

## **Explanatory Memorandum to Tynwald Members**

Issued by the Department of the Treasury

**To the Hon Laurence David Skelly MLC, President of Tynwald and the Hon Council and Keys in Tynwald assembled**

### **1. Title of measure**

Customs (Miscellaneous Amendments) (No. 3) Regulations 2021

### **2. Changes in policy**

None. Under the Customs and Excise Agreement the Island is obliged to maintain its customs law so that it corresponds to that in the UK.

### **3. Effects of the measure**

These Regulations amend the definition of “authorised use document” in the Customs (Special Procedures and Outward Processing) Regulations 2019 and “authorised use rate document” in the Customs (Reliefs from Liability to Import Duty and Miscellaneous Amendments) Regulations 2021 so as to refer to a revised version of the “Authorised Use: Eligible Goods and Authorised Uses (version 2.2) dated 19.7.21. That document has been revised to reflect changes to commodity codes. It also removes some commodity codes which were subject to both an authorised use measure and a zero rate of import duty, as well as correcting errors identified relating to sugar beet and sugar tariff lines.

### **4. Reasons for the measure**

The governments of the Isle of Man and the UK have a long-standing commitment, the Customs and Excise Agreement 1979 (“the Agreement”), establishing a Customs Union, which allows for the free movement of goods (subject to certain restrictions and prohibitions) between the 2 territories. The Agreement imposes obligations on the Isle of Man Government to keep the laws relating to customs, excise and VAT correspondent to that in the UK.

### **5. Resource implications**

It is not expected that this measure would involve any resource or revenue implications.

### **6. Tynwald procedure**

These Regulations are subject to the negative Tynwald procedure under section 32(6) of the Taxation (Cross-border Trade) Act 2018, as it has effect in the Island.