duty expression includes a reference to an agricultural duty rate.

(5) The GSP rate is to be a nil rate, when the application of regulation 13 or 14 results in—

- (a) a GSP rate represented by a by-value duty expression of 1% or less; or
- (b) a GSP rate containing a monetary value or combined monetary value of £2 or less.

(6) Except in a case where the rate is to be a nil rate, the GSP rate applicable is to be rounded down to the first decimal place.

(7) The GSP rate of import duty applied to goods by this Part may be varied by—

- (a) a trade preference safeguard notice; or
- (b) a variation notice under regulation 21(1)(b).

(8) Where such a notice is published—

- (a) regulations 12 to 14 do not apply; and
- (b) subject to paragraphs (1) to (5), the GSP rate is that specified in the notice as applicable to the goods and country specified.

**Import duty rule – LDCF**

**12.** Under the LDCF, the GSP rate of import duty applicable to all goods (except arms and ammunition) is a nil rate.

**Import duty rules – GF**

**13.**—(1) The GSP rate of import duty on GF goods is that set out in, or as the case may be, determined in accordance with, the rules in paragraphs (2) and (3).

- (2) The rules are that where—
- (a) “GF1” is specified in column 5 of the GSP Specified Goods Table, the GSP rate of import duty is—
    - (i) the agricultural duty rate if that rate is applicable; or
    - (ii) a nil rate in a case where the agricultural duty rate does not apply;
  - (b) “GF2” is specified in column 5 of the GSP Specified Goods Table, the GSP rate of import duty is the standard rate of import duty, adjusted as follows—
    - (i) the by-value duty expression is reduced by 3.5 percentage points, in a case where that is the only duty expression representing the standard rate of import duty;
    - (ii) the specific duty expression is reduced by 30%, in a case where that is the only duty expression representing the standard rate of import duty; and
    - (iii) the by-value duty expression is reduced in accordance with sub-paragraph (i) and the specific duty expression is not reduced, in a case where the standard rate of import duty is represented by a compound duty expression;
  - (c) “GF3” is specified in column 5 of the GSP Specified Goods Table, the GSP rate of import duty is the standard rate of import duty, adjusted as follows—
    - (i) the by-value duty expression is reduced by 20%, in a case where that is the only duty expression representing the standard rate of import duty;
    - (ii) the specific duty expression is reduced by 30%, in a case where that is the only duty expression representing the standard rate of import duty; and
    - (iii) the by-value duty expression is reduced in accordance with sub-paragraph (i) and the specific duty expression is not reduced, in a case where the standard rate of import duty is represented by a compound duty expression;
  - (d) “GF4” is specified in column 5 of the GSP Specified Goods Table, the by-value duty expression used to calculate the standard rate of import duty is reduced to the by-value duty expression provided for by article 7.3 of EU GSP, as that article applied immediately before the appointed day.
- (3) Whenever “GF2”, “GF3” or “GF4” is specified in column 5 of the GSP Specified Goods Table—
- (a) where the Tariff Table specifies a maximum duty, that maximum duty is not reduced in respect of GF goods; and
  - (b) where the Tariff Table specifies a minimum duty, that minimum duty does not apply in respect of GF goods.

### **Import duty rules – EF**

**14.—**(1) The GSP rate of import duty on EF goods is that set out in, or as the case may be, determined in accordance with, the rules in paragraph (2).

- (2) The rules are that where—
- (a) “EF1” is specified in column 6 of the GSP Specified Goods Table, the GSP rate of import duty —
    - (i) is a nil rate, in a case where the standard rate of import duty is represented only by a by-value duty expression;
    - (ii) is a nil rate, in a case where the standard rate of import duty is represented by a specific duty expression;
    - (iii) is a rate determined by adjusting the standard rate of import duty so that—

- (aa) the specific duty expression applies; and
  - (bb) the by-value duty expression is reduced to a nil rate,  
in a case where the standard rate of import duty is represented by a compound duty expression;
- (iv) is not to exceed the maximum duty specified in the Tariff Table; and
- (v) is not subject to the minimum duty specified in the Tariff Table.
- (b) “EF2” is specified in column 6 of the GSP Specified Goods Table, the GSP rate of import duty is determined by adjusting the standard rate of import duty as follows—
  - (i) for the by-value duty expression in the Tariff Table, in the case of EF goods under commodity codes 0306 16, or 0306 17, except for EF goods having commodity code 0306 17 94, substitute a by-value duty expression of 3.6%; and
  - (ii) for the by-value duty expression in the Tariff Table, in the case of EF goods having commodity code 0306 17 94, substitute a by-value duty expression of 2.4%.