

# Exporting from Jersey

## Overview

On 1<sup>st</sup> January 2021 the rules on exporting good from Jersey to the EU changed as a result of the UK leaving the European Union. The most significant points to note about this are:

- Trade with the UK remains unaffected because Jersey is in a customs union with the UK
- The EU is now a 3<sup>rd</sup> country for exports
- The rest of the world is also a 3<sup>rd</sup> country for exports
- Free trade agreements, including the UK-EU TECA, provide for zero or reduced duties on many goods. Understand and target countries that the UK and Jersey have free trade agreements with as these will be markets where your products will be more competitive.

We have put together this step guide to help you navigate the export process.

## The new UK-EU Trade & Cooperation Agreement (TECA)

The TECA is a free trade agreement between the UK and the EU. It governs the rules and tariffs for the movement of goods between the two regions. Some points to note:

- The TECA means that goods originating in the UK or Jersey can be sold into the EU tariff free and is intended to stimulate exports.
- But, to benefit from these preference rates, goods must meet rules of origin requirements that determine the 'nationality' of a product.
- There are no changes for trade with the UK because

Jersey & UK are in a customs union which means goods can move freely & without tariffs between the UK mainland, Crown Dependencies & NI

## Other free trade agreements (FTA's)

The TECA is a free trade agreement between the UK and EU and there are more FTAs between the UK and other countries around the world.

- FTAs are important because they provide tariff free access for products between relevant the countries.
- Although each FTA has a very similar format, each has its own set of terms which will determine the rules for each product.
- The UK has successfully rolled over continuity FTA agreements which Jersey is automatically party to.
- By March 2021 UK has signed independent FTA's including with Japan and South Korea and is currently negotiating FTAs with several third countries including the US, Canada, NZ & Australia.
- Jersey is likely to be party to the goods chapters of these agreements.

The link below will take you to the UK HMRC's website where you can see the UK FTAs in place or being negotiated with non-EU countries:

[UK trade agreements with non-EU countries](#)

## Rules on a product's Country of Origin

One of the most important things to know when exporting is what additional taxes a product may incur when it is sold to a 3<sup>rd</sup> country. To understand this, it is vital that the producer understands the '**country of origin**' rules which govern how to establish a product's 'nationality'.

- Each trade agreement will have specific rules on how the 'country of origin' is established.
- The country of origin rules are based on the commodity code for each specific product.
- The Commodity code will also tell you whether there is a preferential customs tax rate or not. This is the first thing exporters should check.

- The tax rates and preferences applied to each product will vary dependent upon the FTA.
- Country of origin is established by understanding where the raw materials in a product come from. 'Wholly obtained' means that the product is made exclusively from raw materials originating in the country in which it is produced – Jersey/UK in this case.
- Products that are grown, harvested or mined are relatively easy to determine as being 'wholly obtained'.
- Manufactured goods are more complicated because many products are made up of components or parts that come from different places. If these components aren't from Jersey or the UK they are 'non-originating materials' and there are often maximum limits on the % of an end product that can be non-originating.

[Guide to finding a commodity code for your product](#)

## Evidencing the country of origin

- Look at FTA of the country you are selling to make sure that it will provide a preferential rate for your product, if it doesn't then you don't need to establish the country of origin.
- The relevant FTA will also explain the required documentation you need to provide to prove the country of origin. This is not the same in every country.
- EU importers can use importers knowledge which relies on the (Jersey) exporter providing the necessary documentation to support importers knowledge. The EU importer must be able to provide supporting documentation if required to do so by the EU customs authorities.
- Jersey exporters to the EU can endorse their commercial invoices with a Statement on Origin. This needs to be the correct wording as determined by the FTA.
- Exporters must retain documentation to support their statement in case customs need to verify the products meet origin rules.

[Wording for the country of origin statement](#) for EU exports

# Sales taxes

As well as customs duties exporters need to understand the sales taxes that may be applicable in the countries that they are exporting to. The key points to note are:

- For exports to the EU, understand who needs to pay the sales tax:
  - For goods to the EU under £135 the sales tax is paid by exporter/seller
  - For goods to the EU above £135 the sales tax is paid by the importer unless the Jersey exporter uses an EU Customs Agent to clear the goods in which case the sales tax will be included with the duties and charged to the exporter.
- All exports from Jersey to the UK will incur a VAT charge. If you are trading with the UK directly you can register as a trader on the [Prepaid-VAT Scheme](#) which is managed by Jersey Post and pays all the relevant taxes directly to HMRC. To be eligible for the scheme the statistical threshold of the goods cannot exceed £873 in value.
- If you are using an online platform like Amazon or eBay you need to clarify how they collect the sales tax and how this is remitted to the country you sell to.
- If you are selling outside the UK or EU on your own website, you will need to make sure you know what sales tax to charge and how and when the tax will be paid. You may need to register with the tax authorities in each country you sell to.
- Although there is a cost attached, using a logistics company can help as they will use customs clearing agents to pay the taxes and clear the goods to the end destination.

Do not forget to evaluate the effect of sales taxes on the price of your product both for your customer and for your business.

If you need help with assessing the financial implications of exporting we can help you do a business review.

## Licences and restricted goods

Some products are restricted or prohibited and others need a licence to export. The following are the main categories of goods affected:

- Illegal drugs
- Indecent or obscene goods
- Certain foodstuffs, mainly meat, milk, fish or products thereof
- Products of endangered species
- Protected items of international heritage
- Firearms, ammunition, fireworks or explosives
- Flick knives, gravity knives and CS gas sprays
- Live or dead animals, fish, birds or plants
- Liquid milk

This list is not exhaustive, for further information contact Goods Control at [RGC@gov.je](mailto:RGC@gov.je)

## Declarations & formalities

When goods are exported directly from Jersey to a 3<sup>rd</sup> country (one that is not the UK), export documentation will need to be attached to the shipment detailing the items in the consignment. The documentation needed is:

1. An [export declaration](#) which must be submitted to Jersey Customs
2. An [export manifest](#) which will detail the items being exported and must include the export declaration number. The export manifest is submitted by the Carrier of the goods.

It is important that the details on these documents accurately list the items in the consignment because they will be used to undertake 'safety and security' checks. Consequently, these details will not only be inputted on to the Customs system in Jersey, but also on the customs system in the destination country.

If you are using a carrier/agent to move the goods they will be able to generate these documents for your consignment. If the goods are going to the EU, the shipper you use will need to have an [EORI number](#) in the UK and in the EU country in which the goods land. If you are

## Moving goods around the world

managing this process your business will need to have an EORI number only if you enter data directly onto UK or EU customs systems.

Obviously, exporters need to make sure their goods move out of Jersey and get to their final destination in one piece. It is important that the documentation is correct and that taxes are paid correctly in order for the journey of the product to be as smooth as possible.

Often it is beneficial to use a specialist logistics company to manage the process, documentation and payment of taxes at the right time. Be careful when choosing your partner, this is not a time to cut corners, but instead find a good, experienced partner that can identify and manage a route that is:

- Cost effective.
- Delivers in an appropriate timeframe.
- Has the best chance of clearing through customs efficiently.

[Jersey Post Logistics](#) can help you with the movement of goods around the world. You might also consider the [other agents and fast delivery companies](#) that operate in Jersey.

## Our Guide

The UK, EU and the world provide a global market for your products and a great opportunity for you to grow and develop your business. It is worth researching the most appropriate countries to expand into taking into account the customer opportunity as well as the practicalities of delivering your product or service. The guide below has a lot of useful information and templates that you can use to do this assessment and of course the Jersey Business team is here to help you.

Download the  
**Exporting From Jersey A Toolkit For Selling  
Outside Jersey**





On March 31st 2021 we held a webinar with Customs & Immigration answering your questions on Exporting goods from Jersey.

## Relevant Links

- > [UK trade agreements with non-EU countries](#)

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- > [Guide to finding a commodity code for your product](#)

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- > [Wording for the country of origin statement for EU exports](#)

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- > [Prepaid-VAT Scheme](#)

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- > [Export Declaration](#)

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- > [Export Manifest](#)

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- > [EORI Number](#)

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- > [Jersey Post Logistics](#)

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- > [Other agents and fast delivery companies](#)

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- > [Exporting From Jersey - Toolkit for Selling Outside Jersey](#)

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- > [Export Readiness Checklist](#)

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