



GUIDANCE DOCUMENT ISSUED BY HM CUSTOMS GIBRALTAR

GOODS TRANSIT PROCESS

1. Introduction

1.1 Purpose

This Guidance Note has been prepared to assist traders, customs representatives, freight forwarders and logistics operators who intend to import and export goods to and from Gibraltar.

The Note addresses the following:

- Importing goods of non-EU origin for home use.
- Importing goods of EU origin for home use.
- Importing goods of non-EU origin for customs warehousing.
- Importing goods of EU origin for tax warehousing.
- Re-exporting goods from a warehouse.
- Exporting goods which have already paid Transaction Tax.

1.2 Definitions

The following definitions shall apply:

- **T1GI** – Transit process covering the movement from the DCP to Gibraltar of non-EU Goods and from Gibraltar to the DCP concerning non-EU goods previously placed in a special customs procedure that are taken out from Gibraltar to other territories.
 - **T2GI** - Transit process covering the movement from the DCP to Gibraltar of goods of EU origin and from Gibraltar to the DCP concerning goods previously placed in a tax special procedure or released for free circulation in Gibraltar.
 - **EX3** – Re-export document on ASYCUDA.
 - **EX1** – Export document on ASYCUDA.
 - **Entry Summary Declaration**- A mandatory declaration to be submitted in Spain prior to an importation from a third country or previous to T1GI/T2GI for goods that are taken out from Gibraltar to other territories.
 - **Holder of the procedure** – The person or company who lodges the Customs declaration.
 - **DCP** - Designated Customs Post.
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- **EPU** – Entry Processing Unit, British Lines Road.
- **SAD**- Single Administrative Document on ASYCUDA.
- **MRN**- Movement Reference Number.
- **IM4 declaration**- Import declaration for home use.
- **B1 Declaration** – Export Declaration in Spain.
- **H1 Declaration** – Import Declaration in Spain.
- **NCTS** – New Computerised Transit System.

2. Imports for Home Use (IM4)

2.1 Importing goods of non-EU origin (from a third country) for home use.

The process for importing goods from a third country is as follows:

(a) Goods arrive at the EU entry point

The consignment will be shipped to an entry point within the EU (i.e. Calais.) At this point, the consignment will be placed under a T1 Transit procedure. It is important to note that any goods requiring an SPS check will have these checks carried out at the entry point to the EU.

From here, the goods will travel down to one of the DCPs:

- A. La Linea
- B. Algeciras
- C. Sagunto
- D. Portugal (to function exclusively in the event that none of the other DCPs are accessible for over 24 hours because of unforeseeable circumstances or for reasons of force majeure)

(b) Process undertaken at the DCP.

Under the Treaty, all EU Customs formalities (such as EU P&R checks) will be carried out here. The process will be as follows:

- The Holder of the procedure for the Transit to Gibraltar will be responsible for submitting the H1 import declaration to the Spanish authorities, with extended code '40' – import for free circulation;
- Upon submission of the H1 '40', EU import duties will be paid by the holder of the procedure which invariably will be a Spanish company. You will likely need to enter into a commercial arrangement to reimburse them;
- A T1GI will be opened at the DCP with the H1'40' as the preceding document to cover the movement to Gibraltar – this transit process is uniquely identifiable via an MRN. The consignment will then be released and travel to Gibraltar.

(c) Goods arrive in Gibraltar.

Once the goods arrive in Gibraltar, the following process will be undertaken:

- the consignment must be presented to HM Customs, who via NCTS, will confirm the arrival of the goods and perform any necessary control;
- a submission of an IM4 import document will then be required, the SAD will contain a field to allow you to refer to the MRN to ensure traceability of the consignment;
- upon clearance of the IM4, taxes will be levied via an assessment notice, and Transaction Tax must be paid prior to the release of the consignment from the Customs compound, without prejudice to the possibility that in some cases where the goods are not going to be placed immediately on the market, notably where traders currently hold goods in transit sheds, payment of the Transaction Tax may be deferred for a maximum period of 30 days.

2.2 Importing Goods of EU Origin for Home Use.

The process for importing goods of EU origin for home use is as follows:

(a) Goods Dispatched.

The goods will be dispatched from an EU Member State, where the following process will be undertaken:

- The consignment will travel to a DCP under the authority of:
 - an export declaration submitted in the country of dispatch; or
 - a T2 with the export declaration as the preceding document.

(b) Goods Arrive at the DCP.

Once goods arrive at the DCP, the following process will be undertaken:

- a 'B1' export declaration will be submitted. It is important to note that no EU Import Duties are payable as the goods are already of EU origin; and
- a T2GI will be opened with the B1 export as the preceding document to cover the movement to Gibraltar – this transit process will be uniquely identifiable via an MRN. The consignment will then be released to travel to Gibraltar.

(c) Arrival in Gibraltar.

Once goods arrive in Gibraltar, the following process will be undertaken:

- upon arrival in Gibraltar, the consignment must be presented to HM Customs, who via NCTS, will confirm the arrival of the goods and perform any necessary controls;
- a submission of an IM4 import document will then be required, the SAD will contain a field to allow you to refer to the MRN to ensure traceability of the consignment;

- upon clearance of the IM4, taxes will be levied via an assessment notice, and Transaction Tax must be paid prior to the release of the consignment from the Customs compound without prejudice to the possibility that in some cases where the goods are not going to be placed immediately on the market, notably where traders currently hold goods in transit sheds, payment of the Transaction Tax may be deferred for a maximum period of 30 days.

3. Imports to be placed under a Special Customs Procedure.

For the purposes of this Guidance Note, the example of warehousing (IM7) will be used, but this will equally apply to the other special customs procedures (Temporary Admission (IM5) and Inward Processing (IM5 5001)).

3.1 Importing goods of non-EU origin for Warehousing.

When importing goods of non-EU origin for a Special Customs Procedure, like warehousing for example, the following shall apply:

(a) Goods arrive at the EU entry point.

The consignment will be shipped to an entry point within the EU, like Calais for example, where the following process will be undertaken:

- the consignment will be placed under a T1 Transit procedure. It is important to note that any goods requiring an SPS check will have these checks carried out at the entry point to the EU.
- from here the consignment will travel to a DCP.

(b) Process undertaken at the DCP.

Under the Treaty, all EU Customs formalities (such as EU P&R checks) will be carried out here. The process will be as follows:

- the 'holder of the procedure' for the Transit to Gibraltar will be responsible for submitting the H1 import declaration to the Spanish authorities, with extended code '71' – for Customs Warehousing;
- upon submission of the H1 '71', the payment of EU import duties will be suspended and will be due for payment only upon the removal of the goods from the warehouse in Gibraltar to be placed on the market in Gibraltar;
- a T1GI will be opened at the DCP with the H1'71' as the preceding document to cover the movement to Gibraltar – this transit process is uniquely identifiable via an MRN. The consignment will then be released and travel to Gibraltar.

(c) Goods arrive in Gibraltar.

Once the goods arrive in Gibraltar, the following process will be undertaken:

- the consignment must be presented to HM Customs, who, via NCTS, will confirm the arrival of the goods and perform any necessary controls;
- a submission of an IM7 import document will then be required, the SAD will contain a field to allow you to refer to the MRN to ensure traceability of the consignment;

- upon clearance of the IM7, the goods will be released and will be transported to a Customs Warehouse;
- transaction Tax, excise duties (where applicable) and EU Import duties will be payable upon removal of the goods from the warehouse to be placed on the market in Gibraltar.

3.2 Importing Goods of EU Origin for Warehousing.

The process for importing goods of EU origin for warehousing is as follows:

(a) Goods Dispatched.

The goods will be dispatched from an EU member state and travel to a DCP. This can happen under the authority of:

- an export declaration submitted in the country of dispatch; or
- a T2 with the export declaration as the preceding document.

(b) Goods Arrive at the DCP.

Once goods arrive at the DCP, the following process will be undertaken:

- a 'B1' export declaration will be submitted. Unlike the process for non-EU origin goods, the special procedure under which the goods will be placed in Gibraltar will not need to be declared at the DCP. It is also important to note that no EU Import Duties are payable as the goods are already of EU origin;
- a T2GI will be opened with the B1 export as the preceding document to cover the movement to Gibraltar – this transit process will be uniquely identifiable via an MRN. The consignment will then be released to travel to Gibraltar.

(c) Arrival in Gibraltar.

Upon arrival in Gibraltar, the following shall apply:

- the consignment must be presented to HM Customs, who, via NCTS, will confirm the arrival of the goods and perform any necessary controls;
- a submission of an IM7 import document will then be required, the SAD will contain a field to allow you to refer to the MRN to ensure traceability of the consignment;
- upon clearance of the IM7, the goods will be released and will be transported to a Customs Warehouse;
- transaction tax and excise duties (where applicable) will be payable upon removal of the goods from the warehouse.

4. Exporting Goods.

There are two ways in which to export goods commercially:

- export from a special customs procedure (warehousing);
- export from free circulation (Transaction Tax already paid).

In both cases, the exporter will need to declare their export on both NCTS and ASYCUDA as per the process below:

4.1 Exporting Goods from a Warehouse

When exporting goods directly from a Warehouse, the following shall apply:

(a) Removing Goods from the Warehouse.

Prior to removing the goods from the warehouse:

- an EX3 document will need to be submitted to HM Customs. You must ensure that you refer to the MRN used to import the goods on the EX3 to allow for traceability;
- you must then complete the transit document on NCTS. Depending on the origin of the goods, you must submit:
 - a T1GI for the export of goods of non-EU origin; or
 - a T2GI for the export of goods of EU origin.
- your consignment will now be free to move to the Customs Office of Export in Gibraltar, at the EPU.

(b) Procedure at the Office of Export (Gibraltar).

Once the goods arrive at the Customs Office of Export in Gibraltar, the following process will be undertaken:

- HM Customs Gibraltar will initiate the process of opening the T1GI/T2GI and will notify the Spanish Authorities that the consignment has been cleared for export;
- the consignment will then be released for export destined for a DCP in Spain.

(c) Procedure at the DCP (La Linea)

Upon arrival at the DCP, the Spanish Customs authorities will confirm the arrival of the goods and close the T1GI/T2GI.

At this point, depending on the origin and destination of the goods, the following will apply:

For goods of non-EU origin destined for the EU

EU Customs formalities will be completed at which point EU Import Duties, Excise duties (where applicable) and VAT will be paid. The goods will then be released for free circulation.

For goods of non-EU origin destined for a third country

EU Customs formalities will be completed and a T1 transit process will then be opened to cover the movement to its destination.

For goods of EU origin destined for the EU

Spanish customs formalities will be completed, and EU VAT and Excise duties (where applicable) will be payable. The goods will then be released for free circulation.

For goods of EU origin destined for a third country

Spanish Customs formalities will be completed where no duties or taxes will be paid, and a re-export declaration will be lodged to cover the movement to the point of exit from the EU under a T2.

Please note that as part of the Customs formalities in the EU, your representative in Spain will need to submit an Entry Summary Declaration one hour prior to the arrival of the goods in Spain.

4.2 Exporting goods already on the market in Gibraltar.

When exporting goods which have already been placed on the market in Gibraltar, the following process shall be undertaken:

(a) Formalities prior to presentation at the office of export.

Before the goods are presented at Customs Office of Export in Gibraltar at the EPU, you must complete the following formalities:

- an EX1 document will need to be submitted to HM Customs prior to the removal of the goods from the warehouse. You must ensure that you refer to the original import invoice and the original import MRN to allow for the refund of the transaction tax and excise duties (where applicable);
- you must then complete the transit document on NCTS. Depending on the origin of the goods, you must submit:
 - a T1GI for the export of goods of non-EU origin; or
 - a T2GI for the export of goods of EU origin.
- your consignment will now be free to move to the Customs Office of Export in Gibraltar, at the EPU. HM Customs will complete their formalities and notify Spanish authorities that the consignment has been cleared for export.
- the consignment will be released for export destined for a DCP in Spain.

(b) Process at the DCP.

Once the goods arrive at the DCP, the following process will be undertaken:

- the Spanish authorities will confirm the arrival of the consignment in Spain. This will serve to prove export from Gibraltar for the purposes of the Transaction Tax and, where applicable, excise duties refund.
- Spanish Customs formalities will be completed as per Section 6 (iv) (A) to (D) above, but in this case only VAT (IVA) will be payable on the basis that any EU import duties have already been paid upon release for home use in Gibraltar.

5. Further Assistance

If you require any assistance or clarification in relation to this document, please contact ncts@hmcustoms.gov.gi.

Furthermore, please click on the following link to the Spanish Agencia Tributaria website, where you will find a useful summary of the EU aspects of the Treaty in relation to the movement of goods:

<https://sede.agenciatributaria.gob.es/Sede/aduanas/acuerdo-gibraltar.html>

6. Flow Diagrams

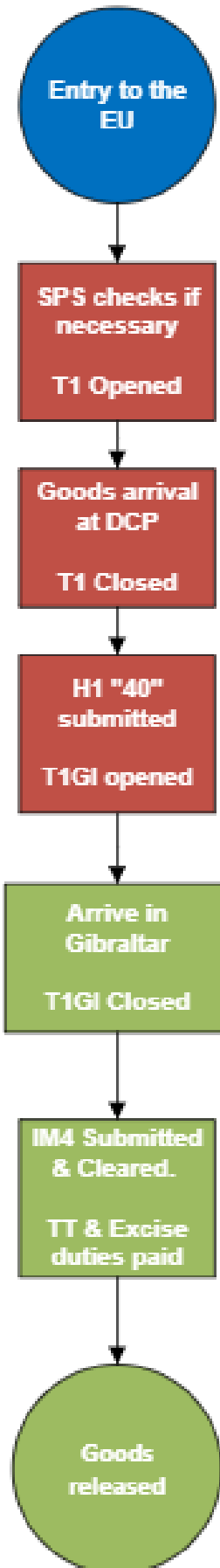
In order to help visualise the different processes contained in this document, please see the following flow diagrams covering each movement.

Import of goods of non-EU origin (Third Country)



**Import from 3rd
Country
(For Home Use)**

Start



Finish

Import of goods of EU origin



Goods from EU
(For Home Use)

Start



Finish

Import of EU goods to a Warehouse in Gibraltar



Goods from EU
(For Warehousing)

Start



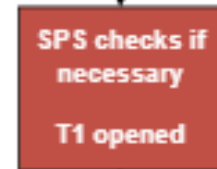
Finish

Import of goods from a third country (non-EU goods) to a warehouse in Gibraltar



**Import from 3rd
Country
(For Warehousing)**

Start



Finish

Export of goods from a Warehouse in Gibraltar



Start



Finish



Export of goods already on the market in Gibraltar (TT Paid)



Export from free circulation

Start



You will need to refer to your import invoice and/or MRN



Proves export for TT refund purposes

Finish

