SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 5326 GIBRALTAR Tuesday 14th July 2026

LEGAL NOTICE NO. 211 OF 2026

TREATY ON GIBRALTAR AND THE EUROPEAN UNION ACT 2026

TGEU IMPLEMENTATION (SPECIAL CUSTOMS PROCEDURES CONCERNING UNION GOODS) REGULATIONS 2026

In exercise of the powers conferred on the Government by section 13 of the Treaty on Gibraltar and the European Union Act 2026, and for the purposes of implementing Annex 19 of the Agreement entered into between the European Union and the European Atomic Energy Community on the one part and the United Kingdom of Great Britain and Northern Ireland in respect of Gibraltar of the other part, and for connected purposes, the Government has made these Regulations—

Title.

1. These Regulations may be cited as the TGEU Implementation (Special Customs Procedures Concerning Union Goods) Regulations 2026.

Commencement.

2. These Regulations come into operation on the Implementation Date.

Interpretation.

3. In these Regulations unless otherwise stated, expressions used have the same meaning as in the Treaty on Gibraltar and the European Union Act 2026, including in particular those in Part 6 (Arrangements on customs, indirect taxation and trade related issues) and corresponding Annexes.

“Annex 19” refers to Annex 19 of the TGEU;

“Annex 21” refers to Annex 21 of the TGEU;

“customs authority” means HM Customs Gibraltar unless otherwise stated;

“customs debt” means the obligation on a person to pay indirect tax which applies to specific goods under Gibraltar law;

“customs legislation” means any laws and regulations applicable by the customs authority concerning the importation, exportation, and transit or circulation of goods, and their placing under any customs regime or procedure, including the measures of prohibitions, restrictions, and other similar controls respecting the movement of goods;

"UCC Delegated Act" means the Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code as amended;

"economic operator" means any person who, in the course of their business, is involved in activities covered by customs legislation;

"UCC Implementing Act" means the Commission Implementing Regulations (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No. 952/2013 of the European Parliament and of the Council lay down the Union Customs Code as amended;

"indirect tax" means transaction tax and excise duty, where applicable.

"reduced rate of indirect tax" means:

(a) in relation to transaction tax, a rate of transaction tax less than the standard rate and shall be deemed to include an exemption from transaction tax;

(b) in relation to excise duty, a reduced rate of excide duty as compared to the standard rate and shall be deemed to include an exemption from excise duty;

"special customs procedures" are warehousing, inward processing or temporary admission special customs procedures for tax purposes referred to in Annex 19;

"the Act" means the Treaty on Gibraltar and the European Union Act 2026;

"the Treaty on Gibraltar and the European Union" (or "TGEU") has the meaning given by section 5 of the Treaty on Gibraltar and the European Union Act 2026;

"Union Customs Code" means Regulation (EU) No. 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code as amended;

"Union goods" means:

(a) goods dispatched to Gibraltar that are in free circulation within the Union in accordance with Article 242 of the TGEU at the moment of their presentation at the designated customs post referred to in Article 1(1) of Annex 19; and

(b) goods to which Article 6(3) of Annex 21 applies.

Applicable Union law.

4.(1) In accordance with section 11 of the Act and subject to subregulation (2), the rules listed in Article 3(3) of Annex 19, set out in Schedule 1, relating to the Union customs warehousing procedure, the inward processing procedure, the temporary admission procedure, authorisations and supervision shall apply, for the purposes of Annex 19, with any necessary modifications, to Union goods.

(2) Subregulation (1) shall not apply to the Articles of the rules of the Union referred to in that subregulation that are specified in Schedule 2. Each such Article shall either not apply or shall apply as replaced in Schedule 2.

(3) The Schedules shall have effect.

SCHEDULE 1

PART A
THE UNION CUSTOMS CODE

The following Articles of the Union Customs Code listed in Article 3(3) of Annex 19 apply:

Definition of a decision: Article 5 (39);

Provision of information to the customs authorities: Article 15;

Decisions relating to the application of Customs legislation: Articles 22 and 23, 27 to 30;

Appeals: Articles 43 to 45;

Keeping of documents and other information: Article 51;

Provisions applying to all customs declarations: Articles 170 to 174;

Verification and release of goods: Articles 188 to 192, 194;

Disposal of goods: Articles 197 to 199;

Special Procedures – General provisions: Articles 210, 211, 214, 215, 218, 219, 220 and 223;

Customs warehousing: Articles 237 and 248, 240 to 242;

Temporary Admission: Articles 250 to 252; and

Inward Processing: Articles 255 to 258.

PART B
THE UCC DELEGATED ACT

The following Articles of the UCC Delegated Act listed in Article 3(3) of Annex 19 apply:

Definitions: Article 1 (2), (3), (4), (12), (17), (23), (29), (30), (32), (33), (36), (41) and (42);

Decisions relating to the application of customs legislation: Articles 7a to 18;

Provisions applying to all customs declarations: Article 148;

Special procedures – Application for an authorisation: Articles 161, 162, 164, 165, 167 to 175, 177, 178 to 180 and 182;

Customs Warehousing: Articles 201 to 203;

Temporary Admission: Articles 204 to 238; and

Inward processing: Articles 240 and 241.

PART C
UCC IMPLEMENTING ACT

The following Articles of the UCC Implementing Act listed in Article 3(3) of Annex 19 apply:

Verification and release of goods: Articles 238 to 243 and 245 to 247;

Disposal of goods: Articles 248 to 250;

Special procedures – general provisions for application and decisions for an authorisation: Articles 258 to 271;

Temporary Admission: Articles 322 and 323; and

Inward processing: Articles 324 and 325.

SCHEDULE 2

PART A
THE UNION CUSTOMS CODE

The following Articles of the Union Customs Code listed in Article 3(3) of Annex 19 shall either not apply or be replaced by the following Articles-

1. Article 24 (Delegation of power) shall not apply.

2. Article 25 (Conferral of power) shall not apply.

3. Article 26 (Union-wide validity of decisions) shall not apply.

4. Article 31 (Delegation of power) shall not apply.

5. Article 32 (Conferral of implementing powers) shall not apply.

6. Article 77 shall be replaced by the following:

Release for free circulation and temporary admission

1. A customs debt on import shall be incurred through the placing of Union goods liable to indirect tax under either of the following special customs procedures:

(a) release for free circulation;

(b) temporary admission with partial relief from indirect tax.

2. A customs debt shall be incurred at the time of acceptance of the customs declaration.

3. The declarant shall be the debtor. In the event of indirect representation, the person on whose behalf the customs declaration is made shall be the debtor.

Where a customs declaration in respect of one of the procedures referred to in paragraph 1 is drawn up on the basis of information which leads to all or part of the indirect tax not being collected, the person who provided the information required to draw up the declaration and who knew, or who ought reasonably to have known, that such information was false shall also be a debtor.

7. Article 78 (Special provisions relating to non-originating goods) shall not apply.

8. Article 79 shall be replaced by the following:

Customs debt incurred through non-compliance

1. For Union goods liable to indirect tax, a customs debt on import shall be incurred through non-compliance with any of the following-

(a) one of the obligations laid down under customs legislation concerning the introduction of Union goods into the customs territory of Gibraltar, their removal from customs supervision, or the movement, processing, storage, temporary admission or disposal of such Union goods within Gibraltar;

(b) a condition governing the placing of Union goods under a special customs procedure;

(c) a condition governing the placing of Union goods under a special customs procedure or the application of a reduced rate of indirect tax.

2. The time at which the customs debt is incurred shall be either of the following-

(a) the moment when the obligation the non-fulfilment of which gives rise to the customs debt is not met or ceases to be met;

(b) the moment when a customs declaration is accepted for the placing of Union goods under a special customs procedure where it is established subsequently that a condition governing the placing of the Union goods under that procedure or the the application of a reduced rate of indirect tax was not in fact fulfilled.

3. In cases referred to under points (a) and (b) of paragraph 1, the debtor shall be any of the following-

(a) any person who was required to fulfil the obligations concerned;

(b) any person who was aware or should reasonably have been aware that an obligation under the customs legislation was not fulfilled and who acted on behalf of the person who was obliged to fulfil the obligation, or who participated in the act which led to the non-fulfilment of the obligation;

(c) any person who acquired or held the Union goods in question and who was aware or should reasonably have been aware at the time of acquiring or receiving the Union goods that an obligation under the customs legislation was not fulfilled.

4. In cases referred to under point (c) of paragraph 1, the debtor shall be the person who is required to comply with the conditions governing the placing of the Union goods under a special customs procedure or the customs declaration of the Union goods placed under that special customs procedure or the application of a reduced rate of indirect tax.

Where a customs declaration in respect of one of the special customs procedures referred to in point (c) of paragraph 1 is drawn up, and any information required under the customs legislation relating to the conditions governing the placing of the Union goods under that special customs procedure is given to the customs authority, which leads to all or part of the indirect tax not being collected, the person who provided the information required to draw up the customs declaration and who knew, or who ought reasonably to have known, that such information was false shall also be a debtor.

9. Article 80 shall be replaced by the following:

Deduction of an amount of indirect tax already paid

1. Where a customs debt is incurred, pursuant to Article 79(1) of the Union Customs Code as replaced in this Schedule, in respect of Union goods released for free circulation at a reduced rate of indirect tax, the amount of indirect tax paid when the Union goods were released for free circulation shall be deducted from the amount of indirect tax corresponding to the customs debt.

The first subparagraph shall apply where a customs debt is incurred in respect of scrap and waste resulting from the destruction of such Union goods.

2. Where a customs debt is incurred, pursuant to Article 79(1) of the Union Customs Code as replaced in this Schedule, of Union goods placed under temporary admission with partial relief from indirect tax, the amount of indirect tax paid under partial relief shall be deducted from the amount of indirect tax corresponding to the customs debt.

10. Article 81 shall be replaced by the following:

Export

1. A customs debt on export shall be incurred through the placing of Union goods liable to indirect tax under the export procedure from a special customs procedure.

2. The customs debt shall be incurred at the time of acceptance of the customs declaration.

3. The declarant shall be the debtor. In the event of indirect representation, the person on whose behalf the customs declaration is made shall also be a debtor.

Where a customs declaration is drawn up on the basis of information which leads to all or part of the indirect tax not being collected, the person who provided the information required for the declaration and who knew, or who should reasonably have known, that such information was false shall also be a debtor.

11. Article 82 shall be replaced by the following:

Customs debt incurred through non-compliance

1. For Union goods liable to indirect tax, a debt on export shall be incurred through non-compliance with either of the following:

(a) one of the obligations laid down in customs legislation for the exit of the Union goods;

(b) the conditions under which the Union goods were allowed to be taken out of the customs territory of Gibraltar at a reduced rate of indirect tax.

2. The time at which the customs debt is incurred shall be one of the following-

(a) the moment at which the Union goods are actually taken out of the customs territory of Gibraltar without a customs declaration; or

(b) the moment at which the Union goods reach a destination other than the designated customs post referred to in Article 2(1) of Annex 19.

3. In cases referred to under point (a) of paragraph 1, the debtor shall be any of the following-

(a) any person who was required to fulfil the obligation concerned;

(b) any person who was aware or should reasonably have been aware that the obligation concerned was not fulfilled and who acted on behalf of the person who was obliged to fulfil the obligation;

(c) any person who participated in the act which led to the non-fulfilment of the obligation and who was aware or should reasonably have been aware that a customs declaration had not been lodged but should have been.

4. In cases referred to under point (b) of paragraph 1, the debtor shall be any person who is required to comply with the conditions under which the Union goods were allowed to be taken out of the customs territory of Gibraltar.

12. Article 83 shall be replaced by the following:

Prohibitions and restrictions

1. The customs debt on import or export shall be incurred even if it relates to Union goods which are subject to measures of prohibition or restriction on import or export of any kind under Gibraltar law.

2. However, no customs debt shall be incurred on either of the following-

(a) the unlawful introduction into the customs territory of Gibraltar of counterfeit currency;

(b) the introduction into the customs territory of Gibraltar of narcotic drugs and psychotropic substances other than where strictly supervised by the custom authority with a view to their use for medical and scientific purposes.

3. For the purposes of penalties as applicable to customs offences, the customs debt shall nevertheless be deemed to have been incurred where, under Gibraltar law, indirect tax or the existence of a customs debt, provide the basis for determining penalties.

13. Article 84 shall be replaced by the following:

Several debtors

Where several persons are liable for payment of the amount of indirect tax corresponding to one customs debt, they shall be jointly and severally liable for payment of that amount.

14. Article 85 shall be replaced by the following:

General rules for calculating the amount of indirect tax

1. The amount of indirect tax shall be determined on the basis of those rules for calculation of indirect tax which were applicable to the Union goods concerned at the time at which the customs debt in respect of them was incurred.

2. Where it is not possible to determine precisely the time at which the customs debt is incurred, that time shall be deemed to be the time at which the customs authority conclude that the Union goods are in a situation in which a debt has been incurred.

However, where the information available to the customs authority enables them to establish that the customs debt had been incurred prior to the time at which they reached that conclusion, the debt shall be deemed to have been incurred at the earliest time that such a situation can be established.

15. Article 86 (Special rules for calculating the amount of indirect tax) shall not apply.

16. Article 87 (Place where the customs debt is incurred) shall not apply.

17. Article 88 (Delegation of power) shall not apply.

18. Article 89 shall be replaced by the following:

General provisions

1. This Article shall apply, and Articles 90 to 100 of the Union Customs Code as replaced by this Schedule shall apply, to guarantees both for customs debts which have been incurred and for those which may be incurred, unless otherwise specified.

2. Where the customs authority requires a guarantee for a potential or existing customs debt to be provided, that guarantee shall cover the amount of indirect tax and the other charges due in connection with the import or export of the Union goods where the guarantee is used for the placing of Union goods under a special customs procedure or the placing of goods under the special transit procedure defined in Article 2(1) of Annex 19.

3. Where the customs authority requires a guarantee to be provided, it shall be required from the debtor or the person who may become the debtor. They may also permit the guarantee to be provided by a person other than the person from whom it is required.

4. Without prejudice to Article 97 of the Union Customs Code as replaced by this Schedule, the customs authority shall require only one guarantee to be provided in respect of specific goods or a specific declaration.

The guarantee provided for a specific declaration shall apply to the amount of indirect tax corresponding to the customs debt and other charges in respect of all goods covered by or released against that declaration, whether or not that declaration is correct.

If the guarantee has not been released, it may also be used, within the limits of the secured amount, for the recovery of amounts of indirect tax and other charges payable following post-release control of those goods.

5. Upon application by the person referred to in paragraph 3 of this Article, the customs authority may, in accordance with Article 95(1) and (2) of the Union Customs Code as replaced by this Schedule, authorise the provision of a comprehensive guarantee to cover the amount of indirect tax corresponding to the customs debt in respect of two or more operations, declarations or special customs procedures.

6. The customs authority shall monitor the guarantee. No guarantee shall be required from government authorities or other bodies governed by public law, in respect of the activities in which they engage as public authorities.

7. No guarantee shall be required in specific cases where Union goods are placed under the temporary admission procedure.

8. The customs authority may waive the requirement for provision of a guarantee where the amount of indirect tax to be secured does not exceed £800 or such amount prescribed by the customs authority and as amended from time to time.

19. Article 90 shall be replaced by the following:

Compulsory guarantee

1. Where it is compulsory for a guarantee to be provided, the customs authority shall fix the amount of such guarantee at a level equal to the precise amount of indirect tax corresponding to the customs debt and of other charges where that amount can be established with certainty at the time when the guarantee is required.

Where it is not possible to establish the precise amount, the guarantee shall be fixed at an amount, as estimated by the customs authority, of indirect tax corresponding to the customs debt and of other charges which have been or may be incurred.

2. Without prejudice to Article 95 of the Union Customs Code as replaced by this Schedule, where a comprehensive guarantee is provided for the amount of indirect tax corresponding to a customs debt and other charges which vary in amount over time, the amount of such guarantee shall be set at a level enabling the amount of indirect tax corresponding to the customs debt and other charges to be covered at all times.

20. Article 91 shall be replaced by the following:

Optional guarantee

Where the provision of a guarantee is optional, such guarantee shall in any case be required by the customs authority if they consider that the amount of indirect tax corresponding to a customs debt and other charges are not certain to be paid within the prescribed period.

21. Article 92 shall be replaced by the following:

Provision of a guarantee

1. A guarantee may be provided in one of the following forms-

(a) by a cash deposit or by any other means of payment recognised by the customs authority as being equivalent to a cash deposit;

(b) by an undertaking given by a guarantor;

(c) by another form of guarantee which provides equivalent assurance that the amount of indirect tax corresponding to the customs debt and other charges will be paid.

2. A guarantee in the form of a cash deposit or any other equivalent means of payment shall be given in accordance with Gibraltar law.

Where a guarantee is given by making a cash deposit or any other equivalent means of payment, no interest thereon shall be payable by the customs authority.

22. Article 93 shall be replaced by the following:

Choice of guarantee

The person required to provide a guarantee may choose between the forms of guarantee laid down in Article 92(1) of the Union Customs Code as replaced by this Schedule.

However, the customs authority may refuse to accept the form of guarantee chosen where it is incompatible with the proper functioning of the customs procedure concerned.

The customs authority may require that the form of guarantee chosen be maintained for a specific period.

23. Article 94 shall be replaced by the following:

Guarantor

1. The guarantor shall undertake in writing to pay the secured amount of indirect tax corresponding to a customs debt and other charges.

2. The customs authority may refuse to approve the guarantor or the type of guarantee proposed where either does not appear certain to ensure payment within the prescribed period of the amount of indirect tax corresponding to the customs debt and of other charges.

24. Article 95 shall be replaced by the following:

Comprehensive guarantee

1. The authorisation referred to in Article 89(5) of the Union Customs Code as replaced by this Schedule shall be granted only to persons who satisfy all of the following conditions-

(a) they are established in the customs territory of Gibraltar;

(b) they have not committed any serious infringement or repeated infringements of customs legislation and taxation rules, including no record of serious criminal offences relating to the economic activity of the applicant.

2. Where a comprehensive guarantee is to be provided for a customs debt and other charges which may be incurred, an economic operator may be authorised to use a comprehensive guarantee with a reduced amount or to have a guarantee waiver, provided that they are authorised by the customs authority.

3. The comprehensive guarantee with a reduced amount referred to in paragraph 2 shall be equivalent to the provision of a guarantee.

25. Article 96 (Temporary prohibitions relating to the use of comprehensive guarantees) shall not apply.

26. Article 97 shall be replaced by the following:

Additional or replacement guarantee

Where the customs authority establishes that the guarantee provided does not ensure, or is no longer certain or sufficient to ensure, payment within the prescribed period of the amount of indirect tax corresponding to the customs debt and other charges, they may require any of the persons referred to in Article 89(3) of the Union Customs Code as replaced by this Schedule, either to provide an additional guarantee or to replace the original guarantee with a new guarantee, according to their choice.

27. Article 98 shall be replaced by the following:

Release of the guarantee

1. The customs authority shall release the guarantee immediately when the customs debt or liability for other charges is extinguished or can no longer arise.

2. Where the customs debt or liability for other charges has been extinguished in part or may arise only in respect of part of the amount which has been secured, a corresponding part of the

guarantee may be released accordingly at the request of the person concerned, unless the amount involved does not justify such action.

28. Article 99 (Delegation of power) shall not apply.

29. Article 100 (Conferral of Implementing Powers) shall not apply.

30. Article 101 shall be replaced by the following:

Determination of the amount of indirect tax

1. The amount of indirect tax payable shall be determined by the customs authority.

2. Where the amount of indirect tax to be paid does not result in a whole number, that amount may be rounded.

31. Article 102 shall be replaced by the following:

Notification of the customs debt

1. The customs debt shall be notified to the debtor in the form prescribed.

The notification shall not be made in either of the following cases-

(a) where the original decision not to notify the customs debt or to notify it with an amount of indirect tax at a figure less than the amount of indirect tax payable was taken on the basis of general provisions invalidated at a later date by a court decision;

(b) where the customs authority is exempt under Gibraltar law from notifying the customs debt.

2. Where the amount of indirect tax payable is equal to the amount entered in the customs declaration, release of the Union goods by the customs authority shall be equivalent to notifying the debtor of the customs debt.

3. Where paragraph 2 does not apply, the customs debt shall be notified to the debtor by the customs authority when they are in a position to determine the amount of indirect tax payable and take a decision thereon.

However, where the notification of the customs debt would prejudice a criminal investigation, the customs authority may defer that notification until such time as it no longer prejudices the criminal investigation.

4. Provided that payment has been guaranteed, the customs debt corresponding to the total amount of indirect tax relating to all the Union goods released to one and the same person during a period fixed by the customs authority may be notified at the end of that period. The period fixed by the customs authority shall not exceed 30 days.

32. Article 103 shall be replaced by the following:

Limitation of the customs debt

1. No customs debt shall be notified to the debtor after the expiry of a period of three years from the date on which the debt was incurred.

2. Where the customs debt is incurred as the result of an act which, at the time it was committed, was liable to give rise to criminal court proceedings, the three-year period laid down in paragraph 1 shall be extended in accordance with Gibraltar law.

3. Where the customs authority has granted repayment or remission in error, the original customs debt shall be reinstated.

33. Article 104 (Entry in the accounts) shall not apply.

34. Article 105 (Time of entry in the accounts) shall not apply.

35. Article 106 (Delegation of power) shall not apply.

36. Article 107 (Conferral of implementing powers) shall not apply.

37. Article 108 shall be replaced by the following:

General time-limits for payment and suspension of the time-limit for payments

1. Amounts of indirect tax corresponding to a customs debt notified in accordance with Article 102 of the Union Customs Code as replaced by this Schedule, shall be paid by the debtor within the period prescribed by the customs authority.

Without prejudice to Article 45(2) of the Union Customs Code, that period shall not exceed 10 days following notification to the debtor of the customs debt.

2. The time-limit for payment of the amount of indirect tax corresponding to a customs debt shall be suspended in any of the following cases-

(a) where an application for remission is made in accordance with Article 121 of the Union Customs Code as replaced by this Schedule;

(b) where Union goods are to be confiscated, destroyed or abandoned to the customs authority;

(c) where the customs debt was incurred pursuant to Article 79 of the Union Customs Code as replaced by this Schedule and there is more than one debtor.

38. Article 109 shall be replaced by the following:

Payment

1. Payment shall be made in cash or by any other means with similar discharging effect, including by adjustment of a credit balance, in accordance with Gibraltar law.

2. Payment may be made by a third person instead of the debtor.

3. The debtor may in any case pay all or part of the amount of indirect tax without awaiting expiry of the period he or she has been granted for payment.

39. Article 110 shall be replaced by the following:

Deferment of payment

The customs authority may, upon application by the person concerned, authorise deferment of payment of the indirect tax. To authorise the deferment of payment of the indirect tax, the customs authority may require the provision of a guarantee.

40. Article 111 shall be replaced by the following:

Periods for which payment is deferred

1. The period for which payment may be deferred under Article 110 of the Gibraltar shall be a maximum of 30 days.

2. The period shall begin on the day following that on which the customs debt is notified to the debtor.

41. Article 112 shall be replaced by the following:

Other payment facilities

The customs authority may grant the debtor payment facilities other than deferred payment on condition that a guarantee is provided.

42. Article 113 shall be replaced by the following:

Enforcement of payment

Where the amount of indirect tax payable has not been paid within the prescribed period, the customs authority shall secure payment of that amount by all means available to them in accordance with Gibraltar law.

43. Article 114 shall be replaced by the following:

Interest on arrears

Interest on arrears shall be charged on the amount of indirect tax from the date of expiry of the prescribed period until the date of payment.

44. Article 115 (Delegation of power) shall not apply.

45. Article 116 shall be replaced by the following:

General provisions

1. Subject to the conditions laid down in this Section, amounts of indirect tax shall be repaid or remitted on any of the following grounds-

(a) overcharged amounts of indirect tax;

(b) defective Union goods or Union goods not complying with the terms of the contract;

(c) error by the customs authority;

(d) equity.

Where an amount of indirect tax has been paid and the corresponding customs declaration is invalidated in accordance with Article 174 of the Union Customs Code, that amount shall be repaid.

2. The customs authority shall repay or remit the amount of indirect tax referred to in paragraph 1 where it is £10 or more, except where the person concerned requests the repayment or remission of a lower amount.

3. Where the customs authority has granted repayment or remission in error, the original customs debt shall be reinstated insofar as it is not time-barred under Article 103 of the Union Customs Code as replaced by this Schedule.

46. Article 117 shall be replaced by the following:

Overcharged amounts of indirect tax

An amount of indirect tax paid shall be repaid or remitted insofar as the amount corresponding to the customs debt initially notified exceeds the amount payable, or the debt was notified to the debtor contrary to point (a) or (b) of the second subparagraph of Article 102(1) of Union Customs Code as replaced by this Schedule.

47. Article 118 shall be replaced by the following:

Defective Union goods or Union goods not complying with the terms of the contract

1. An amount of indirect tax paid shall be repaid or remitted if the notification of the customs debt relates to Union goods which have been rejected by the importer because, at the time of release, they were defective or did not comply with the terms of the contract on the basis of which they were imported.

Defective Union goods shall be deemed to include Union goods damaged before their release.

2. Notwithstanding paragraph 3, repayment or remission shall be granted provided the Union goods have not been used, except for such initial use as may have been necessary to establish that they were defective or did not comply with the terms of the contract and provided they are taken out of the customs territory of Gibraltar.

3. Repayment or remission shall not be granted where:-

(a) the Union goods, before being released for free circulation, were placed under a special customs procedure for testing, unless it is established that the fact that the Union goods were defective or did not comply with the terms of the contract could not normally have been detected in the course of such tests;

(b) the defective nature of the Union goods was taken into consideration in drawing up the terms of the contract, in particular the price, before the Union goods were placed under a special customs procedure involving the incurrence of a customs debt; or

(c) the Union goods are sold by the applicant after it has been ascertained that they are defective or do not comply with the terms of the contract.

4. Instead of being taken out of the customs territory of Gibraltar, and upon application by the person concerned, the customs authority may authorise that the Union goods be placed under the inward processing procedure, including for destruction, or the customs warehousing procedure.

48. Article 119 shall be replaced by the following:

Error by the customs authority

1. In cases other than those referred to in the second subparagraph of Article 116(1) and in Articles 117, 118 and 120 of the Union Customs Code as replaced by this Schedule, an amount of indirect tax shall be repaid or remitted where, as a result of an error on the part of the customs authority, the amount corresponding to the customs debt initially notified was lower than the amount payable, provided the following conditions are met-

(a) the debtor could not reasonably have detected that error; and

(b) the debtor was acting in good faith.

2. Where the conditions laid down in Article 117(2) of the Union Customs Code as replaced by this Schedule are not fulfilled, repayment or remission shall be granted where failure to apply the reduced rate of indirect tax was as a result of an error on the part of the customs authority and the customs declaration for release for free circulation contained all the particulars and was accompanied by all the documents necessary for application of the reduced rate of indirect tax.

49. Article 120 shall be replaced by the following:

Equity

1. In cases other than those referred to in the second subparagraph of Article 116(1) and in Articles 117, 118 and 119 of the Union Customs Code as replaced by this Schedule, an amount of indirect tax shall be repaid or remitted in the interest of equity where a customs debt is incurred under special circumstances in which no deception or obvious negligence may be attributed to the debtor.

2. The special circumstances referred to in paragraph 1 shall be deemed to exist where it is clear from the circumstances of the case that the debtor is in an exceptional situation as compared with other operators engaged in the same business, and that, in the absence of such circumstances, the debtor would not have suffered disadvantage by the collection of the amount of indirect tax.

50. Article 121 shall be replaced by the following:

Procedure for repayment and remission

1. Applications for repayment or remission in accordance with Article 116 of the Union Customs Code as replaced by this Schedule shall be submitted to the customs authority within the following periods-

(a) in the case of overcharged amounts of indirect tax by error of the customs authority or equity, within three years of the date of notification of the customs debt;

(b) in the case of defective Union goods or Union goods not complying with the terms of the contract, within one year of the date of notification of the customs debt;

(c) in the case of invalidation of a customs declaration, within the period specified in the rules applicable to invalidation.

The period specified in points (a) and (b) of the first subparagraph shall be extended where the applicant provides evidence that they were prevented from submitting an application within the prescribed period as a result of unforeseeable circumstances or force majeure.

2. Where the customs authority are not in a position, on the basis of the grounds adduced, to grant repayment or remission of an amount of indirect tax, it is required to examine the merits of an application for repayment or remission in the light of the other grounds for repayment or remission referred to in Article 116 of the Union Customs Code as replaced by this Schedule.

3. Where an appeal has been lodged under Article 44 of the Union Customs Code against the notification of the customs debt, the relevant period specified in the first subparagraph of paragraph 1 shall be suspended, from the date on which the appeal is lodged, for the duration of the appeal proceedings.

51. Article 122 (Delegation of Power) shall not apply.

52. Article 123 (Conferral of implementing powers) shall not apply.

53. Article 124 shall be replaced by the following:

Extinguishment

1. Without prejudice to the provisions in force relating to non-recovery of the amount of indirect tax corresponding to a customs debt in the event of the judicially established insolvency of the debtor, a customs debt shall be extinguished in any of the following ways-

(a) where the debtor can no longer be notified of the customs debt, in accordance with Article 103 of the Union Customs Code as replaced by this Schedule;

(b) by payment of the amount of indirect tax;

(c) subject to paragraph 5, by remission of the amount of indirect tax;

(d) where, in respect of Union goods declared for a special customs procedure entailing the obligation to pay indirect tax, the customs declaration is invalidated;

(e) where Union goods liable to indirect tax are confiscated or seized and simultaneously or subsequently confiscated;

(f) where Union goods liable to indirect tax are destroyed under customs supervision or abandoned to the custom authority;

(g) where the disappearance of the Union goods or the non-fulfilment of obligations arising from customs legislation results from the total destruction or irretrievable loss of those Union goods as a result of the actual nature of the Union goods or unforeseeable circumstances or force majeure, or as a consequence of instruction by the customs authority; for the purpose of this point, Union goods shall be considered as irretrievably lost when they have been rendered unusable by any person;

(h) where the customs debt was incurred pursuant to Articles 79 or 82 of the Union Customs Code as replaced by this Schedule and where the following conditions are fulfilled-

(i) the failure which led to the incurrence of a customs debt had no significant effect on the correct operation of the special customs procedure concerned and did not constitute an attempt at deception;

(ii) all of the formalities necessary to regularise the situation of the Union goods are subsequently carried out;

(i) where Union goods released at a reduced rate of indirect tax by virtue of their end-use, have been exported with the permission of the customs authority;

(j) where, subject to paragraph (6), the customs debt was incurred pursuant to Article 79 of the Union Customs Code as replaced by this Schedule and evidence is provided to the satisfaction of the customs authority that the goods have not been used or consumed and have been taken out of the customs territory of Gibraltar.

2. In the cases referred to in point (e) of paragraph 1, the customs debt shall, nevertheless, for the purposes of penalties applicable to customs offences, be deemed not to have been extinguished where, under Gibraltar law, indirect tax or the existence of a customs debt provide the basis for determining penalties.

3. Where, in accordance with point (g) of paragraph 1, a customs debt is extinguished in respect of Union goods released at a reduced rate of indirect tax on account of their end-use.

4. The provisions in force pertaining to standard rates for irretrievable loss due to the nature of Union goods shall apply where the person concerned fails to show that the real loss exceeds that calculated by applying the standard rate for the Union goods in question.

5. Where several persons are liable for payment of the amount of indirect tax corresponding to the customs debt and remission is granted, the customs debt shall be extinguished only in respect of the person or persons to whom the remission is granted.

6. In the case referred to in point (j) of paragraph 1, the customs debt shall not be extinguished in respect of any person or persons who attempted deception.

7. Where the customs debt was incurred pursuant to Article 79 of the Union Customs Code as replaced by this Schedule, it shall be extinguished with regard to the person whose behaviour did not involve any attempt at deception and who contributed to the fight against fraud.

54. Article 125 shall be replaced by the following:

Application of penalties

Where the customs debt is extinguished on the basis of point (h) of Article 124(1) of the Union Customs Code as replaced by this Schedule, the customs authority shall not be precluded from the application of penalties for failure to comply with customs legislation.

55. Article 126 (Delegation of power) shall not apply.

56. Article 175 (Delegation of power) shall not apply.

57. Article 176 (Conferral of implementing powers) shall not apply.

58. Article 193 (Conferral of implementing powers) shall not apply.

59. Article 200 (Conferral of implementing powers) shall not apply.

60. Article 212 (Delegation of power) shall not apply.

61. Article 213 (Conferral of implementing powers) shall not apply.

62. Article 216 (Delegation of power) shall not apply.

63. Article 217 (Conferral of implementing powers) shall not apply.

64. Article 221 (Delegation of power) shall not apply.

65. Article 222 (Conferral of implementing powers) shall not apply.

66. Article 224 (Delegation of power) shall not apply.

67. Article 239 (Conferral of implementing powers) shall not apply.

68. Article 253 (Delegation of power) shall not apply.

PART B
THE UCC DELEGATED ACT

The following Articles of the UCC Delegated Act listed in Article 3(3) of Annex 19 shall either not apply or be replaced by the following Articles-

1. Article 72 shall be replaced by the following:

Calculation of the amount of indirect tax on processed products resulting from inward processing

1. In order to determine the amount of indirect tax to be charged on processed products in accordance with Article 86(3) of the Union Customs Code as replaced by this Schedule, the quantity of the Union goods placed under the inward processing procedure considered to be present in the processed products for which a customs debt is incurred shall be determined in accordance with paragraphs 2 to 6.

2. The quantitative scale method laid down in paragraphs 3 and 4 shall be applied in the following cases-

(a) where only one kind of processed products is derived from the processing operations;

(b) where different kinds of processed products are derived from the processing operations and all constituents or components of the Union goods placed under the procedure are found in each of those processed products.

3. In the case referred to in paragraph 2(a), the quantity of the Union goods placed under the inward processing procedure considered to be present in the processed products for which a customs debt is incurred shall be determined by applying the percentage which the processed products for which a customs debt is incurred constitute of the total quantity of the processed products resulting from the processing operation, to the total quantity of the Union goods placed under the inward processing procedure.

4. In the case referred to in paragraph 2(b), the quantity of the Union goods placed under the inward processing procedure considered to be present in the processed products for which a customs debt is incurred shall be determined by applying, to the total quantity of the Union goods placed under the inward processing procedure, a percentage calculated by multiplying the following factors-

(a) the percentage which the processed products for which a customs debt is incurred constitute of the total quantity of the processed products of the same kind resulting from the processing operation;

(b) the percentage which the total quantity of the processed products of the same kind, irrespective of whether a customs debt is incurred, constitutes of the total quantity of all processed products resulting from the processing operation.

5. Quantities of Union goods placed under the procedure which are destroyed and lost during the processing operation, in particular by evaporation, desiccation, sublimation or leakage, shall not be taken into account in the application of the quantitative scale method.

6. In cases other than those referred to in paragraph 2, the value scale method shall apply in accordance with the second, third and fourth subparagraphs.

The quantity of the Union goods placed under the inward processing procedure considered to be present in processed products for which a customs debt is incurred shall be determined by applying, to the total quantity of the Union goods placed under the inward processing procedure, a percentage calculated by multiplying the following factors-

(a) the percentage which the processed products for which a customs debt is incurred constitute of the total value of the processed products of the same kind resulting from the processing operation;

(b) the percentage which the total value of the processed products of the same kind, irrespective of whether a customs debt is incurred, constitute of the total value of all processed products resulting from the processing operation.

For the purposes of applying the value scale method, the value of the processed products shall be established on the basis of current ex-works prices in the customs territory of the Union or Gibraltar or, where such ex-works prices cannot be determined, the current selling prices in the customs territory of Gibraltar for identical or similar products.

Prices between parties which appear to be associated or to have a compensatory arrangement with each other may not be used for the determination of the value of the processed products unless it is determined that the prices are unaffected by the relationship.

Where the value of the processed products cannot be determined pursuant to the third subparagraph, it shall be determined by any reasonable method.

2. Article 74 (Application of the preferential tariff treatment to Union goods placed under inward processing) shall not apply.

3. Article 76 shall be replaced by the following:

Derogation for the calculation of the amount of indirect tax on processed products resulting from inward processing

Article 86(3) of the Union Customs Code as replaced by this Schedule shall apply without a request from the declarant where the processed products resulting from the inward processing procedure are imported directly or indirectly by the relevant holder of the authorisation within a period of one year after their re-export.

4. Article 79 (Time-limit for establishing the place where the customs debt is incurred under transit in accordance with the ATA Convention or the Istanbul Convention) shall not apply.

5. Article 81 shall be replaced by the following:

Cases where no guarantee shall be required for Union goods placed under the temporary admission procedure

The placing of Union goods under the temporary admission procedure shall not be subject to the provision of a guarantee in the following cases-

(a) where the customs declaration may be made orally or by any other act;

(b) in the case of materials used in international traffic by airlines, shipping or providers of postal services provided that those materials are distinctively marked;

(c) in the case of packings imported empty, provided that they carry indelible non-removable markings;

(d) where the previous holder of the authorisation for temporary admission has declared the Union goods for the temporary admission procedure via an oral declaration or where the goods have otherwise been deemed to be declared for temporary admission and those Union goods are subsequently placed under temporary admission for the same purpose; or

(e) where the requirement for the provision of a guarantee is waived by the customs authority.

6. Article 82 shall be replaced by the following:

Guarantee in the form of an undertaking by a guarantor

1. The revocation of the approval of the guarantor or of the undertaking of the guarantor shall take effect on the 16th day following the date on which the decision on the revocation is received or is deemed to have been received by the guarantor.

2. The cancellation of the undertaking by the guarantor shall take effect on the 16th day following the date on which the cancellation is notified by the guarantor to the customs authority.

3. Where a guarantee covering a single operation (individual guarantee) is provided in the form of vouchers, it may be made using means other than electronic data processing techniques.

7. Article 83 shall be replaced by the following:

Forms of guarantee other than a cash deposit or an undertaking given by a guarantor

The forms of guarantee other than a cash deposit or an undertaking which may be given by a guarantor, subject to acceptance by the customs authority, shall be the following-

(a) the creation of a mortgage, a charge on land, an antichresis or other right deemed equivalent to a right pertaining to immovable property;

(b) the cession of a claim, the pledging, with or without surrendering possession, of Union goods, securities or claims or a savings bank book or entry in the national debt register;

(c) the assumption of joint contractual liability for the full amount of the debt by a third party approved for that purpose by the customs authority or the lodging of a bill of exchange the payment of which is guaranteed by such third party;

(d) a cash deposit or means of payment deemed equivalent thereto other than in pounds;

(e) participation, subject to payment of a contribution, in a general guarantee scheme administered by the customs authority or the customs authorities of a Member State.

8. Article 84 shall be replaced by the following:

Reduction of the level of the comprehensive guarantee and guarantee waiver

1. An authorisation to use a comprehensive guarantee with an amount reduced to 50 % of the reference amount or for a full waiver of the guarantee shall be granted where the customs authority is satisfied that the applicant demonstrates that they fulfil the following conditions-

(a) the applicant has an administrative organisation which corresponds to the type and size of business and which is suitable for the management of the flow of Union goods;

(b) the applicant is not subject to bankruptcy proceedings;

(c) the customs authority is satisfied that the applicant can meet his financial obligations regarding payments of all duties, taxes or charges which are collected on or in connection with the import or export of Union goods;

(d) the applicant can demonstrate having sufficient financial resources to meet their obligations, for the part of the reference amount not covered by the guarantee.

2. The customs authority shall determine based on the requirements contained in (a) to (d) above, whether the applicant is eligible for a 50% reduction of the reference amount or a full waiver of the guarantee.

9. Article 87 shall be replaced by the following:

Means of notification of the customs debt

The notification of the customs debt in accordance with Article 102 of the Union Customs Code as replaced by this Schedule may be made by means other than by electronic data-processing techniques.

10. Article 88 shall be replaced by the following:

Exemption from notification of the customs debt

1. The customs authority may refrain from notifying a customs debt incurred through non-compliance under Articles 79 or 82 of the Union Customs Code as amended by this Schedule where the amount of indirect tax concerned is less than £10.

2. Where the customs debt was initially notified with an amount of indirect tax which was less than the amount of indirect tax payable, the customs authority may refrain from notifying the customs debt for the difference between those amounts provided that it is less than £10.

11. Article 89 shall be replaced by the following:

Suspension of the time-limit for payment in case of application for remission

The customs authority shall suspend the time-limit for payment of the amount of indirect tax corresponding to a customs debt until they have taken a decision on the application for remission, provided that the conditions are fulfilled-

(a) where an application for remission pursuant to Articles 118, 119 or 120 of the Union Customs Code as replaced by this Schedule has been presented, the conditions laid down in the relevant Article are likely to be met;

(b) where an application for remission pursuant to Article 117 of the Union Customs Code as replaced by this Schedule, the conditions laid down in that Article and Article 45(2) of the Union Customs Code are likely to be met.

12. Article 90 shall be replaced by the following:

Suspension of the time-limit for payment in the case of Union goods that are to be confiscated, destroyed or abandoned to the customs authority

The customs authority shall suspend the time-limit for payment of the amount of indirect tax corresponding to a customs debt until the final decision on their confiscation, destruction or abandonment is taken where:

(a) the Union goods are still under customs supervision and they are to be confiscated, destroyed or abandoned to the customs authority; and

(b) the customs authority considers that the conditions for confiscation, destruction or abandonment are likely to be met.

13. Article 91 shall be replaced by the following:

Suspension of the time-limit for payment in the case of a customs debt incurred through non-compliance

1. The customs authority shall suspend the time-limit for payment, by the person referred to in Article 79(3)(a) of the Union Customs Code as replaced by this Schedule, of the amount of indirect tax corresponding to a customs debt where a customs debt has been incurred through non-compliance as referred to in Article 79 of the Union Customs Code as replaced by this Schedule, provided that the following conditions are fulfilled-

(a) at least one other debtor has been identified in accordance with Article 79(3)(b) or (c) of the Union Customs Code as replaced by this Schedule;

(b) the amount of indirect tax concerned has been notified to the debtor referred to in point (a) in accordance with Article 102 of the Union Customs Code as replaced by this Schedule;

(c) the person referred to in Article 79(3)(a) of the Union Customs Code as replaced by this Schedule is not considered a debtor in accordance with Article 79(3)(b) or (c) and no deception or obvious negligence may be attributed to that person.

2. The suspension shall be conditional on the person for whose benefit it is granted issuing a guarantee for the amount of the indirect tax at stake, except in either of the following situations-

(a) a guarantee covering the whole amount of indirect tax at stake already exists and the guarantor has not been released from his obligations;

(b) it is established, on the basis of a documented assessment, that the requirement of a guarantee would be likely to cause the debtor serious economic or social difficulties.

3. The duration of the suspension shall be limited to one year. However, this period may be extended by the customs authority for justified reasons.

14. Article 92 (Application for repayment or remission) shall not apply.

15. Article 93 (Supplementary information where goods are situated in another Member State) shall not apply.

16. Article 94 shall be replaced by the following:

Means of notification of the decision on repayment or remission

The decision on repayment or remission of indirect tax may be notified to the person concerned by means other than electronic data-processing techniques

17. Article 95 (Common data requirements related to formalities where goods are located in another Member State) shall not apply.

18. Article 96 (Means for sending information on the completion of formalities) shall not apply.

19. Article 97 (Extension of the time-limit for taking a decision on repayment or remission) shall not apply.

20. Article 103 shall be replaced by the following:

Failures which have no significant effect on the correct operation of a special customs procedure

The following situations shall be considered a failure with no significant effect on the correct operation of the special customs procedure-

(a) exceeding a time-limit by a period of time which is not longer than the extension of the time-limit that would have been granted had that extension been applied for;

(b) in the case of Union goods placed under a special customs procedure, where an error has been committed concerning the information in the customs declaration discharging the procedure provided that error has no impact on the discharge of the procedure;

(c) where a customs debt has been incurred pursuant to Article 79(1)(a) of the Union Customs Code as replaced by this Schedule, provided that the person concerned informs the competent customs authority about the non-compliance before either the customs debt has been notified or the customs authority have informed that person that they intend to perform a control.

21. Article 166 (Examination of economic conditions) shall not apply.

22. Annex 71-06 shall be replaced by the following:

Information to be provided in the bill of discharge

The customs authority shall prescribe the form and contents of the information to be provided in the bill of discharge as amended from time to time.

PART C
UCC IMPLEMENTING ACT

The following Articles of the UCC Implementing Act listed in Article 3(3) of Annex 19 shall either not apply or be replaced by the following Articles-

1. Article 148 shall be replaced by the following:

Individual guarantee for a potential customs debt

1. Where it is compulsory for a guarantee to be provided, a guarantee covering a single operation (individual guarantee) for a potential customs debt shall cover the amount of indirect tax corresponding to the customs debt which may be incurred.

2. Where any other charges due in connection with the import or export of Union goods are to be covered by the individual guarantee, their calculation shall be based on comparable charges for importing or exporting Union goods in a comparable manner and in relation to comparable goods.

2. Article 149 shall be replaced by the following:

Optional guarantee

Where the customs authority decides to require a guarantee which is optional, Articles 151 to 152 and 155 to 158 of the UCC Implementing Act as replaced by this Schedule shall apply.

3. Article 150 (Guarantee in the form of cash deposit) shall not apply.

4. Article 151 shall be replaced by the following:

Guarantee in the form of an undertaking by a guarantor

1. The undertaking given by a guarantor shall be approved by the customs authority which shall notify the approval to the person required to provide the guarantee.

2. The customs authority may revoke the approval of the undertaking by a guarantor at any time and shall notify the revocation to the guarantor and the person required to provide the guarantee.

3. A guarantor may cancel his undertaking at any time and the guarantor shall notify the customs authority of the cancellation.

4. The cancellation of the undertaking of the guarantor shall not affect Union goods which, at the moment where the cancellation takes effect, have already been placed and still are under a special customs procedure.

5. An individual guarantee provided in the form of an undertaking shall be given using the form as prescribed by the customs authority and amended from time to time.

6. A comprehensive guarantee provided in the form of an undertaking shall be given using the form as prescribed by the customs authority and amended from time to time.

7. Notwithstanding paragraphs 5 and 6, the customs authority may, in accordance with Gibraltar law, allow an undertaking given by a guarantor to take a form different from the ones set out in those paragraphs provided it has the same legal effect.

5. Article 152 shall be replaced by the following:

Individual guarantee provided in the form of an undertaking by a guarantor

1. Where an individual guarantee is provided in the form of an undertaking by a guarantor, the proof of that undertaking shall be kept by the customs authority for the period of validity of the guarantee.

2. Where an individual guarantee is provided in the form of an undertaking by a guarantor, the holder of the procedure shall not modify the access code associated with the guarantee reference number.

6. Article 153 (Mutual assistance between customs authorities) shall not apply.

7. Article 154 (Guarantee reference number and access code) shall not apply.

8. Article 155 shall be replaced by the following:

Reference amount

1. Unless otherwise provided for in Article 158 of the Gibraltar Implementing Regulations, the amount of the comprehensive guarantee shall be equal to a reference amount established by the customs authority in accordance with Article 90 of the Union Customs Code as replaced by this Schedule.

2. Where a comprehensive guarantee is to be provided for indirect tax and other charges, the amount of which can be established with certainty at the time when the guarantee is required, the part of the reference amount covering those duties and charges shall correspond to the amount of the indirect tax and of the other charges payable.

3. Where a comprehensive guarantee is to be provided for indirect tax and other charges, the amount of which cannot be established with certainty at the time when the guarantee is required or which vary in amount over time, the part of the reference amount covering those duties and charges shall be fixed as follows-

(a) for the part that is to cover indirect tax and other charges which have been incurred, the reference amount shall correspond to the amount of the indirect tax and of the other charges payable;

(b) for the part that is to cover indirect tax and other charges which may be incurred, the reference amount shall correspond to the amount of the indirect tax and of the other charges which may become payable in connection with each customs declaration in respect of which the guarantee is provided, in the period between the placing of the Union goods under the relevant special customs procedure and the moment when that procedure is discharged.

Where the information necessary to determine the part of the reference amount pursuant to the first subparagraph is not available to the customs authority, that amount shall be determined by the customs authority for each declaration.

4. The customs authority shall establish the reference amount in cooperation with the person required to provide the guarantee. When fixing the part of the reference amount in accordance with paragraph 3, the custom authority shall establish that amount on the basis of the information on Union goods placed under the relevant special customs procedure in the preceding 12 months and on an estimate of the volume of intended operations as shown, inter alia, by the commercial documentation and accounts of the person required to provide the guarantee.

5. The customs authority shall review the reference amount on its own initiative or following a request from the person required to provide the guarantee, and shall adjust it to comply with the provisions of this Article and Article 90 of the Union Customs Code as replaced by this Schedule

9. Article 156 shall be replaced by the following:

Monitoring of the reference amount by the person required to provide a guarantee

The person required to provide a guarantee shall ensure that the amount of indirect tax and of other charges due in connection with the import or export of Union goods where they are to be covered by the guarantee, which is payable or may become payable does not exceed the reference amount.

That person shall inform the customs authority when the reference amount is no longer at a level sufficient to cover the operations.

10. Article 157 shall be replaced by the following:

Monitoring of the reference amount by the customs authority

1. The monitoring of the part of the reference amount that covers the amount of indirect tax and of other charges due in connection with the import or export of Union goods, which will become payable with respect to Union goods placed under release for free circulation shall be ensured for each customs declaration at the time of placing of Union goods under the procedure.

2. The monitoring of the part of the reference amount that covers the amount of indirect tax and other charges due in connection with the import or export of Union goods where they are to be covered by the guarantee, which will be incurred or may be incurred in cases other than those referred to in paragraph 1 shall be monitored by the customs authority.

11. Article 158 shall be replaced by the following:

Level of comprehensive guarantee

Under the conditions laid down in Article 84 of the UCC Delegated Act as replaced by this Schedule, the amount of the comprehensive guarantee referred to in Article 95(2) of the Union Customs Code as replaced by this Schedule, shall be reduced to -

(a) 50% of the part of the reference amount determined by the customs authority in accordance with Article 155(3) of the UCC Implementing Act as replaced by this Schedule where the conditions of Article 84(1) of the UCC Delegated Act as replaced by this Schedule are fulfilled; or

(b) 0% of the part of the reference amount determined by the customs authority in accordance with Article 155(3) of the UCC Implementing Act as replaced by this Schedule where the conditions of Article 84(2) of the UCC Delegated Act as replaced by this Schedule are fulfilled.

12. Article 165 (Mutual assistance between customs authorities) shall not apply.

13. Article 166 (Customs office of coordination relating to ATA carnets or CPD carnets) shall not apply.

14. Article 170 shall be replaced by the following:

Recovery of other charges for Union goods placed under temporary admission in accordance with the ATA Convention or the Istanbul Convention

In case of recovery of other charges for Union goods placed under temporary admission in accordance with the ATA Convention or the Istanbul Convention, Article 169 of the UCC Implementing Act shall apply mutatis mutandis.

15. Article 171 shall be replaced by the following:

Claim for payment from a guaranteeing association under the procedure of the ATA Convention and the Istanbul Convention

1. Where the customs authority establishes that the customs debt has been incurred for Union goods covered by an ATA carnet, they shall make a claim against the guaranteeing association without delay. The coordinating customs office making the claim shall at the same time send to the coordinating customs office in the jurisdiction of which the customs office of placement under temporary admission is situated, an information memo on the claim for payment sent to the guaranteeing association.

2. The information memo shall be accompanied by a copy of the non-discharged voucher, if the coordinating customs office has it in its possession. The information memo may be used whenever this is deemed necessary.

3. The taxation form may be sent later than the claim to the guaranteeing association is made, though not more than 3 months from the claim and in any event not more than 6 months from the date on which the customs authority initiate the recovery proceedings.

16. Article 172 shall be replaced by the following:

Application for repayment or remission

Applications for repayment or remission shall be submitted by the person who has paid or is liable to pay the amount of indirect tax or by any person who has succeeded him in his rights and obligations.

17. Article 173 shall be replaced by the following:

Presentation of Union goods as a condition for repayment or remission

Repayment or remission shall be subject to the presentation of the Union goods. Where the Union goods cannot be presented to the customs authority, the customs authority shall grant repayment or remission only where it has evidence showing that the Union goods in question are the Union goods in respect of which repayment or remission has been requested.

18. Article 174 shall be replaced by the following:

Restriction on the transfer of Union goods

Until a decision has been taken on an application for repayment or remission, the Union goods in respect of which repayment or remission has been requested shall not be removed from an authorised location without prior written consent from the customs authority.

19. Article 175 (Mutual assistance between the customs authorities) shall not apply.

20. Article 176 (Completion of customs formalities) shall not apply.

21. Article 177 shall be replaced by the following:

Formalities related to the decision on repayment or remission

1. When taking a decision on repayment or remission of the indirect tax subject to the prior completion of certain customs formalities, the customs authority shall set a time-limit, which shall not exceed 60 days from the date of the notification of that decision, for completion of those customs formalities.

2. Failure to observe the time-limit referred to in paragraph 1 shall result in loss of entitlement to repayment or remission except where person concerned proves that he was prevented from meeting that time-limit due to unforeseeable circumstances or force majeure.

22. Article 178 shall be replaced by the following:

Parts or components of a single article

Where repayment or remission is subject to destruction, abandonment to the customs authority or placement under a special customs procedure or the export procedure of Union goods, but the corresponding formalities are completed only for one or more parts or components of those Union goods, the amount to be repaid or remitted shall be the difference between the amount of indirect tax on the Union goods and the amount of indirect tax which would have been applicable on the remainder of the Union goods if they had been placed in an unaltered state under a special customs procedure involving the incurrence of a customs debt, on the date on which the Union goods were so placed.

23. Article 179 shall be replaced by the following:

Waste and scrap

Where destruction of Union goods authorised by the customs authority competent to take the decision produces waste or scrap, such waste or scrap shall be deemed to be non-Union goods once a decision granting repayment or remission has been taken.

24. Article 180 shall be replaced by the following:

Export or destruction without customs supervision

1. In cases covered by the second subparagraph of Article 116(1), Article 118 or in Article 120 of the Union Customs Code as replaced by this Schedule, where export or destruction took place without customs supervision, repayment or remission on the basis of Article 120 of the Union Customs Code as replaced by this Schedule shall be conditional on the following-

(a) the applicant submitting to the customs authority evidence needed to establish whether the Union goods in respect of which repayment or remission is requested fulfil one of the following conditions:

(i) the Union goods have been exported from the customs territory of Gibraltar;

(ii) the Union goods have been destroyed under the supervision of authorities or persons authorised by those authorities to certify such destruction.

2. The customs authority may request evidence establishing that the Union goods in respect of which repayment or remission is requested have been exported from the customs territory of Gibraltar.

3. The customs authority may request evidence establishing that the Union goods in respect of which repayment or remission is requested have been destroyed under the supervision of authorities or persons authorised to certify officially such destruction.

4. Where the evidence referred to in paragraphs 2 and 3 is insufficient for the customs authority to take a decision on the case submitted to it, or where certain evidence is not available, such evidence may be supplemented or replaced by any other documents considered necessary by the said authority.

25. Article 221 (Competent customs office for placing goods under a customs procedure) shall not apply.

26. Article 244 shall be replaced by the following:

Provision of a guarantee

Where the customs authority considers that the verification of the customs declaration may result in a higher amount of indirect tax or other charges to become payable than that resulting from the particulars of the customs declaration, the release of the Union goods shall be conditional upon the provision of a guarantee sufficient to cover the difference between the amount according to the particulars of the customs declaration and the amount which may finally be payable.

However, the declarant may request the immediate notification of the customs debt to which the Union goods may ultimately be liable instead of lodging this guarantee.

Dated: 14th July 2026.

F R PICARDO,
Chief Minister,
For the Government.

EXPLANATORY MEMORANDUM

These Regulations implement Annex 19 of the Agreement in respect of Gibraltar entered into between the European Union and the European Atomic Energy Community of the one part and the United Kingdom of Great Britain and Northern Ireland of the other part.

Copies may be purchased at 6, Convent Place, Price. £2.50