



No: 63/2026

Date: 2nd February 2026

Technical Notice

Business community: transitional arrangements for goods under the treaty

Political Agreement

On 11 June 2025, the Governments of Gibraltar, the United Kingdom and Spain, together with the European Commission, announced that political agreement had been reached on a treaty to govern the future relationship of Gibraltar with the European Union.

In the area of persons, the Parties agreed to establish dual Gibraltar and Schengen border checks at Gibraltar port and airport – to be carried out in full cooperation between the EU and UK/Gibraltar authorities, removing all checks at the land frontier between Gibraltar and Spain.

In the area of goods, the Parties agreed to establish a customs union between the EU and Gibraltar. This will provide for strong cooperation between customs authorities and the removal of checks on goods.

The principles of indirect taxation to be applied in Gibraltar, including on tobacco, were also agreed in order to avoid distortions and contribute to the prosperity of the whole region.

In December 2025, agreement on the treaty text was announced.

Brexit Transitional Advisory Group

The Government has provided an outline of the treaty, and of the consequences of a no negotiated outcome to the business community. The Business Transitional Advisory Group was established in early 2025.

This Technical Notice has been issued, prior to the publication of the full treaty text, in order to provide some clarity in a number of areas.



Transitional Arrangements for goods under the treaty

References to the “date of entry into force of the treaty” are taken to refer to 10 April 2026 which is the expected date for the entry into force of the treaty to coincide with the expected date of the entry into force of the EU’s Entry and Exit System (EES).

1. The treaty (transit regime, transaction tax and compliance with EU standards) will not apply to goods the movement of which to Gibraltar started before the entry into force of the treaty and ended thereafter. This exemption applies for 2 months. This means that the goods may be sold in Gibraltar without transaction tax, excise duty (where applicable) or compliance with EU standards during that period of 2 months. After the 2 months, such goods can only be sold in Gibraltar if they comply with EU standards.
2. The transaction tax shall not apply to goods which are covered by a certificate of exemption from import duty issued under Regulation 8, Part 3 of the Integrated Tariff Regulations 2017. This exemption applies for the duration of the certificate or for 3 months after the entry into force of the treaty, whichever is earlier. After those 3 months, any goods imported for such projects will be subject to the transaction tax upon import into Gibraltar.
3. Goods already on the market in Gibraltar before the date of entry into force of the treaty shall, for a period of 3 months after the entry into force of the treaty, not be subject to the obligation to be compliant with EU standards. After that period, they cannot be sold in Gibraltar if they are not EU compliant.
4. Goods which were in a bonded warehouse or a temporary storage facility prior to the date of entry into force of the treaty can continue to remain there under the current Gibraltar legislation provided that:
 - (a) the goods are discharged from the bonded warehouse within a period of 2 months after the entry into force of the treaty;
 - (b) the temporary storage ends within a period of thirty days after the goods were placed in temporary storage under existing Gibraltar legislation.

The treaty shall, however, apply to the release for free circulation, discharge of the special procedure and any re-export from Gibraltar of such goods. The treaty will also apply where a trader wants to keep the goods in a warehouse after those periods.

Further details:

There will be a treaty briefing for the business community on Wednesday 4 February at Grand Battery House at 2.30pm. The Government will provide further details during such meetings in subsequent Technical Notices, or both, as and when the need arises.

ENDS