ADMINISTRATIVE ARRANGEMENT BETWEEN THE UNITED KINGDOM, IN RESPECT OF GIBRALTAR, AND SPAIN ON CUSTOMS

The United Kingdom of Great Britain and Northern Ireland, in respect of Gibraltar (the "United Kingdom in respect of Gibraltar"), and the Kingdom of Spain ("Spain"), together "the Participants" and in singular "the Participant",

NOTING that "Agreement" refers to the Agreement in respect of Gibraltar between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, as published in the OJ EU L..., 14.07.2026 (not yet published);

NOTING that these Administrative Arrangements are concluded in anticipation of the entry into force of the Agreement, will be interpreted in accordance with the text of the Agreement, its Annexes and Protocols in relation to:

- the implementation of Articles 242, 247, and 248 of the Agreement as well as Annexes 19 and 21 of the Agreement;
- the implementation of Article 251 of the Agreement;
- the implementation of Article 265 and Annexes 19, 21 and 22 of the Agreement;
- the implementation of Article 267 and Annex 23 of the Agreement; and
- the implementation of Chapter 4 of Title II of Part 3 of the Agreement and the Protocol on the Traceability, Cooperation to Fight Smuggling of Tobacco and Additional Measures Related to Tobacco Products of the Agreement ('Protocol on Tobacco');

NOTING that this administrative arrangement sets out the practical arrangements referred to in the Agreement and is made pursuant to and is subject to the principles set out in the Agreement and, in particular, to Article 2 thereof;

AWE

NOTING that the present Administrative Arrangement, or any activity or measure taken in application or as a result thereof, do not imply any modification of the respective legal positions of the Kingdom of Spain and of the United Kingdom with regard to sovereignty and jurisdiction in relation to Gibraltar; and

ACKNOWLEDGING that this arrangement or arrangements related to this arrangement, and any measures or instruments or conduct taken in application or as a result thereof or pursuant thereto, is without prejudice to, and will not otherwise affect the respective legal positions of the Kingdom of Spain or of the United Kingdom of Great Britain and Northern Ireland with regard to sovereignty and jurisdiction and will not constitute the basis for any assertion or denial of sovereignty including in legal proceedings or otherwise;

HAVE DECIDED as follows:

ARRANGEMENTS ON MOVEMENT OF GOODS

This Arrangement will cover:

- Movements of goods referred to in Annex 19, in relation to Articles 242, 248 and 247(3) of the Agreement;
- Movements of goods referred to in Annex 21, in relation to Article 247(3) of the Agreement;
- Procedural special arrangements applicable to professional equipment and certain special categories of goods.

The Participants note that the coordination of customs and tax controls on such movements of goods, as well as the exchange of information and procedures applied, will require that the customs authorities of Spain and of the United Kingdom, in respect of Gibraltar, carry out their activities within the same working hours schedule.

SECTION 1 - Movement of commercial goods from the Union to Gibraltar and from Gibraltar to the Union (Annex 19 of the Agreement)

1. **Entry of goods from the Union into Gibraltar**

1.1. Goods exported to Gibraltar from any part of the Union Customs Territory (the "UCT"), within the meaning of Article 4 of the Union Customs Code adopted by Regulation (EU) No 952/2013 (the "UCC"), and which are in free circulation in that territory, will, at the time of their presentation at the customs posts designated in the Agreement ("Designated Customs Posts" or "DCPs"), be placed under the transit procedure, by land and exceptionally by sea (as referred to at the end of this section), via the NCTS system, using a special declaration known as T2GI.

1.2. The customs office of departure will be any DCP in Spain and the customs office of destination for the purposes of this T2GI transit will be in Gibraltar. The addresses of the customs offices of Gibraltar to this end will be:

- Entry Processing Unit, British Lines Road; and
- The Port of Gibraltar, North Mole (secondary location)

1.3. This section establishes the procedures for different scenarios that may arise depending on the circumstances occurring during the movement of goods from the DCP to Gibraltar.

2. Absence of irregularities during the transit procedure

2.1. The customs office of destination will send the following messages via the relevant Web Service:

2.1.1. A "notification of arrival" message on the same day the goods arrive and are presented to the competent customs authority in Gibraltar, and in any event no later than six calendar days from the release of the T2GI transit declaration by the DCP. This is the deadline normally set by the customs office of departure.

2.1.2. A "results of transit control" message and a "destination of goods in Gibraltar" message within three working days from the sending of the notification of arrival. The T2GI transit procedure will not be deemed discharged merely upon receipt of the "results of transit control" message. Discharge will require the sending by the Gibraltar customs authorities of a subsequent message indicating the reference for the levying of the transaction tax and, where applicable, excise duty, or, if applicable, the inclusion of the goods in a special customs procedure for tax purposes. Until that moment, the T2GI transit procedure will not be considered discharged.

2.1.3. Where goods are included in a special customs procedure for tax purposes, the Gibraltar customs authorities will inform the DCP in real time, on a case-by-case basis, indicating: the applicable special customs procedure for tax purposes; the date of inclusion; the expected date of discharge; and the identification of the natural or legal person placing the goods under the regime. Such information will relate to the particular item level of the T2GI declaration, specifying the net mass of the goods, and will be incorporated into the register referred to in Article 1(2) of Annex 19 of the Agreement for monitoring goods under special tax regimes in Gibraltar.

2.1.4. Where goods are released for consumption in Gibraltar following a special customs procedure for tax purposes, proof that indirect taxes have been levied in Gibraltar will be sent. Such proof will be transmitted monthly via the relevant Web Service.

3. Procedures for irregularities during the transit procedure

3.1. No arrival notification received by the customs office of departure

3.1.1. The customs office of departure will send a message to the customs office of destination requesting information on the status of the T2GI movement. The customs office of departure will have seven calendar days to automatically finalise the transit procedure; the office of destination will send the notification of arrival and the results of the transit checks promptly to allow such finalisation within seven calendar days. If, within seven calendar days, the transit cannot be automatically discharged by receipt of the required messages, an enquiry procedure will be initiated, whereby the holder of the transit procedure will be requested to provide proof of compliant ending of the procedure within 28 calendar days.

3.1.2. The following forms of proof will be accepted as valid proof for the Gibraltar context:

- a document certified by the customs authority of destination in Gibraltar, identifying the goods and confirming their presentation at the customs office of destination;

- a message indicating the destination of the goods in Gibraltar, whether inclusion in a special regime furnishing sufficient details for its identification or release for consumption, the latter combined with a proof of payment of transaction tax and, where applicable, excise duty.

3.1.3. If the holder of the transit procedure submits any of the above means of proof within the specified time limit, the customs office of departure will inform the customs office of destination within 14 calendar days of receipt of the documents submitted by the holder of the transit procedure, after which the customs office of destination will:

- accept the proof and notify the customs office of departure so that it may discharge the procedure within 14 calendar days from receipt of the notification. The provisions of paragraph 2.1 (absence of irregularities) would be applicable; or

- reject the proof and inform the customs office of departure within seven calendar days from receipt of the notification, so that it may initiate the corresponding procedure for the collection of VAT and, where applicable, the excise duties applicable in Spain. The arrival notification alone will not constitute evidence of proper discharge of the transit procedure.

3.1.4. If no proof is provided, the transit will be deemed not properly discharged, and recovery proceedings will be initiated by the customs office of departure.

3.2. **No message on results of discharge or destination of goods -** the procedure described under 3.1 will apply after six calendar days from receipt of the arrival notification.

3.3. **Discrepancies in the discharge results message**

3.3.1. In case of minor discrepancies, paragraph 2 (absence of irregularities) will apply.

3.3.2. In case of major discrepancies, a recovery procedure will be initiated, if it affects all goods; a recovery for the missing part will be initiated, if it affects part of the goods; and if the discrepancy does not affect the possible settlement, discharge would be confirmed in accordance with paragraph 3.3.1 through the start of the corresponding sanction proceedings against the holder of the transit procedure by the customs office of departure.

3.3.3. Where technical problems prevent messages from being sent or resent, alternative evidence acceptable to the customs office of departure may be provided by the customs office of destination, as provided for in the operational guidance.

3.3.4. The deadlines for submission will be the same as for standard cases, and enquiries may be made via the designated helpdesk.

4. **Procedures to be taken where the authorities of the United Kingdom, in respect of Gibraltar, are aware of irregularities in the handling of goods that arrived without irregularities under the T2GI from the DCP**

4.1. The authorities of the United Kingdom, in respect of Gibraltar, will contact the DCP so that the latter can take this into account in its records; depending on the nature of the irregularity, the matter will be dealt with in the same way as in the case described in paragraph 3.3.

4.2. As an exception to the general rule that Union goods are entering Gibraltar by land, Article 4 of Annex 19 of the Agreement allows Union goods to enter via Gibraltar port, provided that a T2GI is lodged via the NCTS at the Algeciras DCP being this transit procedure discharged within two hours since the goods exited the port of Algeciras. Goods must be fully unloaded from the vessel.

5. Discharge of goods placed under a special customs procedure for tax purposes

5.1. Goods which were placed under a special customs procedure for tax purposes fiscal warehousing, fiscal inward processing, or fiscal temporary admission, may remain under those regimes for the periods set out in Article 1(5) of Annex 19 of the Agreement, without prejudice to any extensions that may be granted where duly justified circumstances approved by the DCP apply, either at the time of the authorisation request or subsequently, while the goods remain under the regime. Upon expiry of the relevant period, a customs destination will be assigned mutatis mutandis to the goods. A corresponding message will be sent in real time via the relevant Web Service, specifying the net mass of goods, at item level, leaving the regime, as well as the MRN(s) of the T2GI to which the goods were included. In addition, supporting evidence relating to each destination will be sent on a monthly basis, where so required. There are therefore four possible destinations for these goods, only the last of which involves the goods leaving Gibraltar for the Union:

- Release into the internal market in Gibraltar, which will require submission to the DCP of proof of payment of transaction tax and, where applicable, excise duty. Such proof will be sent through the corresponding Web Service.

- Re-export to a third country, by lodging a re-export declaration at the DCP, preceded, where applicable, by a T2GI.

- Destruction without generating waste. Proof must be provided, together with the relevant destruction agreement and a certificate from an authorised waste manager. If waste is generated as a result of the destruction and is not removed from Gibraltar, transaction tax must be paid.

- Re-export to the customs territory of the Union, by lodging an import declaration at one of the DCPs. An exemption from import duties and VAT may be applied under the returned goods relief regime. When the returned goods relief is not applicable, preference code 400 will be accepted so that no customs duties are paid where the destination of the goods is the European Union. Prior to this, a T2GI transit declaration will be lodged from Gibraltar at the DCP. This T2GI movement will apply mutatis mutandis the rules set out in section 1.1 of this Arrangement, with the United Kingdom, in respect of Gibraltar, acting as customs office of departure and the DCP as customs office of destination. The T2GI declaration will include, under "supporting documents", the reference (MRN/item) of the T2GI originally used to move the goods from the DCP to Gibraltar.

5.2. The above is without prejudice to Article 5 of Annex 19 of the Agreement, read in conjunction with Article 1(5) thereof, which allows the supply of vessels and aircraft from customs warehouses for tax purposes, subject to presentation of the relevant declaration at the DCP. In such cases, neither a T2GI nor physical presentation of the goods at the DCP will be required; presentation will take place at the airport or port facilities in Gibraltar agreed by the DCP.

6. Exit of other goods from Gibraltar to the Union

6.1. Goods in free circulation in Gibraltar, having either been released for consumption there or manufactured/obtained in Gibraltar, will be covered by a T2GI declaration from Gibraltar to the DCP. This T2GI will apply, mutatis mutandis, the rules set out in section 1.1 of this Administrative

Arrangement, with the United Kingdom, in respect of Gibraltar, acting as customs office of departure and the DCP(s) as customs offices of destination. The T2GI declaration will include the MRN of the T2GI under which the goods were originally introduced into Gibraltar, where applicable.

7. Non-compliance and issues relating to the assessment and recovery of Spanish indirect taxes (VAT and excise duties)

7.1. The following situations will be distinguished for the purposes of VAT and, where applicable, excise duty applicable in Spain:

a) Irregularities in the T2GI declared from the DCP to Gibraltar - where irregularities prevent proper discharge of the T2GI transit procedure in accordance with Article 1(4) of Annex 19 of the Agreement, the DCP will assess VAT and excise duties applicable in Spain.

b) Failure to provide proof relating to special customs procedures for tax purposes, failure to discharge such procedures within the prescribed period, or any irregularity during the period in which the goods remain under such regimes.

c) Irregularities in the T2GI declared from Gibraltar to the DCP.

7.2. In cases (b) and (c), the customs authorities of the United Kingdom, in respect of Gibraltar, will assess and collect VAT and excise duties on behalf of Spain, as the situation is deemed to constitute an irregular entry into the Union Customs Territory. The amounts collected will subsequently be transferred to Spain as follows:

7.2.1. The DCP will record the situation in the register and inform the United Kingdom, in respect of Gibraltar via email of the applicable tax rates and tax concepts. The debt will be calculated based on the date on which non-compliance occurred, either when sending the arrival notification message or when sending the message notifying the results of the checks. This will be done in accordance with Article 79(a) UCC, which will apply, mutatis mutandis, when conditions are no longer met, that is to say, once a maximum period of 12 days has elapsed since the declaration was accepted.

7.2.2. Once the communication is received, the United Kingdom, in respect of Gibraltar, will transfer the amounts assessed within a maximum period of two months to the designated Spanish account, identifying the following information: the taxable person (and Spanish fiscal identification number, if applicable), the amounts collected, the assessment number, the tax concept (VAT/excise), and the T2GI reference with which the goods entered Gibraltar.

7.2.3. If the transfer is not made within the agreed period, Gibraltar will justify the delay, which will be communicated to the DCP so that it enters said circumstance in the register. The amounts transferred will be recorded in the register as settled, and the procedure will be deemed completed in respect of those amounts.

7.2.4. Where the transfer is not received within the agreed period, this circumstance will be reported to the Working Group and subsequently, if necessary, to the Specialised Committee on Economy and Trade provided for in the Agreement.

7.2.5. Where, following the payment and submission of the corresponding breakdown of information, an operator is entitled to the repayment of such amounts, the customs authorities of the United Kingdom, in respect of Gibraltar, will submit the appropriate evidence recognising that right (court decision, decision of an economic administrative body, or equivalent).

7.2.6. Once the documentation submitted has been verified and the evidence accepted, the requested amounts will be refunded to the account of the customs authorities of the United Kingdom, in respect of Gibraltar, from which the transfer was made. Thereafter, the customs authorities of the United Kingdom, in respect of Gibraltar, will proceed with the refund to the relevant operators.

SECTION 2 - Movements of Commercial Goods from Third Countries to Gibraltar and from Gibraltar to Third Countries

1. Entry of Goods from Third Countries into Gibraltar

1.1. Goods originating in third countries and destined for Gibraltar will be covered by an import declaration (H1) lodged at the DCP.

1.2. Once the import declaration (H1) has been lodged, release will not be granted until the subsequent special transit declaration T1GI has been submitted via the NCTS system to cover the land movement. The declarant will be informed of the need to submit that transit declaration.

1.3. Once the T1GI declaration lodged from the DCP to Gibraltar has been accepted and released, the transit regime may be discharged either without irregularities or with irregularities, in which case the provisions set out in section 1.1 of this Administrative Arrangement will apply. Only the specific aspects relating to incorrect discharge or non-discharge deriving from Annex 21 will apply as particularities.

1.4. Where the T1GI is correctly discharged in Gibraltar, the following situations may arise:

1.4.1. Goods released for free circulation in Gibraltar by the DCP. The corresponding messages will be sent in due time and form via the Web Service.

1.4.2. Where the goods are released regarding transaction tax and, where applicable, excise duties onto the Gibraltar market, the provisions already set out in section 1.1 of this Administrative Arrangement concerning Union goods released for free circulation in Gibraltar will apply.

1.5. Where the goods are placed in a special tax regime, the provisions set out in section 1.1 concerning Union goods destined for a special tax regime in Gibraltar will apply.

1.6. Goods placed in a special customs procedure in Gibraltar: where the T1GI is correctly discharged, the goods will be deemed to have been placed under a special customs procedure, and the relevant information will be linked to the import declaration, from which the time limits for the goods to remain under the procedure will be monitored.

1.7. Exceptionally, and where duly justified, in accordance with Article 7(4) of Annex 21 of the Agreement, goods may arrive by sea directly at the port of Gibraltar from third countries, without the need to lodge a T1GI declaration at the DCP, for the purpose of placing them under inward processing and temporary admission. In addition, fuel for commercial seagoing vessels which is to be placed under customs warehousing procedure for subsequent use in the context of ship supplies may arrive by sea to Gibraltar port. Under this procedure, exceptional and duly justified circumstances are not required and such fuel may arrive by sea directly at Gibraltar port from third countries, without the need to lodge a T1GI declaration at the DCP.

1.8. In such cases, the import declaration must be lodged in advance at a DCP.

1.9. Lastly, it is noted that the procedures relating to the supervision of authorisations for special customs regimes will be laid down in the Arrangement on Joint Visits and Information Exchange referred to in Annex 22 of the Agreement.

2. Discharge of goods from special customs procedures and exit from Gibraltar to third countries

2.1. **Discharge of goods in a special customs procedure for tax purposes in Gibraltar -** the discharge of goods included in a special customs procedure for tax purposes in Gibraltar, which entered that territory under a T1GI (in accordance with Article 6(3) of Annex 21 of the Agreement), will take place in accordance with the procedure expressed in Section 1, Paragraphs 2 and 3 of this Arrangement, which will apply mutatis mutandis. In the T2GI to be lodged in Gibraltar and covering the movement to the DCP, where the goods are to leave that territory, reference will be made to the MRN/item of the T1GI under which the goods were placed under the special regimes. The H1 will be included as the "previous document" in the T2GI.

2.2. **Discharge of Goods Previously Placed under a Special Customs Procedure authorised by the Designated Customs Post(s) -** goods that were placed under a special customs procedure of inward processing, temporary admission or customs warehousing may remain under those procedures in accordance with Union customs legislation, without prejudice to any extensions that may be granted where duly justified circumstances apply. Upon expiry of the relevant period, or where it is decided to discharge the special regime (in the case of customs warehousing, as Article 238(1) UCC does not provide for a time limit), a destination will be assigned to the goods. The possible destinations are as follows:

- Release in the internal market of Gibraltar, which will require the United Kingdom, in respect of Gibraltar, to submit to the DCP proof of

a Ane

assessment and payment of the transaction tax and, where applicable, excise duty. The DCP will communicate the calculation details for indirect taxation to the United Kingdom, in respect of Gibraltar, via Web Service. No prior T1GI declaration will be required. The DCP will assess before the import duties, which will be recorded in the separate accounts as own revenue of the United Kingdom, in respect of Gibraltar.

- Re-export to third countries, by lodging a re-export declaration at the DCP where the goods were placed under the regime. Two scenarios may apply:

  - As a rule, a T1GI transit declaration will be lodged from Gibraltar to the DCP. In this T1GI, the provisions set out mutatis mutandis in section 1.1 of this Administrative Arrangement will apply, with the United Kingdom, in respect of Gibraltar, Gibraltar acting as customs office of departure and the DCP as customs office of destination. The T1GI will include, under "supporting documents", the reference (MRN/item) of the T1GI under which the goods originally moved from the DCP to Gibraltar. The H1 will be included as the "previous document".

  - A prior T1GI will not be required before lodging the re-export declaration where:

    - The discharge concerns inward processing or temporary admission regimes and the goods leave directly from Gibraltar port, in duly justified cases involving exceptional circumstances. In such cases, the re-export declaration will be lodged at least 48 hours prior to the actual departure of the goods. The goods will not be physically presented at the DCP, but at a maritime location at the port of Gibraltar agreed with the DCP;

a Ar

- The discharge concerns the customs warehousing regime for the supply of vessels or aircraft pursuant to Article 7(4) of Annex 21 of the Agreement. In this case, the 48-hour time limit will not apply. The goods will likewise not be presented at the DCP, but at an air or maritime location at Gibraltar port or airport as agreed by the DCP.

- Destruction without generation of waste, in which case United Kingdom, in respect of Gibraltar, will submit proof to the DCP of placement, together with the relevant destruction agreement and evidence from an authorised waste management operator. Where destruction generates waste that is not removed from Gibraltar, the transaction tax and, if applicable, customs duties will be payable.

- Placement within the Union Customs Territory under another special customs regime provided for in the UCC, subject to full compliance with all applicable legal conditions.

- Release onto the market of the European Union, which will result in the discharge of goods previously placed under the special regime. In such cases, a T1GI declaration will be lodged from Gibraltar to the DCP of placement, where an import declaration (H1) will be submitted, and the applicable import duties and indirect taxes will be paid. Such import duties will constitute own resources of the European Union.

3. Exit of goods from Gibraltar to third countries.

In this scenario, the supply (bunkering/provisioning) of goods obtained in or released for free circulation in Gibraltar may also take place. Such supply will require the submission of the appropriate re-export declaration at the DCP, and no prior T2GI or T1GI will be required.

3.1. Non-compliance and issues relating to the assessment and recovery of customs and/or tax debts. Accounting adjustments

3.2. The following four scenarios will be distinguished:

(a) T1GI declaration from the DCP to Gibraltar

Where the regime could not be discharged or where three months have elapsed since release was granted by the DCP to place the goods under the T1GI transit regime without correct discharge, the following distinctions will apply:

- Where the regime declared at the DCP was release for free circulation, the DCP will have assessed the corresponding import duties, which were initially recorded separately as own resources of the United Kingdom, in respect of Gibraltar. In the event of incorrect discharge of the T1GI, the goods will be deemed to have entered the Union Customs Territory irregularly, and an accounting correction will be made such that the import duties assessed become own resources of the European Union. The DCP will also assess VAT and, where applicable, excise duties.

- Where the regime declared at the DCP was inward processing, temporary admission or customs warehousing, the DCP will assess the import duties – which will be recorded directly as own resources of the European Union – together with VAT and excise duties, where applicable.

(b) Failure to discharge special customs procedures within the prescribed period, or any irregularity occurring during the period in which the goods remain under such regimes

Pursuant to Article 7(1) of Annex 21 of the Agreement, the customs debt arising from any failure to comply with the conditions or obligations attached to an authorisation for the relevant special regime will be assessed by the DCP and recorded in the separate accounts as revenue of the United Kingdom.

AV AWE

The DCP will notify via email the customs authorities of the United Kingdom, in respect of Gibraltar, of that circumstance, so that they may assess and collect the corresponding transaction tax and, where applicable, excise duty.

(c) T2GI declaration from Gibraltar to the DCP with irregularities in the discharge of the transit regime

The provisions set out in section 1, paragraph 7.1 (c) apply.

(d) T1GI declaration from Gibraltar to the DCP with irregularities in the discharge of the transit regime

The DCP will assess the import duties, which will be recorded in the accounts as own resources of the European Union, together with VAT and, where applicable, excise duties payable in Spain.

4. Procedural special arrangements for professional equipment and other special categories of goods

4.1. Professional equipment

4.1.1. The definition of professional equipment is set out in Articles 1 to 5 of Annex B2 to the Convention on Temporary Admission, signed at Istanbul, on 26 June 1990.

4.1.2. Article 247(3) of the Agreement provides that, save for the exceptions laid down in paragraph 4, aside from goods contained in travellers' luggage, goods imported into or exported from Gibraltar will necessarily move by land.

4.1.3. Pursuant to Article 1(1) of Annex 19 of the Agreement, professional equipment may be transported by land from any point in the Union customs territory to Gibraltar, without using the NCTS system. Consequently, no T2GI declaration will be required. Article 2(1) of

Annex 19 likewise permits the movement of professional equipment from Gibraltar to the Union by land without a T2GI.

4.1.4. For movements between the Union and Gibraltar and vice versa, Union legislation will apply mutatis mutandis (Article 3 of Annex 19 of the Agreement). Accordingly, the available options for the export of professional equipment are as follows:

- Standard customs declaration, in accordance with Articles 158 and 269 UCC;

- Simplified declaration in accordance with Article 166 UCC;

- Oral declaration, where permitted under Article 137(2) UCC-DA, subject to authorisation by the customs authorities (Article 136(1)(l) UCC-DA). Such declaration will be accompanied by the supporting document referred to in Annex 71-01 UCC-DA, adapted to movements between the Union and Gibraltar, and stamped by Spain and Gibraltar;

- Declaration by any other act, pursuant to Article 141(1)(d)(iii) UCC-DA, in conjunction with Article 140(1)(a) UCC-DA;

- ATA Carnet, the movement of which will be stamped or scanned – where carnets are digitised from 1 June 2026 – at any customs office of the Union Customs Territory, together with validation or activation of the carnet. Where presented at a customs office other than a DCP, the DCP will merely endorse the exit.

4.1.5. Temporary admission may take place by:

- Declaration by any other act, pursuant to Article 1(7) of Annex 19 of the Agreement;

a Awt

- Standard customs declaration (Article 158 UCC), whether under the normal procedure or the simplified procedure (Article 163 UCC-IA);
- ATA Carnet, in which case the United Kingdom, in respect of Gibraltar, will stamp or scan the temporary import movement.

4.1.6. In addition to the above, Article 136(1) UCC-DA allows for the use of an oral declaration for temporary admission. Such oral declaration must be accompanied by Annex 71-01 UCC-DA, adapted to movements between the Union and Gibraltar. Return movements from Gibraltar to Spain may also be carried out under a standard declaration, and no T2GI will be required in such cases.

4.1.7. The re-export of professional equipment may also be covered by an oral declaration accompanied by Annex 71-01 (Article 136(2) UCC-DA), a standard declaration lodged at the DCP (Article 270 UCC), or an ATA Carnet, in which case the re-export will be stamped or scanned by the Gibraltar customs authorities.

4.1.8. As regards reimportation, an oral declaration may be used in accordance with Article 135(2) UCC-DA, accompanied by Annex 71-01, as provided for above.

4.1.9. Where the movement is covered by an ATA Carnet, the DCP will stamp or scan the QR code relating to the reimportation.

4.1.10. It should be clarified that goods other than professional equipment, such as machinery, which are destined for Gibraltar under the temporary admission regime on the basis of an ATA Carnet, will require the submission of a T2GI declaration for the movement from the DCP to Gibraltar. The same will apply to their re-export, from Gibraltar back to the DCP.

4.1.11. In the case of entry of professional equipment originating in third countries, the Agreement lays down no specific arrangements; therefore, the provisions set out in Section 2 of this Administrative Arrangement will apply. It should be emphasised that goods entering under an ATA Carnet will be subject to a T1GI declaration for the movement from the DCP to Gibraltar.

For the purpose of Article 260(3) of the Agreement, a triptych will be implemented as follows:

Triptych for the purposes of Article 260(3) of the Agreement

Supporting document for an oral customs declaration for vehicles for personal use

Temporary importation and re-export

(Article 260(3) of the EU–UK Agreement with respect to Gibraltar)

Original for the Customs Office of Placement (Copy 1)
Declarant / Holder of the authorisation (full name)
Goods to be placed under a temporary importation regime
Chassis number
Registration number
Quantity
Value

Place of use and type of use of the goods
Period for discharge of the regime
Additional information
Date, name, signature and stamp of the Customs Authority

Original for the Customs Office of Discharge (Copy 2)
Declarant / Holder of the authorisation (full name)
Goods to be placed under a temporary importation regime
Chassis number
Registration number
Quantity
Value
Place of use and type of use of the goods
Period for discharge of the regime
Additional information
Date, name, signature and stamp of the Customs Authority

a Ans

Original for the Holder of the Authorisation (Copy 3)
Declarant / Holder of the authorisation (full name)
Goods to be placed under a temporary importation regime
Chassis number
Registration number
Quantity
Value
Place of use and type of use of the goods
Period for discharge of the regime
Additional information
Date, name, signature and stamp of the Customs Authority

Instructions:

- Copy 1 will be presented to the Customs Office of Placement (temporary importation).
- Copy 2 will be presented to the Customs Office of Discharge (re-exportation).
- The box entitled "place of use and type of use of the goods", as well as the "period for discharge", will be completed only where the goods are placed under the temporary importation regime by means of an oral declaration.

U Ane

- Copy 3 will constitute a supporting copy retained by the holder of the authorisation, in respect of both the placement under and the discharge of the temporary importation regime.

ARRANGEMENTS ON ACCESS TO IT SYSTEMS

1. In application of Article 251(3) of the Agreement, this Administrative Arrangement sets out the practical arrangements for the implementation of paragraphs 1 and 2 of Article 251 of the Agreement.

2. The interconnection between the IT systems of the Spain and the United Kingdom, in respect of Gibraltar, will take place as set out below.

3. The United Kingdom, in respect of Gibraltar, has a system in place able to access the Union NCTS via the Spain's NCTS system. This setup complies with and will evolve in accordance with the specifications defined for the NCTS (New Computerised Transit System) by TAXUD (Directorate-General for Taxation and Customs Union of the European Commission).

4. Accordingly, both the Spain and the United Kingdom, in respect of Gibraltar, receive the NCTS messages submitted by economic operators involved in transit movements falling within their respective responsibility and communicate with one another, system-to-system, in order to exchange the messages established for the common domain, with a view to managing the transit movement until its completion. Thus, an operator wishing to initiate a special GIB transit movement from Gibraltar to a DCP in Spain will submit the corresponding initiation message to the Gibraltar system, which, after carrying out the appropriate validations, will communicate the movement to the Spanish system by means of the NCTS message defined for that purpose.

5. The interconnection between the systems of the Spain and the United Kingdom, in respect of Gibraltar, for the exchange of NCTS common-domain messages will be carried out over the internet, by means of a secure connection in accordance with the HTTPS (HyperText Transfer Protocol Secure) protocol, with mutual authentication. This protocol establishes an encrypted communication channel that guarantees the confidentiality and integrity of the information exchanged and authenticates both the server and the client by means of digital certificates. Spain will provide the digital

certificate required for this connection. For that purpose, Gibraltar will be assigned a valid identifier within the Spanish information system.

6. For the exchange of common-domain messages between both systems, SOAP web services will be used, as defined in the "Spain-Gibraltar Transit Web Services Guide" (Guía de Servicios WEB de Tránsito España-Gibraltar). This guide, provided by Spain, sets out an information-exchange architecture in which Spain acts, in both directions, as the service provider, and makes available to Gibraltar an inbox infrastructure enabling access to communications addressed to it.

7. As the Agreement provides for specific variations to the NCTS system applicable to transit movements between Spain and Gibraltar, both such variations and the relevant NCTS common-domain messages required for the implementation of the Agreement will be specified in the abovementioned Spain-Gibraltar Transit Web Services Guide, provided by Spain.

8. Both Spain and United Kingdom, in respect of Gibraltar, operate their own information systems for managing the information relating to the movements covered by the Agreement. Accordingly, for each movement, they will exchange information concerning its progress after receipt of the transit. For this purpose, the Spain-Gibraltar Transit Web Services Guide provided by Spain will include a web service allowing the provision of information relating to: the destination of the goods; the supporting evidence for such destination provided for in the Agreement (for example, proof of payment of the transaction tax); any updates to the destination, in particular in cases involving special tax regimes United Kingdom, in respect of Gibraltar, in Gibraltar. This service will operate in a manner analogous to the web services described above.

9. In order to get real-time access to the United Kingdom, in respect of Gibraltar, port, airport and taxation systems in scope of Annexes 19, 21, 22 and 23 of the Agreement user IDs or equivalent procedures shall be supplied to Spain. At least in the initial phase of implementation of the Agreement, the exchange

of aggregated information will take place using structured file formats (such as CSV or similar), for example via email. If deemed necessary at a later stage, a web service similar to those described above may be defined to enable automated, machine-to-machine exchange of such information.

10. For the management of incidents, communications will be sent to the following service desks (national service desks / helpdesks):

    Spain: helpdeskspain@correo.aeat.es

    United Kingdom, in respect of Gibraltar: ncts@gibraltar.gov.gi

11. Spain and the United Kingdom, in respect of Gibraltar will review the arrangements set out in this Arrangement with specific focus on effectiveness and efficiency of access by the UK in respect of Gibraltar to the Union systems and the Spain to the systems of the UK in respect of Gibraltar, by the end of 12 months following entry into force of the Agreement. A primary objective of the review will be to identify and implement areas for improvement and further facilitation of data access. If applicable, this Arrangement will be modified accordingly.

ARRANGEMENTS FOR JOINT VISITS AND INFORMATION EXCHANGE

Scope of application

1. These Administrative Arrangements set out the practical modalities for joint visits referred to in Article 1(3) of Annex 22 and the Article 265 of the Agreement between the competent authorities of Spain and the United Kingdom, in respect of Gibraltar.

2. **Provisions relating to customs**

2.1. This Arrangement will apply to:

2.1.1. The supervision and customs control of goods entering, leaving, or transiting through the Union's customs territory via Gibraltar pursuant to the Agreement; and

2.1.2. The logistical cooperation necessary to facilitate the work of the customs authorities of Spain pursuant to the Agreement.

2.2. The actions and measures that may be undertaken during joint visits will be carried out by the customs authorities of the United Kingdom, in respect of Gibraltar. They will be carried out expeditiously. They will include, among others, and in addition to those listed in Article 2 of Annex 22, supervision of the operations and facilities of operators authorised to use special customs procedures in Gibraltar in accordance with Article 1(1) of Annex 21 of the Agreement.

2.3. Without prejudice to the provisions of this Arrangement and to ensure its practical application, the Participants will exchange the necessary information, in particular, contact details for the exchange of information and for the scheduling and conduct of joint visits, as well as the duly authorised and official services designated as competent to send and receive the relevant communications.

3. **Provisions relating to excise duties and fight against tax fraud or smuggling of tobacco.**

3.1 The competent authorities of Spain in excise duties and fight against smuggling of tobacco, may carry out visits to the facilities of authorised excise warehouses for the storage of tobacco in Gibraltar under Annex 21 of the Agreement, under suspension regime of excise duties, when deemed necessary for operational reasons related to investigations or control in the fight against tax fraud or smuggling, and always upon prior justification of evidence of fraud.

3.2 During such joint visits, the competent authorities of the UK, in respect of Gibraltar, may adopt the following verification and control measures:

3.2.1 Verification of online information, including customs and excises documents, which the competent authorities of the United Kingdom, in respect of Gibraltar, will make available in real time, concerning the tax and excise warehouse and storages facilities of tobacco, and also documentation (invoices, delivery notes, accounting records, etc.).

3.2.2 Random counting of tobacco product stocks, based on a risk assessment.

3.2.3 Inspection measures relating to traceability chargeable on the entry of goods in Gibraltar.

3.2.4 Sampling of products for subsequent technical analysis.

EXCHANGE OF CUSTOMS INFORMATION

4. **Exchange of information for the scheduling or planning of customs controls**

4.1. For the purposes of the actions and measures listed in Article 2(1) of Annex 22 of the Agreement, the customs and excise authorities of Spain will have continuous real-time online access to the information set out in Article 2(2) of Annex 22 of the Agreement. The customs and excise authorities of Spain will have access to passenger information provided to them by the competent authorities of Spain.

4.2. Access to the above information will serve the purpose of proper risk management, as well as the programming and planning of joint visits, and of ensuring compliance with the Agreement and relevant Union customs legislation.

4.3. The exchange of such information, other than the advance passenger information, will be carried out through access by the customs and excise authorities of Spain, via specific user profiles, to the relevant IT systems in which the information is available in real time, whether operated by port or airport concessionaires, transport companies or the customs authority of the United Kingdom, in respect of Gibraltar. The customs and excise authorities of Spain will have access to passenger information provided to them by the competent authorities of Spain.

4.4. In the event of system failure, information that is nevertheless available will be provided by email to the designated mailbox, with sufficient advance notice and in any event at least 24 hours prior to the arrival or departure of a vessel, ship or aircraft.

4.5. In light of the above, the customs authority of the United Kingdom, in respect of Gibraltar, must specify, on a case-by-case basis, the method of information exchange, indicating, where applicable, the computer systems where the aforementioned information can be accessed. Specific user profiles will be provided for the customs and excise authorities of Spain.

5. **Ex post exchange of information**

5.1. In relation to Article 2(2)(d) of Annex 22 of the Agreement on the number and characteristics of all previous checks carried out by the competent authorities of the United Kingdom, in respect of Gibraltar, on crew and passengers of all ships and aircraft entering or exiting the port and airport, the customs authorities of Spain will have continuous real-time online access via the specific electronic system provided by the competent authorities of the United Kingdom, in respect of Gibraltar. Specific user profiles must be provided for the customs authorities of Spain.

5.2. In the event of system failure, information that is nevertheless available will be provided by email to the designated mailbox.

5.3. Information concerning Article 3(2) of Annex 22 of the Agreement relating to measures and sanctions taken by the competent authorities of the United Kingdom, in respect of Gibraltar, following the findings of a joint visit, will be exchanged by email to the designated mailboxes.

6. **Conduct of controls / joint visits**

6.1. The competent authorities of Spain will submit a notification to the customs authority of the United Kingdom, in respect of Gibraltar, in order to carry out a joint visit by representatives of both authorities, for the inspection of the relevant aircraft, ships, infrastructure and facilities in Gibraltar where a risk to the Union internal market for goods has been identified

6.2. During joint visits, the competent authorities of Spain will:

6.2.1. request the competent authorities of the UK, in respect of Gibraltar to carry out the relevant actions and measures pursuant to the Agreement and Paragraph 2.2 of this Arrangement, the competent authorities of the UK will proceed as requested.

6.2.2. request the intervention of the customs authorities of the United Kingdom, in respect of Gibraltar, to ensure that the latter provide logistical support or perimeter security where necessary to ensure customs surveillance of goods.

6.3. For their part, the competent authorities of the United Kingdom, in respect of Gibraltar, will:

6.3.1. ensure that the competent authorities of Spain can accompany them to the relevant aircraft, ships, infrastructures and facilities, and provide the necessary logistical support (movement of goods, etc.), and guarantee the security and physical integrity of the site.

6.4. As a consequence of joint visits:

6.4.1. the customs authorities of Spain will adopt all measures or customs decisions in relation to the goods, ships and aircraft under Union customs control, as well as in relation to the authorisations granted by them.

6.4.2. the authorities of the United Kingdom, in respect of Gibraltar, will adopt the appropriate measures and penalties in respect of operators who fail to comply with the Agreement and inform the customs authorities of Spain in accordance with Article 3(2) of Annex 22 of the Agreement.

7. Actions and measures relating to ships and aircraft

7.1. Based on the information provided, joint visits can be requested so that actions and measures relating to:

(a) inspections of ships and aircraft at Gibraltar port or airport, to verify that goods are not loaded or unloaded from these ships and aircraft otherwise than in accordance with Title II of Part Three of this Agreement; and

a Am E

(b) selective controls of goods carried in ships and aircraft at Gibraltar port or airport based on a risk assessment, can be carried out.

7.2. In relation to joint visits concerning the above, prior notification will always be required and will be given with sufficient advance notice.

7.3. Where the actions and measures relate to random and risk-based inspection of goods brought by passengers of ships and aircraft, notifications will be provided in accordance with the Administrative Arrangement on Travellers.

8. **Supervision of special customs procedure authorisations**

8.1. Joint visits with respect to operations or goods linked to special customs procedures under Annex 21 will always be carried out with prior notice to the customs authorities of the United Kingdom, in respect of Gibraltar, given sufficiently in advance. This will apply except in cases of imminent risk of non-compliance with Union customs legislation, in which case the prior notice will be given as soon as possible and, in any event, before a joint visit can be carried out.

8.2. In all cases where the conditions in Article 1(1) of Annex 22 of the Agreement are fulfilled, the customs authorities of the United Kingdom, in respect of Gibraltar, will make themselves available so that the visit may be carried out jointly with the customs authorities of Spain without delay.

9. **Coordination of information exchange and joint visits**

9.1. All information exchanges and communications relating to joint visits will be carried out in writing, in electronic format, either through access to IT systems, where provided for in the Agreement or, failing that, by email to the designated mailboxes, with acknowledgement of receipt.

9.2. This will be without prejudice to the use of additional communication channels, such as telephone or instant messaging, in cases of urgency, imminent risks or for the coordination of practical matters relating to the joint visit.

9.3. For these purposes, contact details, such as telephone number or email addresses, will be exchanged between the Participants.

10. Information exchange - mechanisms and content

10.1. The content of the information and the deadline for submission will differ depending on whether the information is provided in advance or retrospectively.

10.2. Advanced information - The continuous real-time online access to the information set out in Article 2(2) of Annex 22 of the Agreement will be provided to the customs authorities of Spain in the following ways:

- **Via the following relevant IT** operated by port or airport concessionaires, transport companies or the customs authority of the United Kingdom, in respect of Gibraltar with respect to:
  - time schedule of all incoming and outgoing ships and aircraft at the port and airport: Yacht Portal and Port Portal
  - arrival and leaving notices of all ships, boats and aircraft; Yacht Portal and Port Portal
  - any available customs documents with regard to the ships and aircraft: Yacht Portal and Port Portal
- **Via notification** prior to the arrival or departure of ships or aircraft, in cases where the online access is unavailable, in the event of a system failure or in the case of spontaneous information.

U AL-E

- Spontaneous information: In case, an imminent risk of non-compliance with the Agreement is known, the information will be sent on a case-by-case basis by e-mail.

- Other information: The information will be exchanged in writing, by e-mail, on a daily basis, comprising all information and documentation on vessels and aircraft arriving or departing on a specific day, or by mode of transport and day.

10.3. Information on passengers will be provided to the customs authorities of Spain by the competent authorities of Spain.

10.4. **Post-event information -** the continuous real-time online access by the customs authorities of Spain to the information set out in Article 2(2)(d) of Annex 22 of the Agreement as well as the measures and penalties adopted by the customs authorities of the United Kingdom, in respect of Gibraltar, as a result of the conclusions of a joint visit and, will be done in the following ways:

Via the relevant IT system(s) operated by the customs authorities of the United Kingdom, in respect of Gibraltar, in real time.

Via email: on a monthly basis, in the event of system failure or where other information is exchanged.

11. **Procedures for joint visits**

Notification

11.1. The customs authorities of Spain will submit a notification to the competent authorities of the United Kingdom, in respect of Gibraltar, for the purpose of carrying out a joint visit, in advance, in good time. That period of time will depend on (a) whether there is an imminent risk of non-compliance with the Agreement; or (b) the kind of actions and measures required to be taken.

11.2. For the supervision procedure of a customs decision requiring a joint visit to the premises or facilities concerning a standard authorisation granted or to be granted for inward processing, customs warehousing or temporary admission procedure under Annex 21: the notification will be sent, at least, one week prior to the scheduled date if there is no imminent risk of non-compliance with the agreement.

11.3. For other visits: the notification will be sent, at least, two hours prior to the scheduled visit.

11.4. Where there is an imminent risk of non-compliance with the Agreement which needs to be addressed urgently, the notification may be transmitted verbally as soon as the risk is known, but in every case in advance of the joint visit taking place, without prejudice to subsequent written confirmation.

11.5. As a general rule, the customs authorities of the United Kingdom, in respect of Gibraltar will be ready to carry out a joint visit at the time requested by the customs authorities of Spain. The Participants may agree alternative times upon receipt of the notification. In any case, the customs authorities of the United Kingdom, in respect of Gibraltar, will respond before the estimated date of the visit.

Visit

11.6. Whilst a joint visit is being carried out, goods, ships or aircraft which are the subject of the joint visit may not enter the customs territory of the EU or otherwise leave the customs territory of Gibraltar.

11.7. Prior to carrying out a joint visit, the customs authorities of the Participants will meet at the Second Line Checks Area of the airport. They will travel to the location where the joint visit is to be carried out in vehicles provided by the customs authorities of the United Kingdom, in respect of Gibraltar.

11.8. Officers of the competent authorities of Spain participating in joint visits will be in civilian clothes but suitably identified. They will not carry service weapons.

ARRANGEMENTS ON TRAVELLERS

1. GENERAL MATTERS

1.1. In accordance with Article 247(3) of the Agreement, goods may be carried by travellers in their personal luggage when entering or exiting Gibraltar. Article 267 of the Agreement provides that such goods, as well as pets and cash carried by travellers, will be subject to the provisions set out in Annexes 22 and 23 of the Agreement.

1.2. Article 22 of Annex 23 of the Agreement requires the Participants to establish arrangements with respect to:

(a) the procedures, controls and checks which are to apply to such goods; and

(b) the exchange of information, including with respect to declarations.

1.3. This Administrative Arrangement sets out those arrangements.

2. APPLICATION AND DEFINITIONS

2.1. This Administrative Arrangement applies to travellers entering or exiting Gibraltar whether by land, sea or air.

2.2. It also sets out specific rules for:

(a) travellers entering Spain immediately after having entered Gibraltar by sea or air; and

(b) travellers exiting Gibraltar by sea or air immediately after having exited Spain.

2.3. The reference to the "Second Line Checks Area" in this Administrative Arrangement will be understood as being a reference to the Second Line Checks Area defined in Article 26(l) of the Agreement which will contain areas designated for customs purposes. In these areas, spaces will be provided for the carrying out of the following in accordance with this Administrative Arrangement:

(a) entry checks and controls;

(b) the making and processing of declarations upon arrival or departure;

(c) the establishment of counters; and

(d) any follow-up action.

2.4. These areas will include public and restricted spaces depending on the nature of the function being carried out.

3. DETERMINATION OF THE COMPETENT AUTHORITY.

3.1. Travellers will be subject to checks and controls, on a random basis or on the basis of risk profiles, by the competent authority which will be either the customs authorities of Spain or the customs authorities of the United Kingdom, in respect of Gibraltar, for the verification of the formalities and procedures applicable in accordance with Union or domestic legislation.

3.2. The competent authority will be the customs authorities of the place of destination (on arrival) and the place of provenance (on departure) of the traveller. This will apply to:

(a) the carrying out of checks and controls; and

(b) the lodging of declarations concerning cash movements.

3.3. Declarations concerning goods exceeding allowances will, in every case where they are necessary, be made to the customs authorities of Spain other than in cases where travellers enter Gibraltar by land. Where travellers enter Gibraltar by land, such declarations will be made to the customs authorities of the United Kingdom, in respect of Gibraltar.

3.4. In cases where travellers are required to pay EU customs duties, the customs authorities of Spain will be responsible for the calculation and the collection of those duties which, in the case of travellers whose destination is Gibraltar, will be accounted for in accordance with the procedures set out in Annex 21 of the Agreement. In cases where travellers are required to pay any other indirect taxes, these will be assessed and collected by either the customs authorities of Spain or the customs authorities of the United Kingdom, in respect of Gibraltar, depending on the destination of the traveller.

3.5. The competent authorities of Spain or the competent authorities of the United Kingdom, in respect of Gibraltar, will be responsible, as the case may be, for carrying out any follow-up action required to be undertaken following the carrying out of checks and controls. Where follow-up action is required to be taken, such action will be taken in the Second Line Checks Area. Such follow-up action will be taken in the restricted areas of the Second Line Checks Area and may concern the carrying out of the regularisation or a formality relating to cash, the settlement of excess allowances, compliance with prohibitions and restrictions including on pets and foodstuffs or other formalities required for the introduction or exit of goods.

4. SPECIFIC CUSTOMS AND INDIRECT TAX CONSIDERATIONS CONCERNING DIFFERENT CATEGORIES OF GOODS

4.1. Allowances – air and sea movements

4.1.1. Travellers travelling with goods of a non-commercial character who arrive in Gibraltar from outside the customs territory of the Union by sea or by air will be exempt from the obligation to pay EU customs duties and indirect taxes provided:

(a) in the case of travellers whose destination is Spain, the value of the goods does not exceed the thresholds set out in Council Directive 2007/74/EC (the "Union thresholds");

(b) in the case of travellers whose destination is Gibraltar, the value of the goods does not exceed the thresholds set out in Paragraph 1 of Part 1 to Schedule 2 of the Treaty on Gibraltar and European Union Act 2026, applying Annex 23 of the Agreement (the "Gibraltar thresholds").

4.1.2. The customs authorities of Spain will, with respect to travellers arriving in Gibraltar from within the customs territory of the Union, other than special fiscal territories, whose destination is Spain, not apply the Union thresholds.

4.1.3. The customs authorities of the United Kingdom, in respect to Gibraltar, will, with respect to travellers arriving in Gibraltar from within the customs territory of the Union whose destination is Gibraltar, apply the Gibraltar thresholds only until such time as the United Kingdom, in respect of Gibraltar, takes the measures referred to in Article 18(b) of Annex 23 of the Agreement. After this period, and whilst those measures are in place, the customs authorities of the United Kingdom, in respect of Gibraltar, will not apply these thresholds to such travellers.

4.2. **Allowances – land movements**

4.2.1. The customs authorities of Spain will, with respect to travellers entering Spain from Gibraltar by land, and without causing any obstacle to the unimpeded flow of persons and vehicles entering Spain from Gibraltar, apply the Union thresholds but only until such time as the Union takes the measures referred to in Article 18(a) of Annex 23 of the Agreement. After this period, and whilst those measures are in place, the customs authorities of Spain will not apply these thresholds to such travellers.

4.2.2. The customs authorities of the United Kingdom, in respect to Gibraltar, will, with respect to travellers entering Gibraltar from Spain by land, and without causing any obstacle to the unimpeded flow of persons and vehicles entering Gibraltar from Spain, apply the Gibraltar thresholds but only until such time as the United Kingdom, in respect of Gibraltar, takes the measures referred to in Article 18(b) of Annex 23 of the Agreement. After this period, and whilst those measures are in place, the customs authorities of the United Kingdom, in respect of Gibraltar, will not apply these thresholds to such travellers.

4.3. **Allowances – cases where they are exceeded**

4.3.1. Where goods carried by travellers exceed the allowances thresholds, the following will apply:

(a) where the goods are of a non-commercial character:

(i) the appropriate declaration will be made;

(ii) in cases where EU customs duties apply these will be assessed and collected in accordance with paragraph 3.4; and

(iii) indirect taxes applying in Spain or Gibraltar will be assessed and collected by the customs authorities of Spain or the customs authorities of the United Kingdom, in respect of Gibraltar, respectively, depending on the destination of the traveller.

(b) where the goods are considered of a commercial character:

a Awe

(i) in cases where those goods are carried by travellers moving between Gibraltar and Spain by land, those travellers will be informed of the procedures required for shipment to or from Gibraltar but no assistance will be provided with completion as this must be carried out in accordance with the procedures set out in Annex 19 or Annex 21 of the Agreement;

(ii) in cases where those goods are carried by travellers who enter or exit Gibraltar by sea or by air, save for those cases where exceptions may apply by sea in the cases specified in the Agreement, such goods will be seized and may be subject to re-export to origin, abandonment to the public treasury or destruction. Such goods may not be regularised through the procedures set out in Annex 19 or Annex 21 of the Agreement.

4.3.2. Paragraph 4.3.1 will be without prejudice to any other measures which the competent authorities may apply for failure to make declarations or failures to adhere to legislation applying the arrangements in Article 247 of the Agreement relating to imports into and exports from Gibraltar.

4.3.3. For the payment of EU customs duties or indirect taxes applied under paragraph 4.3.1(a), the preferred means of payment will be electronic.

4.4. **The reimbursement of indirect taxes paid with respect to goods carried by travellers**

4.4.1. Goods which are of a non-commercial character, and which are carried by travellers from Gibraltar to the Union or vice-versa will, where the goods exceed the thresholds set out in Articles 8 to 16 of Annex 23 of the Agreement, be eligible for the reimbursement of

a Awc

indirect taxes paid respectively in Gibraltar or in the Union. This paragraph will apply until such time as the United Kingdom, in respect of Gibraltar, takes the measures referred to in Article 18(b) of Annex 23 of the Agreement. After this period, and whilst those measures are in place, such goods will not be eligible for the reimbursement of indirect taxes paid in Gibraltar or in the Union.

4.4.2. The customs authorities of Spain will grant a VAT refund to travellers whose provenance is Spain or other parts of the Union and are leaving the territory of the Union through Gibraltar with goods purchased in Spain or other parts of the Union in accordance with Article 147 of the EU VAT Directive. The customs authorities of Spain will process that refund at the counter referred to in paragraph 6.2. Persons resident in Gibraltar will not be treated as a traveller for the purposes of this paragraph.

4.5. **Accompanied cash movements**

4.5.1. Subject to paragraph 4.5.4, an obligation to declare accompanied cash and to make it available for control, when entering or leaving Gibraltar, arises in relation to travellers who carry cash of a value of EUR 10,000 or more. Such declarations will be made on the basis of the form in Appendix 1 of Annex 23 of the Agreement.

4.5.2. The declaration will be made to the customs authorities of Spain where travellers:

(a) intend to enter Spain immediately after having arrived in Gibraltar from outside the territory of the Union either by air or by sea;

(b) intend to exit Gibraltar to a place outside the territory of the Union either by air or by sea immediately after having entered Gibraltar from Spain.

4.5.3. An obligation to declare accompanied cash to the customs authorities of Spain, will apply under Spanish regulations to travellers who:

(a) intend to enter Spain immediately after having arrived in Gibraltar from the territory of the Union either by air or by sea;

(b) intend to exit Gibraltar to the territory of the Union either by air or by sea immediately after having entered Gibraltar from Spain.

4.5.4. The declaration will be made to the customs authorities of the United Kingdom, in respect of Gibraltar where travellers:

(a) intend to enter Gibraltar immediately after having arrived in Gibraltar either by air or by sea;

(b) intend to exit Gibraltar by air or by sea immediately after having stayed in Gibraltar.

4.5.5. In relation to travellers who carry accompanied cash by land between Gibraltar and Spain, a declaration will be made:

(a) on exit from Spain to Gibraltar to the customs authorities of Spain and then immediately on entry to Gibraltar, to the customs authorities of the United Kingdom, in respect of Gibraltar; and

(b)on exit from Gibraltar to Spain to the customs authorities of the United Kingdom, in respect of Gibraltar, and then, immediately on entry to Spain, to the customs authorities of Spain.

4.5.6. Routine checks and controls with respect to accompanied cash will not be required to be carried out in relation to travellers moving between Gibraltar and Spain. This is without prejudice to Article 22(3) of Annex 23 of the Agreement and to any non-discriminatory controls that may be carried out by the customs authorities of Spain, in Spain.

4.5.7. The reference to the competent authority in Article 6 of Annex 23 of the Agreement is understood as referring to the competent authority of the United Kingdom, in respect of Gibraltar who will transmit the information obtained in the cash declarations to the Gibraltar Financial Intelligence Unit in accordance with Section 91O of Gibraltar's Imports and Exports Act 1986.

5. Food, plants, plant products and pets as well as prohibitions and restrictions including restrictive measures ("sanctions")

5.1. Checks and controls with respect to:

(a) food, plants, plant products and pets carried by travellers;

(b) the legislation on prohibitions and restrictions and on sanctions referred to in Article 21 of Annex 23 of the Agreement,

will be carried out in relation to travellers entering or leaving Spain or Gibraltar from or to outside the customs territory of the Union in accordance with the destination or provenance principle set out in paragraph 3.2.

5.2. Where checks and controls are carried out by the customs authorities of Spain, they will be carried out in accordance with national legislation applying:

(a) the Union legislation listed in Article 19 of Annex 23 of the Agreement as that legislation applies to the personal luggage and the pet animals which accompany travellers; and

(b) the Union legislation referred to in Article 21 of Annex 23 of the Agreement.

5.3. Where checks and controls are carried out by the customs authorities of the United Kingdom, in respect of Gibraltar, they will be carried out in accordance with the legislation of the United Kingdom, in respect of Gibraltar, applying:

(a) the Union legislation listed in Article 19 of Annex 23 of the Agreement as that legislation applies to the personal luggage and the pet animals which accompany travellers; and

(b) the Union legislation referred to in Article 21 of Annex 23 of the Agreement.

6. OPERATIONAL ARRANGEMENTS

6.1. The customs authorities of the Participants will, when carrying out the checks and controls described in this Administrative Arrangement, operate in a coordinated manner, and during the same hours, within the area described in paragraph 2.3.

6.2. The customs authorities of Spain will establish the counter referred to in Article 22(2) of Annex 23 of the Agreement in that area. In order to assist cooperation, the customs authorities of the United Kingdom, in respect of Gibraltar, will also establish a counter in the same area. The counters will be side by side.

6.3. The counters referred to in paragraph 6.2 will accept and process declarations and process the payment of any duties or indirect taxes required to be made by travellers.

6.4. Where checks and controls are required to be carried out by the customs authorities of Spain on travellers who have entered Gibraltar by sea whose destination is Spain, those checks and controls will, for as long as the conditions referred to in Article 29(3) of the Agreement and paragraph 2.2.2. of the Administrative Arrangement on Border Checks and Border Surveillance are met, be carried out in the area described in paragraph 2.3. Where those conditions are not met and it is necessary for the customs authorities of Spain to be present in the port to carry out first line checks and controls, they will notify the customs authorities of the United Kingdom, in respect of Gibraltar, in advance, if possible, in writing. As a general rule, when officers of the customs authorities of Spain are in the port, they will be in areas designated for these purposes. They will be in civilian clothes but suitably identified and they will not carry service weapons. The authorities of the United Kingdom, in respect of Gibraltar, will escort those officers to and from the port and accompany them whilst they are at the port.

6.5. Given the removal of physical barriers between Gibraltar and Spain in accordance with Article 246 of the Agreement, and the application of paragraph 6.4., where declarations are required to be made to the customs authorities of Spain by:

(a) travellers moving between Gibraltar and Spain by land;

(b) travellers who have entered Gibraltar by sea or by air;

(c) travellers who intend to exit Gibraltar by sea or by air,

they will be made at the counter referred to in paragraph 6.2.

6.6. Where declarations are required to be made to the customs authorities of the United Kingdom, in respect of Gibraltar, by travellers moving between Gibraltar and Spain by land, they will be made at the counter referred to in paragraph 5.2.

6.7. Routine checks and controls, for the purposes set out in this Administrative Arrangement, are not required to be carried out in relation to travellers arriving in Gibraltar from within the customs territory of the Union or in relation to travellers moving between Gibraltar and Spain. This is without prejudice to Article 22(3) of Annex 23 of the Agreement and to any non-discriminatory controls that may be carried out by the customs authorities of Spain, in Spain.

6.8. The competent authorities of the Participants will ensure that travellers using Gibraltar airport and Gibraltar port are informed of the arrangements established in this Administrative Arrangement. The competent authorities of the United Kingdom, in respect of Gibraltar, will ensure that traveller flows are adequately separated, and signposts and lanes (including green and red channels) are appropriately provided, for the purposes of the checks and controls carried out in accordance with this Administrative Arrangement. With respect to arrivals by air, travellers will be separated into different lanes based on their destination.

6.9. The customs authorities of Spain and the customs authorities of the United Kingdom, in respect of Gibraltar, will cooperate and exchange information in real time in order to ensure that travellers comply with the requirements of this Administrative Arrangement.

6.10. For the purposes of this Administrative Arrangement, and to be able to plan and schedule checks and controls, the customs authorities of Spain will have continuous real-time online access to the information referred to in Article 2(2) of Annex 22 of the Agreement. Such information will also include advanced passenger information provided to the competent authorities of Spain in accordance with Article 37 of the Agreement and paragraphs 5 and 6 of Annex 7 of the Agreement.

6.11. Notwithstanding the responsibilities that the customs authorities of the United Kingdom, in respect of Gibraltar, have with respect to the carrying out of checks and controls on travellers whose destination is Gibraltar, the customs authorities of Spain may, on the basis of the advanced information referred to in paragraph 6.10, be able to submit a notification to the customs authorities of the United Kingdom, in respect of Gibraltar, for the latter to carry out the actions and measures under Article 2(d) of Annex 22 of the Agreement. Those actions and measures will be taken in the area described in paragraph 2.3, in accordance with joint visits arrangements.

6.12. In addition, and taking into account that travellers arriving at the airport will enter into separate lanes on the basis of their destination for the purposes of checks and controls, the customs authorities of Spain may request, in situ and verbally and from the agreed location in the area described in paragraph 3.5, the customs authorities of the United Kingdom, in respect of Gibraltar, to carry out the actions and measures under Article 2(d) of Annex 22 of the Agreement on travellers whose destination is Gibraltar. Those actions and measures will be taken by the customs authorities of the United Kingdom, in respect of Gibraltar, in the area described in paragraph 2.3, in accordance with joint visits arrangements.

6.13. Paragraphs 6.11 and 6.12 will also apply in relation to actions and measures taken by the customs authorities of the United Kingdom, in respect of Gibraltar, under Article 2(d) of Annex 22 of the Agreement in relation to travellers exiting Gibraltar.

6.14. The customs authorities of Spain and the customs authorities of the United Kingdom, in respect of Gibraltar will exchange the following information concerning land movements between Gibraltar and Spain:

(a) In cases where non-routine controls are carried out on persons moving between Gibraltar and Spain, the number and characteristics of those controls; and

(b) Any measures or sanctions taken following the carrying out of those controls. This information will be exchanged via email, sent to designated email inboxes, on a quarterly basis.

ARRANGEMENT ON TOBACCO TRACEABILITY, COOPERATION IN THE FIGHT AGAINST TOBACCO SMUGGLING AND ADDITIONAL MEASURES RELATING TO TOBACCO PRODUCTS WITHIN THE FRAMEWORK OF AGREEMENT IN RESPECT OF GIBRALTAR BETWEEN THE EUROPEAN UNION AND THE UNITED KINGDOM

1. OBJECTIVE

1.1. The object of this Arrangement is to develop technical aspects of the Protocol on Tobacco, without prejudice to the inherent powers of the authorities of each of the Participants.

1.2. Annexes I and II are hereby approved, containing the models of information exchange forms provided for, respectively, in Paragraphs 2 and 5 of this Arrangement.

2. INFORMATION EXCHANGE

2.1. Based on Article PTOB.1, the Participants will, prior to entry in force of the "Agreement", provide information on imports, sales, or exports of raw or unmanufactured tobacco or tobacco products originating from or destined for Gibraltar, from 1 January 2025 until the provisional application of the Agreement, inclusive of both dates.

2.2. The above information to be exchanged will be broken down by quarter and include the following data:

2.2.1. Regarding raw or unmanufactured tobacco, the information to be exchanged will include details of:

- The quantity expressed in kilograms.
- The variety.

U Awc

- The origin and full identification of the supplier in the case of imports, specifying the third Authority or territory of origin.

- The destination and full identification of the recipient in the case of exports, specifying the third Authority or territory of destination.

- The date of entry and exit operations of raw tobacco in Gibraltar.

2.2.2. Regarding manufactured tobacco products, the information to be exchanged, which must distinguish between cigarettes, roll-your-own tobacco, shisha tobacco, hookah tobacco, cigars, and cigarillos, will include details of:

- The quantity expressed in kilograms.

- The variety.

- The origin and full identification of the supplier in the case of imports, specifying the third Authority or territory of origin.

- The destination and full identification of the recipient in the case of exports, specifying the Authority of destination.

2.3. The United Kingdom, in respect of Gibraltar will, at the time of the signature of the Agreement, provide the data on the quantity of raw or unmanufactured tobacco and tobacco products imported which, as of the date of signature of the Agreement, have not been distributed for retail sale.

2.4. In the case of tobacco products, information, broken down by quarter, must also be provided on the trend of retail prices for each type of tobacco product, specifying the weighted average price of the quantity sold, the minimum price, and the maximum price. Regarding wholesale or retail sales of each type of tobacco, this information will distinguish between direct retail sales and duty-free sales to pleasure cruises or other means of transport.

3. INFORMATION EXCHANGE ON SMUGGLING PROCEEDINGS

3.1. Prior to and following the full operation of the traceability mechanism referred to in Article PTOB.3, the competent authorities of the Participants will without prejudice to the conditions under domestic law and within the scope of their respective powers, respond, within the framework of proceedings initiated in relation to the smuggling of tobacco products from or to Gibraltar, to requests for information within a maximum period of seven days. Such requests will relate to the identification of persons domiciled in their territories who may be considered directly or indirectly responsible for such acts.

3.2. Mutual assistance will consist of providing information relating to:

- the prevention, investigation, detection and prosecution of smuggling activities;
- the enforcement of penalties imposed in such cases.

3.3. The information will be provided in accordance with the provisions of Article 250.2.a) of the Agreement.

3.4. In accordance with the provisions of Article PTOB.2, paragraph 1, last sentence, the competent authorities will also cooperate within the framework of investigations opened for the determination of facts and the attribution of responsibility.

a A-c

3.5. In cases where the alleged perpetrators of the acts are not residents in the territory of either of the Participants, the relevant competent authorities will provide all known information regarding the origin or movements of tobacco in order to identify persons involved in their territory and the possible extent of their liability.

3.6. The information requested and to be provided will include information on both persons and goods under investigation and may be supplied either in response to a request or spontaneously, without prejudice to the conditions of domestic law applicable to the transmitting competent authority and within the scope of its powers.

3.7. Information may be requested and provided, provided that the conditions of domestic law applicable to the requesting or transmitting competent authority do not stipulate that the request or the provision of information must be made or transmitted through judicial authorities.

3.8. In urgent cases, the transmitting competent authority will respond to a request or provide information spontaneously as soon as possible.

3.9. A competent authority of the requesting authority may, in accordance with the relevant domestic law, at the time of submitting the request or at a later stage, request the consent of the transmitting authority for the information to be used as evidence in proceedings before a judicial authority. The transmitting Authority may grant its consent for the information to be used as evidence in proceedings before a judicial authority of the requesting Authority.

3.10. Likewise, where information is provided spontaneously, the transmitting Authority may grant its consent for the information to be used as evidence in proceedings before a judicial authority of the receiving Authority. Where consent is not granted in accordance with this paragraph, the information received will not be used as evidence

a Am

in proceedings before a judicial authority. In any event, the competent authority providing the information may, in accordance with the relevant domestic law, impose conditions on the use of the information provided.

3.11. The cooperation referred to in the preceding paragraph will include the areas provided for in Articles PTOB.2 (2) and (3).

4. IMPLEMENTATION OF THE TRACEABILITY SYSTEM

4.1. As provided for in the Protocol on Tobacco, the United Kingdom, in respect of Gibraltar, will have a fully operational traceability mechanism, equivalent to the system in force in the European Union, by 15 July 2026, with the only exception of security features which will be in place no later than 1 December 2026, with respect to cigarettes and roll-your-own tobacco manufactured or imported into its territory.

4.2. Regarding other tobacco products, the United Kingdom, in respect of Gibraltar, will have have the traceability mechanism fully operational within 24 months following the entry into force of the Agreement.

4.3. Throughout the process prior to the full implementation of the traceability mechanism referred to in this Paragraph, and as from 15 July 2026, the competent authorities of the United Kingdom, in respect of Gibraltar, will gradually provide the competent authorities of Spain, with the information being incorporated into the official repository where information and data from the various economic operators are recorded.

4.4. Based on Article 251 of the Agreement, the United Kingdom, in respect of Gibraltar, will facilitate direct access to the information collected in the traceability mechanism for the competent authorities of Spain once it is fully in force.

4.5. Until such direct access is implemented, the Participants will share information on the traceability of tobacco products in accordance with Article PTOB.3 (2).

4.6. Additionally, the United Kingdom, in respect of Gibraltar, will establish monitoring mechanisms to exchange information with the competent authorities of Spain regarding raw tobacco, unmanufactured tobacco, and other tobacco-related products that are introduced, imported, or sold in Gibraltar or that leave or are exported from Gibraltar, and which are not included in the traceability system.

5. COMMITMENT OF THE COMPETENT AUTHORITIES OF THE UNITED KINGDOM IN RESPECT OF GIBRALTAR AFTER FULL OPERATION OF THE TRACEABILITY MECHANISM

5.1. The United Kingdom, in respect of Gibraltar will seize tobacco products that do not comply with the identification requirements of the traceability mechanism, health warnings, and security measures, or those discovered in operations against illicit trafficking or smuggling, as well as to notify the authorities of Spain within 24 hours from the seizure, and to provide quarterly information on the destruction of such seized products.

5.2. This paragraph will not apply to those products that were imported into Gibraltar before 15 July 2026 and are pending commercialisation before the end of the transitional period provided for in the Transitional Provision of these Arrangements.

6. COMPETENT AUTHORITIES

6.1. For the purposes of this Administrative Agreement, the competent authorities are:

On behalf of Spain:

- The Customs and Excise Duties Department

- Any irregularities detected in the field of health warnings will be communicated by the Customs authorities of Spain to the competent Spanish health and consumer protection authorities.

On behalf of Gibraltar:

- HM Customs Gibraltar

7. INFORMATION IN CASES OF POSSIBLE BREACH

7.1. In the event of breaches of the obligations established in these Administrative Arrangements by any of the Participants (lack of cooperation, non-application of the Agreement, poor administration, etc.), the Participants may inform the Specialised Committee on Economy and Trade of the Agreement.

8. PRICE DIFFERENTIAL

8.1. Paragraph 3, of Section 3, of Appendix 2 of Annex 24, of the Agreement requires the United Kingdom, in respect of Gibraltar, to apply a price differential mechanism with respect to cigarettes whereby the price difference resulting from the applicable overall excise duty in Gibraltar will not exceed EUR 0.80 or 15% per packet of cigarettes, whichever leads to the lower differential with the prices in Spain.

8.2. For the purpose of establishing the price differential, the cigarette market in Gibraltar, will continue to be divided into four product categories: Premium, upper-mid, lower-mid, and budget, each with a minimum price set. In this manner, the total price difference will not exceed either EUR 0.80 or 15% per pack of cigarettes, whichever results in the lower retail price differential. The calculation to determine this price differential will take into account both the brand, the specific trade name, variety or commercial presentation and the size or number of units per pack of cigarettes within the same brand.

8.3. Where certain brands are available in Gibraltar but not marketed in Spain, the minimum retail price will be fixed according to the most similar product published by the Spanish Tobacco Market Commissioner.

8.4. Furthermore, the United Kingdom, in respect of Gibraltar, will:

i. publish quarterly in the Gibraltar Gazette the respective categories for each brand sold on the market within Gibraltar and the minimum retail prices for each of the categories of cigarettes to achieve and maintain the overall price differential requirement;

ii. maintain in place the necessary mechanisms to ensure the effective compliance by all retailers with such prices.

9. TRANSITIONAL PROVISION. TRANSITIONAL MEASURES

9.1. The provisions of these Administrative Arrangements will not apply to tobacco movements initiated before the entry into force of the Agreement and completed afterwards.

9.2. The provisions of Paragraph 4 of this Arrangement will also not apply to stocks of tobacco products manufactured or imported into Gibraltar before 15 July 2026 and therefore not incorporate traceability identification codes, health warnings, or security features, until 15 July 2027 for cigarettes and roll-your-own tobacco, and until twenty-four months from effective implementation of these systems for other tobacco products.

WORKING GROUP

1.1. A joint working group will be established (the "Working Group") for the purposes of this Administrative Agreement. The Working Group will provide a forum for enhanced cooperation, the exchange of information, and the coordination of operational collaboration relating to customs. This Working Group will meet at least every six months or whenever the Participants consider appropriate.

1.2. Each Participant will have an equal number of members in the Working Group and will inform each other of the members appointed and of any possible changes. The Working Group will include representatives of the relevant competent authorities of the Participants.

1.3. The Working Group will facilitate the implementation and application of the relevant provisions of the Agreement and of any supplementing agreement and resolve differences on operational matters related to its implementation and application.

1.4. Each Participant may refer to the Working Group any issue relating to the implementation, application and interpretation of the relevant provisions of the Agreement or of any supplementing agreement.

1.5. The Working Group will:

a. Adopt its rules of procedure and work by joint decision between the Participants.

b. Designate points of contact to facilitate communication between the Participants as needed.

1.6. The Working Group may propose action guidelines for the respective competent authorities.

FINAL PROVISIONS

1.1. This Arrangement will come into effect on the date of last signature and into operation from the date of entry into force of the Agreement.

1.2. This Arrangement will remain in effect during the transitional phase set out in Article 247(3) of the Agreement and for as long as its application is not suspended.

1.3. Either Participant may terminate this Arrangement by written notification through diplomatic channels. This Arrangement will cease to be in effect on the first day of the twelfth month following the date of notification. Should the Agreement be terminated, this arrangement will cease to be in force.

The foregoing record represents the understandings reached between the United Kingdom of Great Britain and Northern Ireland, in respect of Gibraltar, and the Kingdom of Spain upon the matters referred to therein.

Signed at Madrid on 25th June 2026.

For the United Kingdom of Great Britain and Northern Ireland, in respect of Gibraltar:

Alex Ellis

Sir Alex Ellis, Ambassador to Spain and Andorra

For the Kingdom of Spain:

Carlos Moreno Blanco, Secretary General for the European Union

ANNEX 1

FORM FOR INFORMATION SHARING FOR THE PURPOSES OF PARAGRAPH 2 OF THE ARRANGEMENTS ON TOBACCO TRACIBILITY

Nombre y dirección de la Autoridad remitente / *Name and address of sending Authority*:

Teléfono / *Telephone*: e-Mail:

Plazo máximo de respuesta / *Maximum response time.*

Nombre de la persona/organismo de contacto / *Name of contact person*:

Número de expediente / *File number*:

Fecha y lugar de redacción del formulario / *Date and place form completed*:

Descripción de la información enviada / *Description of the information sent:*

i. La cantidad de tabaco crudo o sin elaborar y de productos del tabaco que hayan sido exportados desde Gibraltar / *The amount of raw or unmanufactured tobacco and tobacco productos that have been exported from or to Gibraltar*

ii. Con respecto al tabaco crudo o sin elaborar: datos de las exportaciones, con especificación de la variedad, identificación completa del exportador, el destino, y el peso en kilogramos / *For raw or unmanufactured tobacco: details of exports, specifying variety, data identification of exporter, destination, and weight in kilos*

iii. Con respecto a los productos del tabaco / For tobacco products

  1. Diferentes tipos de productos del tabaco: cigarrillos, tabaco de liar, tabaco de narguile, puros y puritos / *Different types of tobacco products: cigarettes, rolling tobacco, hookah tobacco, cigars and miniature cigars*
  2. Tendencia de los precios minoristas de cada tipo de productos del tabaco (precio medio ponderado, precio mínimo y precio máximo) / *Trend in*

lr Ant

retail prices for each tobacco product type, indicating: the weighted average price for the amount sold, minimun price and máximum Price

3. Ventas directas minoristas y ventas libres de impuestos a los cruceros de placer u otros medios de transporte / *Retail sales and duty-free sales to leisure cruises or other forms of transport*

Número y clase de anexos / Number of annexes:

ANNEX 2

FORM FOR INFORMATION SHARING FOR THE PURPOSES OF PARAGRAPH 5 OF THE ARRANGEMENTS ON TOBACCO TRACEIBILITY

Name of Requested Authority (Nombre de la autoridad solicitada)
Name of Sending Authority (Nombre de la autoridad remitente)
Name of Contact Person sending request (Nombre de la persona de contacto que envía la solicitud)
Telephone (Teléfono)
Email (Correo electrónico)
File / Ref Number (Expediente / Número de referencia)
Date Information requested (Fecha de la información solicitada)
Nature of Request in relation to Offences committed (Naturaleza de la solicitud en relación con los delitos cometidos)
Date Offence Committed (Fecha de la infracción cometida)
Specific Information requested (Información específica solicitada)
Purpose for which the intelligence is requested (Finalidad para la que se solicita la información)
Once received specify use of intelligence received (Una vez recibida, especificar el uso de la información recibida)

a An

Where Tobacco/Drugs, seized, If any (Dónde se ha incautado el tabaco/drogas, si es el caso)
Registration Numbers of Vehicles/ Vessels involved with seizure of goods (Números de registro de los vehículos/buques implicados en la incautación de mercancías)
Persons Detained / Investigated with the Items seized. (Including Copies of any ID/Passport and or addresses available) (Personas detenidas/investigadas con los artículos incautados. Incluya copias de cualquier documento de identidad/pasaporte y/o direcciones disponibles)
Seized Tobacco (Tabaco aprehendido)

ANNEX 3

NOTIFICATION STRUCTURE FOR JOINT VISITS

1. Purpose of joint visit:

A joint visit is required so that the following actions and measures may be undertaken:

Actions and measures under the following subparagraphs of Article 2(1) of Annex 22 of the Agreement:

(a)

(b)

(c)

(d)

(e).

Or actions and measures relating to Annex 21 special customs procedures.

Please select from the above as appropriate.

2. Compliance with the Agreement and risk to the Union's internal market for goods.

Verification of the following provisions of Title II of the Agreement is necessary (Article 265(1) of the Agreement):

[Details to be provided].

The risk to the Union's internal market for goods which has been identified (Article 1(1) of Annex 22 of the Agreement) is as follows:

[Details to be provided].

Date and time of joint visit: ______________________________

Attendees:

ANNEX 4

TERMS OF REFERENCE FOR THE INDEPENDENT CONSULTATIVE BODY REFERRED TO IN ARTICLE 248 OF THE AGREEMENT

Article 1

Principles and Objectives

1. The present Terms of Reference (ToR) set out the procedures for the selection of the independent consultative body to be established by the United Kingdom, in respect of Gibraltar, and the Kingdom of Spain pursuant to Article 248 of the Agreement that will advise and assess on the impact of a transaction tax and excise duties to be introduced in Gibraltar pursuant to the Agreement (the "independent body"), explain how the independent body will discharge its functions and what financial arrangements will be put in place to permit the independent body to discharge its functions.

2. The functions of the independent body are set out in Article 248(5) and (6) of the Agreement and in Articles 2 and 6 of Annex 24 to the Agreement.

3. The independent body will exercise its functions upon entry into force of the Agreement.

4. The independent body will carry out its tasks autonomously, independently and objectively without the intervention of the Participants, except as foreseen in these ToR and without the participation of any other person or body.

Article 2

Definitions

U Ano

1. For the purpose of these ToR:

(a) "Participants" means the Kingdom of Spain and the United Kingdom, in respect of Gibraltar;

(aa) "contiguous frontier zone" means the territory of the municipalities that make up the Mancomunidad de Municipios del Campo de Gibraltar, in the Kingdom of Spain;

(ab) "independent body" means the entity selected pursuant to the joint procurement procedure conducted by the Participants under these ToR to discharge the functions provided for under these arrangements and subject to Article 1(2);

(b) "*awarded contractor*" means the third person with whom a procurement contract has been concluded following the joint procurement procedure conducted by the Participants pursuant to these ToR. Upon conclusion of such contract, the awarded contractor will serve as, and for all purposes will be treated as, the independent body;

(c) "*point of contact*" means the person, service, or unit appointed independently by each Participant and authorised to channel all interactions with the independent body;

(d) "*retail price*" means the total cost for the purchase of goods in retail outlets, including all applicable taxes, fees, surcharges, and additional costs when passed on to the consumer for the acquisition of such goods;

(e) "*significant actual distortion*" means an effective impact on a trader´s monthly turnover of over 10% when compared with its monthly average turnover over the three calendar years immediately preceding the relevant report or request which cannot be explained by factors other than (i) the application of the transaction tax and excise duties in Gibraltar pursuant to Article 248 of the Agreement and Annex 24 thereto; or (ii) the differences in the levels of the transaction tax and excise duties charged by the United

a Aus

Kingdom, in respect of Gibraltar, compared to the rates of VAT and excise duties charged by the Kingdom of Spain, as assessed by the independent body.

2. For the purposes of the definition in paragraph (1)(e) above:

(a) the reference period will operate as follows;

(i) for the purposes of the initial mapping under Article 5(2)(a), the reference period will be the 3 calendar years immediately preceding the entry into force of the Agreement;

(ii) thereafter, the reference period will be the most recent 3 calendar years ending immediately before the date of the relevant report or request,

(b) a distortion will not be regarded as significant solely on the basis of aggregate turnover data where the increase in turnover is attributable to factors unrelated to the indirect tax;

(c) the independent body will conduct a causal analysis to assess whether the relevant change can be explained by extraneous factors other than those referred to in sub-paragraphs (i) and (ii) of the definition in paragraph (1)(e) above. In making any finding, the independent body will specify which of sub-paragraphs (i) or (ii) in paragraph 1(e) the distortion falls under.

Article 3

Procurement procedure, evaluation panel and evaluation of tenderer

1. The role of independent body will be awarded to a contractor pursuant to a procurement procedure conducted in accordance with European Union rules, and based on principles of transparency, equal treatment, proportionality, open competition, and value for money.

W Am

2. For the purposes of this procedure, an Executive Committee will be set up, composed of two persons appointed by the United Kingdom, in respect of Gibraltar and two persons appointed by the Kingdom of Spain. Its members will have sufficient experience in the areas of market research and public procurement procedures.

3. An Evaluation panel will also be set up, composed of two persons appointed by the United Kingdom, in respect of Gibraltar and two persons appointed by the Kingdom of Spain. They will possess the necessary expertise in the areas of market research or procurement procedures. The persons who form part of the Executive Committee may not be the same as those who form part of the Evaluation panel.

4. Once established, both the Executive Committee and the Evaluation panel will be convened at the initiative of either of the Participants. They will establish its working methods, including its decision-making rules, in its first meeting. The decision-making rules will include a mechanism for resolving any deadlock, including by reference to an independent tie-breaking procedure or escalation to the Participants in accordance with Article 8.

5. The Executive Committee will prepare and approve the procurement documentation defining the subject matter of the contract and all the actions to be carried out by the contractor in order to fulfil it, as well as the maximum amount to be paid to the successful bidder for the provision of the service, including the payment schedule and the method of certifying the correct performance of the services.

6. It will also decide on the date of launch of a procurement procedure, and will prepare all documentation needed, as well as the channel for the publication of the tender.

7. The procurement documents will include the necessary information and award requisites, and in particular the following information:

   (a) subject matter of the procurement procedure and purpose of the creation of an independent body;

   (b) type of procurement procedure;

   (c) administrative and technical specifications;

   (d) publication channel(s);

   (e) type of public contract;

   (f) exclusion, selection, and award criteria;

   (g) minimum requirements to be met by all tenderers;

   (h) contract model;

   (i) the obligations and rights of the successful bidder during the performance of the service.

   (j) the term and duration of the contract, including provisions for renewal, termination for cause, and termination for convenience, together with continuity arrangements to ensure the functions of the independent body are not interrupted in the event the contract expires or is terminated;

   (k) the penalty regime.

   (l) the legal regime applicable to the contract.

CAE

(m) the applicable appeal regime and the competent jurisdiction to hear them.

(n) the bodies with the authority to sign the contract and its successive extensions.

8. In the drafting of the applicable exclusion, selection, and award criteria, the following aspects will be taken into account:

   (a) Technical capability of the applicants: only tenderers with recognised expertise in the field of market research and consumer behaviour will be considered. The procurement documentation will make clear that the tenderers will be capable of providing clear and objective data on the markets concerned, and of advising on the changes needed in the rates of indirect taxation in Gibraltar in order to address significant actual distortions in trade.

   (b) Professional secrecy and disclosure of information: due to the sensitivity of the data to be managed by the independent body, only tenderers with the proper security systems and protocols in place will be considered. In particular, the procurement documentation will require tenderers to demonstrate detailed policies and procedures for the handling, storage, transmission, and destruction of commercially sensitive data, including compliance with applicable data protection legislation.

   (c) Security and social order: the awarded contractor will not be established or have its executive management structures in the United Kingdom, Spain or Gibraltar. Without prejudice to the foregoing, preference will be given to contractors established in the European Union or in an EEA/EFTA State. It will not be subject to control by a third country other than a Member State or any of the other EEA/EFTA States. However, this criterion may be waived for tenderers established in the European Union, the United Kingdom or another EEA/EFTA

State when controlled by another third country if it has been subject to screening and, where necessary, to appropriate mitigation measures as understood in Regulation (EU) 2019/452[1] or equivalent UK regulations.

The Executive Committee will agree to award the contract to the bid by the Evaluation panel and will submit the contract prepared by it to the competent bodies for signature.

9. During the execution of the contract, the Executive Committee

(a) will verify the correct execution of the contract for the purposes of payment to the contractor.

(b) will decide the imposition of any applicable penalties.

(c) will propose the extension of the contract, if applicable, and, where appropriate, its modification.

10. The Evaluation Committee will have the following functions:

(a) It will define the documents to be submitted by tenderers, taking into account the content of the technical and legal documents approved by the Executive Committee.

(b) It will promote the processing of the procedure, for which purpose:

i) It will promote the publishing of the tender in the [*Official Journal of the European Union and corresponding of GIB*], including the technical and legal documents approved by the Executive Committee; the tender models to be submitted by bidders and establishing the maximum period for submitting tenders and the description of the basic rules of the process for selecting the best tender. The announcement will specify whether tenderers may

A AWE

submit bids on paper, indicating, where applicable, the address to which the envelopes must be sent, or whether the tender must be submitted electronically.

ii) It will open the bids submitted, analyze the compliance of the tenderers with the requirements and proposing their exclusion where appropriate, and evaluating the bids accepted in accordance with the criteria established by the Executive Committee. For this purpose, it may request clarifications of any kind from the tenderers, without the request for clarifications allowing them to substantially modify the terms of their bid.

iii) It will propose the award to the best bid, once it has verified the constitution of the guarantee that may have been required.

(c) It will notify the participants of the decisions taken by the Executive Committee.

11. Tenderers will be evaluated by the Evaluation panel in a non-discriminatory manner. Evaluation will be based on the exclusion, selection, and award criteria set out in the procurement documentation.

Article 4

Discharge of reporting functions by the independent body

1. The role of the independent body is to deliver:

(a) ad hoc reports in accordance with 248 (5)(a)

(b) annual reports in accordance with 248 (5)(b)

2. The first of the annual reports referred to in Article 248(5)(b) of the Agreement will cover the 12-month period from provisional application of the Agreement and annually thereafter. The first annual report will be

a AWE

delivered no later than 90 days following conclusion of the first 12-month period and 60 days annually thereafter.

Transaction Tax

3. During the first three years, the annual report will provide the independent body's general assessment and advice on how the standard rate of transaction tax are working. After the first three years, if the recommendations to apply rates different (higher or lower) from the standard rate of transaction tax to a selection of goods or categories of goods are insufficient to avoid significant actual distortions in Gibraltar or the contiguous frontier zone linked to the differences in rates of the transaction tax charged by the United Kingdom, in respect of Gibraltar, compared to the rates of VAT charged by the Kingdom of Spain, the independent body may recommend, in the context of its annual report, that the standard rate is adjusted upwards or downwards for all goods subject to that rate. In making any recommendations, the body will, in accordance with Article 248(6) of the Agreement, act within the limits set out in Article 2 of Annex 24. Both the annual report and the proposed recommendations will be notified without delay to the points of contact and the European Commission.

4. Where the annual report contains recommendations for adjustment of the standard rate of transaction tax such recommendations will specify, with reference to Article 248(4)(b) of the Agreement and the relevant provisions of Annex 24 to the Agreement:

   (a) whether the recommended adjustment is upwards or downwards; the reasons why the prior ad hoc recommendations on specific goods or categories of goods were insufficient to avoid significant actual distortions, as required by Annex 24, Article 2(3)(a) last paragraph;

lc AWE

(b) the rate to which the standard rate of transaction tax should be increased or decreased in order to avoid the identified significant actual distortions linked to differences in the levels of transaction tax in Gibraltar and VAT in Spain;

(c) the evidential basis on which the independent body has concluded that the adjustment is necessary to avoid a significant actual distortion in trade, having regard to the definition in Article 2(1)(e) of these ToR; and

(d) the reasons for its recommendations including the reasons for the relevant product market used as the basis for its competition assessment.

Excise Duties

5. As from the date of entry into force of the agreement, the annual report will provide the independent body's general assessment and advice on how the excise duty rates are working and whether any significant actual distortions exist. In making any recommendations, the body will, in accordance with Article 248(6) of the Agreement, and without prejudice to Article 6(3) to (5) of Annex 24, act within the limits set out in Article 6 of Annex 24. Both the annual report and the proposed recommendations will be notified without delay to the points of contact and the European Commission.

6. Where the annual report contains recommendations for adjustment of the excise duty rates such recommendations will specify, with reference to Article 248(5)(b) of the Agreement and the relevant provisions of Annex 24 to the Agreement, as referred to in the previous paragraph:

(a) whether the recommended adjustment is upwards or downwards;

U A-E

(b) the specific excise goods which are concerned by the recommended adjustment;

(c) the rate to which the excise duties for the specific excise goods concerned should be increased or decreased in order to avoid the identified significant actual distortions linked to differences in the levels of excise duty in Gibraltar and excise duty in Spain;

(d) the evidential basis on which the independent body has concluded that the adjustment is necessary to avoid a significant actual distortion in trade, having regard to the definition in Article 2(1)(e) of these ToR; and

(e) the reasons for its recommendations, including the reasons for the relevant product market used as the basis for its competition assessment.

7. After the notification set out in Article 4(1) of these ToR, the point of contact for the United Kingdom, in respect of Gibraltar, will confirm within one month, to the point of contact for the Kingdom of Spain and the European Commission, that the adjustment(s) which had been considered necessary to avoid the identified significant actual distortions in trade (whether upwards or downwards) will be in force within a period of one months from such confirmation.

8. Ad hoc reports in respect of specific goods or category of goods requested by the Participants pursuant to Article 248(5)(a) of the Agreement will be notified to the points of contact and the European Commission within 15 working days of the date of the request. The Participants will not request an ad hoc report in relation to excise duties until three years after the entry into force of the Agreement in accordance with Article 6(6) of Annex 24 of the Agreement. In order to allow a reasonable period of time to elapse after the entry into force of the Agreement to enable the independent body to be able to make an informed assessment of the effect that the new rates

Cl Auö

of transaction tax in Gibraltar are producing on trading conditions in relation to specific goods or category of goods, the Participants undertake not to request such an ad hoc report before three months from the date of entry into force of the Agreement.

9. Where an ad hoc report contains recommendations for adjustment of transaction tax or excise duty rates in respect of specific goods or category of goods, such recommendations will specify, with reference to Article 248(5)(a) of the Agreement and the relevant provisions of Annex 24 to the Agreement:

   (a) whether the recommended adjustment is upwards or downwards;

   (b) the specific goods or categories of goods to which the adjustment relates;

   (c) whether the recommendation entails changing a good or category of goods from one rate category (standard, reduced, or super-reduced) to another;

   (d) the rate (higher or lower) which it recommends should apply in accordance with the thresholds set out in Article 2(3)(a)(i) and (ii) of Annex 24 of the Agreement (for the transaction tax) and in Article 6(6)(a) and (b) of Annex 24 of the Agreement (for the excise duties);

   (e) the evidential basis on which the independent body has concluded that the distortion has existed for a period of at least 30 days and that the adjustment is necessary to avoid a significant actual distortion in trade, having regard to the definition in Article 2(1)(e) of these ToR; and

   (f) the reasons for its recommendations including the reasons for the relevant product market used as the basis for its competition assessment.

AL Ant

10. After the notification set out in Article 4(3) of these ToR, the point of contact for the United Kingdom, in respect of Gibraltar, will confirm within one month to the point of contact for the Kingdom of Spain and the European Commission that the adjustment(s) which had been considered necessary to avoid the identified significant actual distortions in trade (whether upwards or downwards) in relation to the identified goods or category of goods will be in force within a period of [one] months from such confirmation.

11. Where the independent body becomes aware that a new Union excise duty is to be introduced that would, pursuant to Article 6(1) of Annex 24 to the Agreement, also apply in Gibraltar, it may, if it considers it appropriate, recommend a temporary suspension of up to one year for the application of that new excise duty in Gibraltar. Any such recommendation will be notified to the points of contact and the European Commission without delay.

12. The European Commission will receive all reports, recommendations, and proposed measures produced by the independent body at the same time as they are notified to the points of contact.

Article 5

Working Methods

1. The awarded contractor will recommend to the points of contact a methodology corresponding to the tasks that the independent body will exercise. The points of contact will, within 15 working days of receiving the recommended methodology, confirm their agreement or provide reasoned objections. Where the points of contact do not agree on the methodology, or where either point of contact provides reasoned objections that are not resolved within a further 15 working days, the matter will be referred to the

U Arut

Participants [in accordance with Article 8] for resolution. No report or assessment under Article 4 will be produced until the methodology has been agreed.

2. The methodology will include:

(a) An initial mapping of the trade situation using the markets of Gibraltar and the contiguous frontier zone as references and evaluate them by comparing levels of average monthly turnover of traders with the evolution of retail prices in such markets. This mapping will be completed no later than 12 months following entry into force of the Agreement. The areas of economic activity in trade of goods will be identified using a standard classification code such as "NACE" or "SIC"[2] at no less than the 4-digit level of granularity. The initial mapping of the traders will analyse the annual average turnover of traders in the last three calendar years prior to the entry into force of the Agreement, and deliver an overview of the retail prices of a basket of representative goods currently on sale in both Gibraltar and in the contiguous frontier zone. The basket of representative goods will be determined jointly by the points of contact on the recommendation of the independent body, and will be reviewed and updated at least annually. The composition of the basket will be representative of the full range of goods traded in both markets.

This initial mapping will also include references to possible goods or categories of goods at risk of causing significant actual distortions in the short term particularly for the purposes of the ad hoc reports referred to in Article 4 (3) and (4) of these ToR.

This initial mapping will serve as reference data for the independent body's subsequent reports on market conditions.

(b) The specification that subsequent annual reports will analyse the evolution in both the turnover of the identified traders carrying out the economic activities analysed and the evolution of retail prices in the reference markets.

(c) The specification that, in the case of ad hoc reports, the independent body will analyse the evolution in sales volume of the specific good or category of goods in a period that spans at least the 30 days that preceded the request, as well as the differences in retail prices for that specific good or category of goods. This result may be contrasted with cross-border trade data obtained via collection of primary information on consumer behavior, such as personal interviews with acquirers and/or traders. The ad hoc report will take account of seasonal variation and relevant longer-term trends before reaching any finding of distortion.

(d) The specification that the information obtained by Union customs authorities related to the export of goods towards Gibraltar from the EU customs territory and from non-EU customs territories will serve as a contrast source in the elaboration of reports.

(e) A channel for direct communication of relevant data for economic operators. The independent body will verify and analyse the information reported by operators, assess whether there is a significant actual distortion in trade for a specific good or category of goods, and inform the Participants promptly.

(f) An explanation of how the concept of "retail price" as defined in Article 2(1)(f) of these ToR will be measured, collected, and assessed in practice. In applying the concept of "significant actual distortion" as defined in Article 2(1)(e) and elaborated in Article 2(2)(a)-(d) of these ToR, the independent body will apply the definition as set out therein and will not adopt any interpretation that derogates from, expands, or narrows the scope of that definition.

(g) The methodology will take account of any material change in the VAT or excise duty rates applicable in the contiguous frontier zone

3. The points of contact may also report relevant data and information to the independent body. Such data and information will simultaneously be shared with the other point of contact.

Article 6

Duty of sincere co-operation

The points of contact will take all appropriate measures to ensure that the independent body has access to all relevant and real-time economic statistics and data necessary to carry out its mission as developed in the methodology agreed by the Participants.

The points of contact will abstain from any action that could jeopardise the attainment of the objectives of the independent body.

Article 7

Financial Provisions

The United Kingdom, in respect of Gibraltar, and the Kingdom of Spain will provide the necessary funding to cover the establishment and normal functioning of the independent body, as per the award contract and in equal shares. Each Participant will make its share of funding available within 30 days of the date on which payment falls due. Detailed payment, audit and budgetary oversight arrangements will be set out in the procurement Contract.

Article 8

Dispute resolution

Any disagreement between the Participants arising out of or in connection with these ToR or the conduct of the procurement procedure, which cannot be resolved within 30 working days of the dispute being raised, will be escalated by the Participants with a view to resolution.

Article 9

Contract duration, performance and continuity

1. The procurement contract with the awarded contractor will be for an initial term of 3 years, renewable by mutual agreement of the Participants for successive periods of 3 years.

2. Either Participant may, through its point of contact, request the termination of the procurement contract on grounds of serious and persistent failure by the awarded contractor to perform its functions under these ToR. Any such termination will require the agreement of both Participants.

3. In the event that the procurement contract expires or is terminated for any reason, the Participants will ensure that transitional arrangements are in place to preserve the continuity of the functions of the independent body, including by appointing a new evaluation panel in accordance with Article 3 of these ToR and commencing a new procurement procedure no later than six months before the expiry of the existing contract or, in the case of termination, as soon as reasonably practicable following such termination.