

Technical Notice (18) Getting ready for the end of the Transition Period

Road Haulage

10 December 2020

On 31 December 2020, the Transition Period (sometimes also referred to as the "Implementation Period") under the EU-UK Withdrawal Agreement will come to an end. The end of the Transition Period will bring an end to the current status quo whereby Gibraltar, its citizens and its business, have enjoyed EU rights. Therefore, subject to the outcome of ongoing negotiations concerning the UK and Gibraltar's future relationship with the EU, the end of the Transition Period will bring about important changes which Gibraltar, as a whole, will need to be ready for.

Purpose

Gibraltar's departure from the European Union means that certain processes and procedures will inevitably become more difficult, cumbersome and bureaucratic. It is important that citizens and businesses are aware of this and that, where possible, they plan ahead. The Government can only prepare in areas that are within its control. Even then, there will be certain areas where mitigation is not possible because the new situation simply reflects what it means to be outside the European Union.

The purpose of this Notice is to explain what goods vehicles operations need to do to carry out international road haulage from 1 January 2021.

If there is no agreement with respect to the UK and Gibraltar's future relationship with the EU by 31 December 2020

If there is no agreement with respect to the UK and Gibraltar's future relationship with the EU by 31 December 2020, rights and obligations ensuing from EU law in respect of market access established by Regulation (EC) No. 1072/2009 on common rules for



access to the international road haulage market will come to an end. This means that, as from 1 January 2021, and subject to any agreement to the contrary, the multilateral quota system of the European Conference of Ministers of Transport (the "ECMT") is the only other available legal framework that could provide a basis for the carriage of goods between the EU and Gibraltar. Therefore, as from 1 January 2021, Gibraltar road haulage operators will need an ECMT Permit for journeys to or through the EU.

ECMT Permits.

ECMT Permits allow operators to transport most types of goods (or drive an empty vehicle) through ECMT member countries. The:

- EU Member States (except Cyprus),
- Liechtenstein, Norway, Switzerland;
- Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, North Macedonia, Moldova, Montenegro, Russia, Serbia, Turkey, and Ukraine; and
- the UK

are all ECMT member countries.

Some goods can be transported without ECMT Permits. Operators should check pages 11 and 13 of the <u>ECMT user guide</u> to check whether the services which they provide fall within one of these categories of transport.

ECMT Permits cannot be used to travel through ECMT counties that are not in the scheme. Neither can they be used for cabotage (loading and unloading goods for hire or reward between two points in a country by a vehicle that is not registered in that country).



Following an international haulage operation from Gibraltar to another ECMT country, up to three operations where Gibraltar is not involved are possible before the vehicle has to return to Gibraltar.

ECMT permits are issued on an annual basis and for an unlimited number of journeys with the permit being carried in the vehicle using it. Therefore, one permit can be used in one vehicle at a time.

The process to obtain an ECMT Permit in Gibraltar.

The UK is an ECMT member country.

Since the number of permits allocated to each member country is extremely limited, the UK will only be able to issue:

- 984 annual EURO VI ECMT Permits;
- 2,592 monthly EURO VI ECMT Permits; and
- 240 monthly EURO V ECMT Permits.

Despite demand exceedingly outstripping supply in the UK, the UK Government has agreed in principle to allocate some permits to Gibraltar to be used by Gibraltar based operators.

However, given the decision-making process of Member States (including Spain) in the ECMT forum, neither the UK Government or HM Government of Gibraltar can guarantee, at this stage, that ECMT Permits allocated to Gibraltar will be recognised as valid.

Therefore, ECMT permits will not be made available until there is certainty that such permits will be recognised in ECMT territory. The UK and Gibraltar Governments continue to be in close contact over this issue.



ECMT Permits can be used:

- to make an unlimited number of journeys within a calendar year if you are allocated an annual permit;
- to make an unlimited number of journeys within 30 days of the start date on the permit if you have a monthly permit.

Only the operator to which an ECMT Permit has been allocated can use it. Operators will not be able to make copies of it, transfer it to other operators or use an ECMT Permit in more than one vehicle at a time.

The allocation process with respect to these ECMT Permits allocated for Gibraltar operators will be delegated to HM Government of Gibraltar. Since it is expected that the number of applications received will exceed the number of ECMT Permits allocated to Gibraltar, the Government will need to adopt an allocation criteria. This will be in line with the requirements of the ECMT and will mirror the UK's own allocation criteria.

The Government can confirm that there be four basic criteria:

- The emission levels of the vehicles for which the ECMT Permits will be applied for;
- The number of international journeys operators have made in the last year;
- The proportion of an operator's haulage that is international; and
- The nature of the goods that are carried.

With respect to the emissions level criterion, it should be underlined that the Government will only be able to allocate ECMT Permits to vehicles with EURO VI or EURO V standards. As in the UK, the number of EURO V ECMT Permits available is much lower than the number of EURO VI ECMT Permits. A EURO VI ECMT Permit cannot be used in a EURO V vehicle but a EURO V ECMT Permit can be used in a EURO VI vehicle.



In the meantime, should operators wish to further inform themselves of the sort of criteria which the Government will apply in the allocation of ECMT Permits, further information can be sought from the following UK Government website:

https://www.gov.uk/government/publications/international-road-haulage-permits-ecmt-permits-2021/international-road-haulage-permits-ecmt-permits-2021

The Government is unable to commence the process for Gibraltar based operators to apply for ECMT Permits until it has clarity on the way forward.

When that happens, successful applicants will be required to pay £10 per permit for monthly ECMT Permits and £123 per permit for annual ECMT Permits.

What drivers must carry during journeys.

In addition to documentation with respect to driving licences (and relevant IDPs); operator licences; vehicle and trailer insurance; customs documentation etc. drivers will need to carry these documents for all of the outward and return journey:

- the ECMT Permit
- the ECMT Permit log book (plus the issued translation sheets)
- the ECMT certificate of compliance for the vehicle and trailer (plus the issued translation sheets)
- a certificate of roadworthiness for the vehicle and trailer (plus the issued translation sheets)

Successful applicants will be asked to make arrangements to obtain all such documents from the DVLD.

Send journey records to the DVLD.



If operators have been allocated an annual ECMT Permit, they must submit the original (top sheet) for each completed page of the ECMT log book to DVLD within 2 weeks of returning to Gibraltar.

Operators which have been allocated a monthly ECMT Permit must submit the complete ECMT log book to DVSA within 2 weeks of the permit's expiry date.

Possibility of separate bilateral arrangements with individual EU Member States.

Depending on progress with respect to negotiations concerning the UK and Gibraltar's future relationship with the EU, the UK may, before the end of the year, engage in separate negotiations with individual EU Member States with a view to coming to reciprocal market access arrangements in relation to road haulage operations. Such arrangements will also be pursued on behalf of Gibraltar.

If this is the case, it is possible that Gibraltar based operators will be able to carry out operations in the EU Member States with which agreements are reached without the need to rely on ECMT Permits.

If there is an agreement with respect to the UK and Gibraltar's future relationship with the EU by 31 December 2020.

Negotiations with respect to the UK and Gibraltar's future relationship with the EU are ongoing. One of the aims of this negotiation is to ensure continued connectivity with the EU and secure comparable market access for road transport operators to that which exists today.

HM Government of Gibraltar is working towards ensuring that such arrangements are extended to Gibraltar.

However, once the transitional period comes to an end on 31 December, and even if there is an agreement, it is clear that the interactions of citizens and businesses with



the European Union will be very different in many areas. Many of these differences, which are a consequence of Brexit, cannot be mitigated and will be a reflection of what it means to be outside the EU.

Further information

This Notice is meant for guidance only.

Further information can be sought from brexit@gibraltar.gov.gi.