



Are **you** ready for 2021?

A guide to the end of
EU transition for
Isle of Man Residents
and Businesses

#**Islebeready**



**Isle of Man
Government**

Reilrys Ellan Vannin

Responsible Island

Contents

Overview	_____	1
Transition period	_____	3
People	_____	5
Travel	_____	7
Business	_____	15
Health Care	_____	25
Utilities	_____	27
Food	_____	28
Protecting the community	_____	29
Sending and receiving parcels	_____	30

Overview

Chief Minister



On 31 January 2020, the UK ceased to be a member of the European Union and a period of transition, during which EU law continued to apply to the UK, began.

This meant that, even though the UK had left the EU, most people saw little or no immediate impact.

That transition period is due to end on 31 December 2020 and after that, the UK will have a new relationship with the EU.

The Isle of Man has never been included within the UK's membership of the EU, and so only limited parts of EU law have applied to us.

But, like the UK, our limited relationship with the EU will end on 31 December too.

We have been preparing for the UK leaving the EU for several years; in fact, we began to consider the effects of the UK's withdrawal from the EU on the Island before the referendum had even taken place.

In order to prepare we have –

- changed our laws to ensure that they will still function after exit and the end of the transition period;
- identified and explained many areas where our people and our businesses may need to do things differently – and there is more detail on that in this guide; and
- put in place contingency plans to ensure we can deal with any issues which may arise, at the beginning of 2021, as those changes begin to take effect.

You may remember that we first issued this guidance in summer 2019, which seems like a very long time ago now. Since then, the COVID-19 pandemic has swept across the world, and many of us have seen disruption to our everyday lives as a result.

The extent to which you may be affected by the changes that will come about at the end of the transition period will very much depend on individual circumstances.

Not all of this information will be relevant to everyone, so I have asked for it to be presented in as clear and simple a way as possible.

This guide, therefore, intends to provide some measure of reassurance whilst offering a broad, easy to use, overview to act as a signpost to other documents and websites, should you require further detail.

I would also stress that the information in this guide – especially as it relates to travel – must be read in conjunction with other advice issued here, and in the UK, in relation to COVID-19.

A handwritten signature in black ink, appearing to read 'Howard', written over a horizontal line.

Hon. Howard Quayle, MHK

Chief Minister

ISLE OF MAN, EU EXIT AND THE TRANSITION PERIOD

Executive Summary

The direct and immediate impact of the UK leaving the EU and the end of the transition period will be less significant for the Isle of Man than it will be in the UK.

This is for two main reasons:

Firstly, the Isle of Man was not a member of the European Union (EU) nor was it included within the UK's membership of the EU, so it has not, in effect, left the EU. The Isle of Man did, however, have a limited relationship with the EU, through the UK, and it was, in effect, part of the EU's Customs Territory. The UK has now left the EU and, therefore, when the transition period ends the Isle of Man and the UK will leave the EU's Customs Territory.

So whilst the Isle of Man is covered by most EU rules relating to the free movement of goods, it is not covered by EU rules concerning the free movement of people, services, or investment. Out of the whole body of EU law, only a relatively small proportion of that law has been applicable to the Island.

Secondly, the majority of our trade, transport links, and social and cultural ties were with the UK. We did not, therefore, have significant reliance on direct trade routes into EU ports.

Primarily, the impact of withdrawal will be felt, directly, by –

- those who make and sell goods or agricultural products (including fish and shellfish) to EU countries;
- those people living in the Isle of Man who originate in EU countries – other than the UK and Ireland – who will need to apply for settled status;
- those who employ workers, who may find that there is a reduction in the pool of talent upon which they are able to draw;
- those people who live in the Isle of Man but may wish to travel to EU countries, either for holidays or potentially to live, work or study there.

In addition, there may also be some indirect effects, which could include –

- fluctuations or reduction in the value of the pound, which could affect the price of consumer goods including food;
- increased tariffs and altered trade patterns which could affect the price of consumer goods including food;
- a risk of a downturn in economic growth in the UK impacting growth, housing or employment markets in the UK, which may impact on the Isle of Man.

This guide, first published in 2019, is intended to act, as a signpost to more detailed information, and to provide links to relevant websites and contact information.

There are sections that deal with issues that will be of interest to the public, and to businesses, and these are summarised in the contents.

People

People

EU citizens currently living in the Isle of Man

If you are a European Union (EU), European Economic Area (EEA) or Swiss citizen living in the Isle of Man on or before 31 December 2020, you and your family can apply to the EU Settlement Scheme to continue living in the Isle of Man.

You have until 30 June 2021 to make an application under the EU Settlement Scheme.

Your eligibility will depend on when you took up residence in the Isle of Man, UK or the Channel Islands, as set out below:

- EU, EEA and Swiss citizens and their family members who have been continuously resident for 5 years in the Isle of Man, UK or the Channel Islands by 31 December 2020, will usually be eligible for settled status. This is referred to as indefinite leave to remain (ILR) under immigration law.
- EU, EEA and Swiss citizens and their family members who arrived in the Isle of Man, UK, or Channel Islands before the UK left the EU, but have not been continuously resident for 5 years by 31 December 2020, will usually be eligible for pre-settled status. This is referred to as leave to remain (LTR) under immigration law and it grants leave for 5 years. Applicants can apply to change this to indefinite leave to remain once they have been continuously resident for 5 years.

Close family members living overseas will still be able to join EU, EEA and Swiss citizens resident in the Isle of Man, where the relationship began before 31 December 2020 and continues to exist when the person comes to the Isle of Man.

Applications to the scheme are free of charge.

Guidance on how to apply can be found here: <https://www.gov.im/categories/travel-traffic-and-motoring/immigration/eu-eea-and-swiss-citizens/eu-settlement-scheme/>

The UK and IOM recognise each other's EU Settlement Schemes. However, EU,

EEA and Swiss nationals resident on the Isle of Man, especially those who are regular travellers through UK ports, may also wish to consider registering for the [UK's EU Settlement Scheme](#) if they have not already done so. This may allow for a smoother transition through UK ports.

EU citizens arriving in the Isle of Man from 1 January 2021

From 1 January 2021 free movement will end, and EU, EEA and Swiss citizens will come within scope of the immigration rules.

EU, EEA and Swiss citizens will continue to be able to travel to the Isle of Man for holidays or short trips without needing a visa, and be able to cross the border into the UK or Isle of Man using a valid passport.

Individuals of all nationalities (except British and Irish citizens) wishing to come to the Isle of Man for more than six months, for any purpose, from 1 January 2021 will need to apply for a visa for that purpose prior to traveling.

British Citizens living in the Isle of Man

You will not need to take any action, and there will be no change from 1 January 2021.

Irish Citizens living in the Isle of Man

Irish citizens will not be required to apply for settled status in the UK or in the Isle of Man.

British Nationals living in the EU

Check the guidance for where you live at: [gov.uk/guidance/living-in-europe](https://www.gov.uk/guidance/living-in-europe)

Travel

For up to date information on travel restrictions relating to COVID 19, please check the guidance updated regularly by our borders team here: <https://covid19.gov.im/general-information/travel-advice/>

British Passports

You can continue to travel to Europe with your British passport, this includes passports that are burgundy or have the 'European Union' on the cover, (providing it has not expired) until 1 January 2021 when new rules will apply for travel to Europe.

You will need to have at least 6 months left on an adult or child passport to travel to most countries in Europe (not including Ireland).

You will need to renew your passport before travelling if you do not have enough time left on your passport.

If you renewed your current passport before the previous one expired, extra months may have been added to its expiry date. Any extra months on your passport over 10 years may not count towards the 6 months needed.

You can check your passport validity at: <https://www.gov.uk/check-a-passport-travel-europe-1-january-2021>

YOU MUST CHECK THIS. IF YOU DO NOT HAVE SUFFICIENT VALIDITY ON YOUR PASSPORT, YOU MAY NOT BE ABLE TO TRAVEL.

European countries this applies to

The new rules will apply for travel to and between most countries in Europe. These are:

Andora	Estonia	Latvia	Poland
Austria	Finland	Liechtenstein	Portugal
Belgium	France	Lithuania	Romania
Bulgaria	Germany	Luxembourg	San Marino
Croatia	Greece	Malta	Spain
Cyprus	Hungary	Monaco	Sweden
Czech Republic	Iceland	Netherlands	Switzerland
Denmark	Italy	Norway	Vatican City

The new rules will not apply when travelling to Ireland.

Applying for a new passport

If your passport does not meet the new rules, you will need to [apply for a new passport](#) before travelling to the countries affected.

Do not book travel unless your passport meets the entry requirements of the country you are travelling to.

Make sure you apply in plenty of time. If you need to, you can apply to get a temporary passport urgently.

If you still have concerns, then you can contact the Passport Office by email at: passports@gov.im

Travel to the UK and Ireland

Generally, you will not need a passport to travel within the Common Travel Area, which for travel from the Isle of Man includes journeys to the UK, to Ireland, and the Channel Islands.

However, the Isle of Man government recommends that any persons traveling to the Republic of Ireland take their passport as proof of ID, as there are mandatory checks now in place.

In other instances, photographic ID may be required by your carrier, but this does not necessarily need to be a passport.

Travel to countries outside the EU

The rules for travel to countries outside the EU will not change.

You can check the entry requirements for these countries on the UK Government website: www.gov.uk/foreign-travel-advice

Health Insurance for Travel

The European Health Insurance Card (EHIC) is not available to Isle of Man residents.

The EHIC is only available to residents of countries within the European Economic Area (EEA) or Switzerland. It gives holders of the card the right to access state provided healthcare during a temporary stay in another country signed-up to the scheme. The Isle of Man is not part of the UK, a member of the EU or of the EEA, so people living on the Island are not – and never have been – eligible to use the EHIC scheme.

MAKE SURE YOU HAVE PURCHASED TRAVEL INSURANCE, BEFORE YOU TRAVEL, THAT COVERS HEALTHCARE WHEN YOU ARE TRAVELLING ABROAD.

Travel by Air

Flying between the Isle of Man and the UK

There should be no change to the operation of flights between the Isle of Man and UK airports.

Flying between the UK and the EU

For those flying onwards to the EU, it is not anticipated that passengers holding 'Schengen compliant' passports will experience any issues at UK airports.

Arrangements upon arrival at EU airports may be a little different, as UK passport holders (including those issued in the Isle of Man) will now join the Non-EU queue when arriving at passport control, and could be subject to additional third country checks.

Flying between the Isle of Man and the EU

There is a regular air service to Ireland, but because of the Common Travel Area agreement, there should be no requirement to take a passport, although it is worth checking with your airline for ID requirements or other conditions of carriage.

There are also some chartered services to EU destinations throughout the course of the year. We do not expect there to be any issues for passengers holding a valid passport but delays may occur at EU immigration control due to additional checks. As above, it is worth checking with your airline before you travel for further information.

Flying outside the EU

We do not expect there to be any impact on passengers travelling to destinations outside the EU from the UK.

Declaring goods

In the event of a no-deal at the end of the transition period, passengers arriving into the Isle of Man from the EU will need to declare whether they have any goods on which they need to declare customs duty, excise duty or VAT, or declare whether they are carrying any goods subject to any restrictions on importation.

Customs & Excise and the port authorities will facilitate this by providing red and green channels at the air and sea ports. The UK is developing an online declaration system so that a passenger can pay any taxes due prior to arrival, which will also be available for passengers traveling directly from the EU to the Isle of Man.

Current duty-free allowances can be found at: <https://www.gov.uk/duty-free-goods/arrivals-from-outside-the-eu>.

The personal allowances that will apply from 1 January 2021 can be found in this document: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/917005/Passengers_Consultation_Response.pdf

Further information about import restrictions can be found at <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/import-controls-in-the-isle-of-man/>

If you are travelling to other countries outside the UK/IOM area you should check

with the relevant customs authorities in those countries as to whether there are any prohibitions or restrictions that apply to any goods you are carrying, including if any customs declarations are required.

Travel by Sea

Travel from the Isle of Man to UK ports is unlikely to be disrupted, although it is always possible that there is additional congestion around some ports due to increased checks on traffic to and from the EU, including Ireland.

The port of Heysham is unlikely to be affected, and similarly, Liverpool passenger ferry terminal is also unlikely to be affected.

Sailings from Dublin could be subject to additional delays, especially if there is additional congestion in the port area due to customs checks required on goods travelling between Ireland and the UK and Isle of Man.

For those travelling from the Isle of Man on to Europe through the channel ports in England, disruption could be possible if using the short-crossing routes out of Dover, Folkestone or via the Channel Tunnel.

Travelling with Animals

Pet Cats, dogs and ferrets

At present, we have the freedom to travel with pet cats, dogs and ferrets from the UK and the Isle of Man into the EU using an EU Pet Passport. From 1 January 2021, from the EU's point of view the UK and the Isle of Man will have "unlisted" third country status with regard to pet travel. This means that EU Pet Passports issued in the UK or Isle of Man will cease to be valid for entry into, and travel within, the EU.

Pet travel to the EU will still be possible; however, there will be more requirements. In order to ensure that you fulfil these requirements, please contact your private vet at least four months in advance of travel, in order to start preparing your pet for travel.

For full details on the process for travelling to, from and within the EU from 1 January 2021, visit <https://www.gov.uk/guidance/pet-travel-to-europe-from-1-january-2021> or speak to your private vet.

The requirements for IOM-EU pet travel are the same as those for UK-EU pet travel.

Horses

The European Commission is yet to decide whether to list the UK (and the Isle of Man) as a "third country" with regard to "live animal movements" which would allow exports of horses and other equines to continue from the UK (and Isle of Man) into the EU.

If the UK (and Isle of Man) is listed as a third country, to move horses and other equines from the UK (and Isle of Man) to the EU, you will need to contact:

- your official vet to book an appointment so you can have the relevant blood tests taken in time;
- an agent or transporter and tell them when you plan to travel - you may need more time to plan travel through an EU border control post (BCP) approved for horses. Ostend in Belgium is the only seaport accessible from the Channel that is approved for horses.

You will also need to:

- get equines tested for certain diseases;
- meet isolation and residency requirements;
- apply for an export health certificate (EHC);
- check you have the right equine identification (ID);
- check if you need an export welfare declaration.

Because the EU has previously accepted the UK (and the Isle of Man) as a listed third country, the UK (and the Isle of Man) expects to continue to meet the requirements for third country status. However, if the UK (and the Isle of Man) is not listed as a third country, you will not be able to export horses and other equines from the UK or Isle of Man to the EU until the UK (and the Isle of Man) is listed.

For full details on the process for exporting horses into the EU from 1 January 2021, visit: <https://www.gov.uk/guidance/export-horses-and-ponies-from-1-january-2021> or speak to your private vet.

Movement of endangered animals or plants – CITES

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement that aims to ensure that trade in wild animals and plants does not threaten their survival.

After 1 January 2021, the Island will continue to comply with CITES obligations; however, there may be a change to trade routes, meaning that only designated ports could accept CITES goods. Permits are required for the movement of CITES specimens between the UK and the Isle of Man and this requirement will not change.

Make sure you have a permit if you are moving CITES Specimens. More information on this can be found [here](#).

Driving in the EU

Drivers with Isle of Man licences have always been required to carry an International Driving Permit (IDP) when driving in the EU and this position remains the same, regardless of the outcome of EU/UK negotiations.

An IDP is an official, multi-language translation of your driving licence. It can only be issued by the Post Office if you reside in the Isle of Man, hold a full current driving licence and are aged 18 years or over. The permit will remain valid for 1 year from the date of issue and costs £11.

Make sure you have an IDP if you are driving in the EU. Application forms can be picked up from your local post office or, alternatively, a downloadable application form is available [here](#).

It is also important to note that because of international conventions that govern the ability to drive in a country outside the UK, there are some EU countries that Isle of Man licence holders MAY NOT be able to drive in. These EU countries are:

- Estonia
- Latvia
- Lithuania
- Croatia

This is because these countries are signatories to the 1968 Vienna Convention on Road Traffic, and the Isle of Man is not. They may, however, recognise a driving licence or an IDP issued in the Isle of Man, and so motorists are advised to check before they travel.

Motor Insurance – Green Card

A motor insurance Green Card is evidence of motor insurance cover when driving abroad. After 1 January 2021, drivers of UK or Isle of Man registered vehicles will need to carry a motor insurance Green Card when driving in the EU and EEA.

Some countries also require separate insurance for trailers. This means that you may also need a separate Green Card for your trailer.

IF YOU PLAN TO DRIVE YOUR OWN VEHICLE IN THE EEA and EU, INCLUDING IRELAND, MAKE SURE THAT YOU CONTACT YOUR VEHICLE INSURANCE PROVIDER TO OBTAIN A MOTOR INSURANCE GREEN CARD PRIOR TO TRAVEL.

Business

General

The Isle of Man's relationship with the European Union is currently set out in the UK's Withdrawal Agreement, which essentially preserved the effect of Protocol 3 to the UK's Act of Accession until the end of the transition period. It means that the Isle of Man is included within the EU customs territory, and enjoys free trade in agricultural products (including fish & shellfish) and manufactured goods. This means that certain sectors of our economy are likely to be affected more than others by the UK concluding its withdrawal from the EU.

However, because the Isle of Man is already outside of the EU Single Market for the purposes of services, sectors such as financial services and e-business should not be directly impacted.

The Department for Enterprise has produced a Business Checklist, which covers cross border trade, taxation, currency risk, product regulations, intellectual property rights, legal issues, and employment and staffing considerations to be considered by businesses ahead of 31 December 2020.

The checklist is available here.

In addition, the UK Government has published its own guide for importing and exporting products or goods ahead of 31 December 2020 and this is available here: <https://www.gov.uk/transition>

There are several issues which will apply to all sectors where there is direct contact or a trading relationship with the EU. These are set out below.

Employment & Staff

If you employ EU, European Economic Area (EEA) or Swiss Nationals, the Isle of Man has introduced the EU Settlement Scheme which offers the same rights to EEA and Swiss nationals and their families to stay in the Isle of Man as in the UK. (Further information can be found in the people section of this guide). Employers should encourage their employees to register for this scheme in order to confirm their immigration status, should they wish to continue to live in the Isle of Man after 31 December 2020.

In respect of people who come from neither the UK nor the EU, the UK is planning changes to immigration rules for new applicants (which will cover both

EEA and non-EEA nationals) and the Isle of Man's position is likely to mirror those.

Irish nationals will continue to be able to live and work in the UK and the Isle of Man by virtue of the Common Travel Area.

Cross Border Trade

Businesses involved in the movement of goods may wish to consider and plan for a number of factors and changes which may impact them following 1 January 2021. These include:

- customs documentation to be completed and whether a customs agent is needed;
- obtaining an EORI number for cross border customs identification;
- changes in VAT charging and recovery;
- assessing costs and risks that may arise from future legal and regulatory differences between the UK and the EU;
- reviewing pricing mechanisms in contracts and the impact of new tariffs, regulatory requirements, currency fluctuations and transaction costs;
- reviewing any contract terms that could be impacted;
- reviewing imports which may become subject to tariffs;
- stock buffering or increased maintenance inventory (e.g. production line consumables).

Currency Considerations

Businesses will be aware that the value of GBP sterling has depreciated since the referendum in 2016 and this may have assisted some in developing new export markets or orders in view of their goods being cheaper in the hands of foreign buyers. Conversely, some raw materials, foodstuffs, etc. priced in foreign currencies have become more expensive. The Bank of England has predicted currency volatility and the potential for significant sterling depreciation after the UK's exit from the European Union and the end of the transition period. Businesses exposed to currency volatility in this way may therefore wish to consider hedging methods and forward contract planning, while ensuring they have adequate financial facilities in place to mitigate this.

Intellectual Property Rights (IPR)

Patents

The Isle of Man does not have its own Patent Office. Instead, patents registered with the UK Intellectual Property Office automatically cover both the UK and the Isle of Man. Though most patent law in the Island derives from the UK, some EU patent-related mechanisms, such as that for supplementary protection certificates, also apply to the Isle of Man. The UK's intention is that supplementary protection certificates will remain in place after 1 January 2021. The Isle of Man is working with the UK to ensure those mechanisms continue in a no deal scenario so that no change can be expected.

Trade Marks and Design Rights

Anyone in the world can apply for an EU trade mark or registered Community design. These rights cover all EU member states, and include the Isle of Man. However, if the UK leaves the EU without a deal, trademarks and registered designs will no longer cover the UK or the Isle of Man. The UK intends to create equivalent protections that will be granted to existing EU trade mark holders when the UK exits the EU. The Isle of Man is working with the UK Government to ensure those rights also cover the Island in that event.

General Legal Issues

As the Isle of Man is a third country for services (because it is not an EU Member), it has limited integration with EU law compared with the UK. The Isle of Man has ensured that through its European Union and Trade Act 2019, as far as possible, Isle of Man law where it references the EU will be amended to enable the Isle of Man and its businesses to function much as before the UK's exit from the EU. Any remaining legal deficiencies that may be identified can be quickly remedied by this Act.

Businesses may nevertheless need to be vigilant for changes in the law and take professional advice where necessary. Examples of where there might be some issues or changes are in any ongoing legal disputes cross-border with the EU, or in any mergers and acquisitions activity (e.g. the UK will be modifying its Companies Act 2006 in this regard concerning the Takeover Code/Panel and the Isle of Man's participation in this is expected to continue).

Business Support

The Department for Enterprise has considered contingency measures within its Financial Assistance Scheme, which may be available if needed to support businesses with their resilience, with such measures likely to be activated in the event of a no deal conclusion.

To support local businesses in planning for 1 January 2021, the Department for Enterprise already has a grant category under its Business Improvement Scheme to obtain external consultancy to help with risk management and other planning:

- businesses in any sector may apply, not just exporters;
- 50% support (up to a maximum of £5,000) is available. For information on all financial and business support offered by the IOM Government visit

Visit <https://www.iomdfenterprise.im/financial-support/funding/business-improvement-scheme/>

For information on all financial and business support offered by the IOM Government visit <https://www.iomdfenterprise.im/financial-support/>

Manufacturing

Although we are currently outside of the EU, the manufacturing industry has been (by virtue of the Customs and Excise Agreement, and Protocol 3) able to operate as if the Isle of Man were part of the EU.

The manufacturing sector employs approximately 2,000 people, primarily in three areas: precision engineering, food and drink, and general manufacturing. The sector accounted for 2.3% of the Island's National Income in 2017/18, and is an important element of the diversified economy the Isle of Man Government is seeking to nurture.

The manufacturing sector relies more than most others on the Island's existing relationship with the UK and the EU. One problem manufacturers may face from 1 January 2021 is the loss of access to integrated supply chains cross border. Presently, large parts of the manufacturing sector run on a "just in time" basis for goods imported and exported. These goods travel between EU member states without customs checks or tariffs. This will change, and there are several areas in particular that manufacturers, as well as other businesses, should be considering.

EU Customs checks

In future, Isle of Man and UK exporters to the EU may need to start making customs declarations on all goods destined for the EU. In this case it is important that businesses consider what customs arrangements and documents are currently complied with for non-EU markets. These treatments will most likely apply to all imports from, and exports to, the EU in future.

Businesses that will import goods from the EU or export goods to the EU will need to apply for an EORI number. More information on the requirement for an EORI number can be found here: [gov.uk/eori](https://www.gov.uk/eori)

Customs and Excise, working with HM Treasury, has established a designated channel for Isle of Man VAT registered businesses to apply for an EORI number.

If you are a VAT registered business you can use the following link to apply for an EORI.

<https://www.tax.service.gov.uk/shortforms/form/EORIVAT>

If you are a non VAT registered business you can apply for an EORI by using the following link on the [gov.uk/eori](https://www.gov.uk/eori) web page.

<https://www.tax.service.gov.uk/shortforms/form/EORINonVATImport?details=&vat=no>

Tariffs

From the 1 January 2021 there may be tariffs between the UK and EU based on Most Favoured Nation tariffs¹ which apply when countries do not have any other special trade agreements. This could lead to additional costs.

Potential delays at UK/EU border

There may be delays between UK and EU borders as customs checks are implemented.

Rules of Origin

Even if the UK reaches an agreement with the EU that includes zero-tariffs, Isle of Man and UK companies will need to prove that their products are of Isle of Man/UK origin to benefit from this. The exact terms are yet to be defined. Origin

¹Most Favoured Nation Tariffs are rates that countries promise to impose on imports from other members of the World Trade Organisation, unless the country is part of a preferential trade agreement.

rules generally mean greater than 50 –55% of the product is locally sourced and certificates of origin are generally obtainable from the Chamber of Commerce.

EU Trade Agreements with Third Countries

The UK has been working to secure the benefits of the existing approximately 40 EU trade deals with some 70 other countries from 1 January 2021. Details of these agreements can be found here: <https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries>

Customs facilitation and reliefs

There are a number of duty relief/deferral schemes available to Isle of Man and UK businesses from Customs. There is the AEO (Authorised Economic Operator), a trusted trader scheme that may be relevant if your supply chain is already party to it.

VAT

The UK and the Isle of Man will both leave the EU VAT area on 1 January 2021. This could have several implications for business, and EU VAT registrations may be required.

The legislation that the UK proposes to introduce in preparation for 1 January 2021 will determine the new regime for customs and VAT arrangements that will apply in the UK (and will be effectively followed by the Isle of Man). These can be found at the following link: <https://www.gov.uk/government/collections/customs-vat-and-excise-uk-transition-legislation-from-1-january-2021>

The Isle of Man Customs and Excise Division can provide guidance on VAT issues, and also with regard to the duty relief and deferral schemes available to Isle of Man and UK businesses. Visit <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/eu-exit/>

Retail and Construction



The retail and construction industries on the Isle of Man form a significant part of the local economy as a whole with employment of approximately 5,000 people attributable to retail and over 3,000 in construction. Potential delays at UK-EU borders may impact these sectors, as deliveries of materials and products are slowed, or reduced.

In addition, access to labour from the EU could be impacted, and employers are encouraged to contact the Department for Enterprise if they have any concerns or needs.

Tourism & the Visitor Economy

Tourism and the broader Visitor Economy provide a valuable contribution to the Isle of Man's economy overall and to our quality of life and is a significant source of local jobs.

Total visitor spend amounted to £108 million in 2015 providing income to and generating employment for carriers, accommodation providers, attractions, eateries, and retailers.

The Island shares a common currency with the UK and is a part of the Common Travel Area with the UK, Ireland and the Channel Islands, and it is therefore difficult to envisage there being any significant impact upon the number of people visiting the Island as a result of the UK leaving the EU.

Agriculture

The agricultural sector currently employs over 700 people on the Isle of Man and is an important part of our economy and our Island community. In the dairy sector, 61% of produce is consumed locally, with the other 39% being exported. Of all of the meat produced on the Island, 58% is sold to the export market. In particular, 75% of our lamb production is exported.

There are no plans to change the ways in which the Isle of Man Government provides support to the farming sector from 1 January 2021. On the Island, nothing should change for farmers.

At the moment, certain EU regulations relating to agricultural products apply on the Island in order to allow the free movement of our goods to the EU market. These are being retained so that even from 1 January 2021 there will be no change to the rules and regulations that Isle of Man farmers and producers need to follow. What may change are the terms on which producers are able to export to the EU market. It is possible that new tariffs and requirements would apply to goods moving across the UK-EU border, and these would apply to any Isle of Man exports to EU countries.

Fisheries

Sea fisheries, including onshore processing, is currently worth in the region of £20 million per year to the Manx economy and provides around 300 jobs.

The Isle of Man is not directly subject to the EU's Common Fisheries Policy (CFP), however we have a Fisheries Management Agreement (FMA) with the UK under which our management of fisheries matters in Manx waters (in the 3-12 nautical miles zone) must comply with the UK's obligations under the CFP and, in addition, the Isle of Man can impose additional conservation measures. The FMA requires non-discriminatory access for UK vessels in Manx waters and in turn Manx vessels have fair and non-discriminatory access to UK waters.

The four main species of shellfish commercially exploited from the Manx territorial sea are queen scallop, king scallop, crab and lobster. The majority of king and queen scallops, crab and lobster landed to Manx processors are exported to Europe. There is increasing interest in the local whelk fishery, which has grown rapidly to around £2.5 million of exports to mainly Asian markets.

The UK will no longer be part of the CFP after 1 January 2021, and this in turn could mean changes to the rules around fishing quotas and access to waters for the Manx fishing fleet.

The onshore fisheries processing sector on the Isle of Man is particularly reliant on EU workers, and this is not expected to change. See the people section of this guide for more information on what EU nationals need to do in order to remain on the Island permanently after the UK's withdrawal from the EU.

If you are in the fisheries sector and would like more information visit <https://www.gov.im/about-the-government/departments/environment-food-and-agriculture/> or contact DEFA at fisheries@gov.im

Exporting animal and fisheries products

The terms on which Manx producers are able to export to the UK market will not change. Additionally, the same rules that currently apply when exporting to non-EU countries (such as the Asian or North American markets) will continue to apply. After 1 January 2021:

- Export Health Certificates (EHCs) will be required for exports of all animal products and live animals from the UK to the EU;

- Consignments will need to travel through a Border Control Post (BCP) within the EU;
- EHCs would need to be signed by a vet or authorised signatory following inspection of the consignment;
- Fisheries products or certain species that are landed in the Isle of Man, or any UK port, would require a catch certificate to verify its origin before it could be sold to the EU market.

It is also possible that trade between the UK and the EU will become subject to tariffs. This would mean that Manx produce being sold in EU countries would become more expensive and potentially therefore less competitive in that marketplace. Additionally, after 1 January 2021, trading with any of the over 70 countries with which the EU has a Free Trade Agreement could be subject to additional tariffs if the UK has not been able to replicate the agreements with those countries. See page 19 for more information on tariffs and trading arrangements.

Health marks on meat, fish and dairy products

Premises on the Isle of Man producing meat, fish or dairy products for export off-Island must be approved under Regulation (EC) 853/2004 which is enforced on the Island by DEFA.

All produce from approved premises must carry the appropriate health or identification mark. Health or identification marks are currently oval in shape and state that it is produced in the EU, that it is from the Isle of Man, and carries a unique approval number.

From 1 January 2021, the UK (and the Isle of Man) will no longer be entitled to use the EU abbreviation. DEFA has published guidance on a new set of health and identification marks that will be used from 1 January 2021. Guidance in relation to health and identification marks can be found here <https://www.gov.im/media/1370454/health-and-identification-marks-guidance-sept-2020.pdf>. If you require any further information, please contact ehenquiries@gov.im.

Labelling food products

Labelling provisions are set out primarily in the EU Regulation 1169/2011, certain provisions of which are enforced in the Isle of Man by the Food Information Regulations 2014. Compositional standards for certain foods (e.g. honey, chocolate products, jam) are also set out in corresponding Isle of Man Regulations.

Some changes to food labelling will be required, including:

- Mandatory origin labelling of a food product, where applicable;
- Mandatory labelling of the name or business name and address of the EU importer of food from the United Kingdom/Isle of Man.

EU organic logo

You must not use the EU organics logo from 1 January 2021 unless:

- UK control bodies are authorised by the EU to certify UK goods for export to the EU;
- The UK and the EU agree to recognise each other's standards (called 'equivalency');
- Contact a UK control body to stay up to date.

If the UK does not reach an equivalency deal with the EU, you cannot export organic food or feed from the UK to the EU.

You can continue to use your [UK organic control body logo](#).

EU emblem

You must not use the EU emblem on goods produced in the UK from 1 January 2021 unless you have been authorised by the EU to do so.

Importing animals and animal products

From 1 January 2021, access to the EU import notification system (TRACES) will cease, so the UK has developed the new import notification system known as Import of products, animals, food and feed system (IPAFFS). For an interim period the UK has indicated that it will continue to recognise transporter authorisations, certificates of competence, vehicle approval certificates and journey logs issued in the EU.

Importers would be required to notify the UK (or Isle of Man if appropriate) authorities using the new import system and would be directed to an existing UK Border Inspection Post (BIP) where relevant checks would take place. Live animal imports to the Isle of Man direct from third countries will continue to be prohibited.

Health Care

Medicines and Medical Devices

The Isle of Man has been working closely with colleagues in the Department of Health and Social Care in the UK to ensure that the supply of medicines and medical devices can continue as normal after 1 January 2021. The Isle of Man is part of the UK NHS supply chain for medicines and medical devices, and therefore the Island is included within all UK contingency planning in this area.

The risk of delays at borders, such as at Dover or the Channel Tunnel, has been assessed by UK officials, and steps have been taken to prevent disruption to medicine supply. This includes a stock building exercise by wholesalers and suppliers, which will ensure that orders from hospitals, including our own, can be fulfilled in the normal way. There are also plans to use alternative ports to prioritise the importation of medicines, which will be away from the disrupted south coast and channel ports to ensure that the importation of all these products will be unimpeded from 1 January 2021.

Once products are in the UK, no further disruption is anticipated for onward delivery to the Isle of Man. The Isle of Man Department of Health and Social Care ensures that it carries additional levels of stock in order to deal with disruptions, which means that they carry stocks to deal with several weeks of normal demand.

The use of Serious Shortage Protocols may be used in the event of a severe shortage of a particular strength or formulation of a medicine. This would be led by the UK and we have our own legislation in place to activate this if it is required. Essentially, pharmacists are permitted to change the strength or formulation or amount of supply of a drug to protect supplies (they are not permitted to change the drug prescribed).

Careful monitoring of stock levels will be undertaken, and if it becomes apparent that there is a potential shortage of any particular medicines or equipment, then this will be fed through the UK system.

Safety of medicines and medical devices

This area will not change, as the Medicines & Healthcare Products Regulatory Agency (MHRA) in the UK will continue to monitor the safety of medicines and medical devices.

Ensuring blood and blood products are safe

Having left the EU, the UK is maintaining equivalence with EU standards on the importation of blood and blood products. This is a measure to prevent any potential disruption to the importation of blood and blood products from the EU. The Isle of Man's blood transfusion service produces whole blood on-Island and obtains other blood products (and some whole blood) from the UK. The Isle of Man will be in the same position as the UK after 1 January 2021.

Quality and Safety of Organs, Tissues and Cells

All transplants required by Manx patients are carried out in UK hospitals. In 2021, the UK will maintain equivalence with EU standards in this area; therefore nothing will change for the Isle of Man.

Clinical Trials

The UK intends to remain included in clinical trials with the EU, and is therefore planning to adopt the same rules as the EU to ensure this can continue.

Utilities

Gas & Electricity

As well as providing for heating and cooking in homes in the Island, gas is used to generate electricity at Pulrose Power Station. The Isle of Man supply of gas is through a subsea interconnector that carries gas from Scotland to Ireland. We do not anticipate any major disruption to the supply of gas or electricity to the Island after 1 January 2021.

Oil & petrol

The Isle of Man imports all of its oil, used for both heating and vehicle fuel, from the UK as finished products, and most of the crude oil used to make them is sourced directly from outside the EU. As this is inland UK trade there should be no change to the current supply system from various refineries in Great Britain and therefore no major disruption is anticipated, however there remains a possibility of price rises, should there be fluctuations in the value of sterling.

Water & Sewage

There are a number of chemicals required in the generation of electricity, sewerage treatment and to purify drinking water. Most of the chemicals are commonly used and have numerous supply chain alternatives. This will be monitored closely; however no major disruption is anticipated.

Food

Although we are fortunate to have many producers of high-quality food and drink in the Isle of Man, most of our food comes from the UK.

The UK produces approximately 60% of its own food, with roughly 30% coming from the EU, and the remainder from the rest of the world. Naturally, this figure can fluctuate during the course of the year, according to seasonal availability. The UK Government has stated that it does not expect there to be food shortages after 1 January 2021 but there could be delays at the key Channel crossings of Dover and via the Channel Tunnel, which may cause changes to the types of food we will see in our shops and supermarkets.

We have been assured by those businesses operating in the food retail sector that the hub-and-spoke system of supplying stores through national distribution centres and wholesale centres in the UK means that Isle of Man stores will be in the same position as cities and towns in the UK.

We are not expecting there to be a shortage of food in the Isle of Man, although there may be changes to the types of food available, most notably in respect of those fresh foods which are transported across the Channel on a just in time basis.

Food costs

From 1 January 2021, the UK may no longer benefit from tariff-free trade with the EU. This, coupled with potential increases in other costs in the supply chain (fuel, transport, and storage or warehousing costs) may mean that we would see an increase in the cost of food.

Vulnerable groups and those on restricted diets

As mentioned above, we do not expect there to be food shortages, but there could be a reduction in choice. Those with food allergies or restricted diets should not be disproportionately impacted. We are working with food retailers to identify particular foodstuffs and other items where there may not be immediate substitutes available (a good example being baby formula milk) and to ensure that they have built in additional resilience.

Protecting the community

law & order

The Isle of Man is a safe place to live, and our police, customs, immigration officials, and other officials who protect the safety of our community, have a close working relationship with their counterparts in the UK.

That will continue, and although there may be changes to the manner in which the UK security and border agencies function, this should not impact directly on the Isle of Man.

Sending and receiving parcels

From 1 January 2021, VAT will be payable on goods entering the UK or Isle of Man as parcels, sent by EU sellers.

For parcels valued up to and including £135, which are non-excise goods, a technology-based solution will allow VAT to be collected from the overseas business that is selling the goods in the UK. Overseas businesses will charge VAT at the point of purchase and will be expected to register with an HMRC digital service and account for VAT due.

If, however, the VAT on a parcel has not been paid by the supplier the person receiving the parcel will become responsible for paying any taxes due. Customs & Excise already have a system in place by which customers receiving parcels from outside the EU can pay any taxes due and the intention is to extend this service.

Are **you** ready for 2021?

A guide to the end of
EU transition for
Isle of Man Residents
and Businesses

#Isleberady



Isle of Man
Government

Reillys Eilan Vannin

Produced by the Isle of Man Government