

## **Isle of Man Relationship with the European Union**

The Isle of Man has a very limited legal relationship with the European Union. Article 355(5)(c) of the Treaty on the Functioning of the European Union (before the ratification and coming into force of the Lisbon Treaty it was Article 299(6)(c) of the Treaty establishing the European Community) states:

*“this Treaty shall apply to the Channel Islands and the Isle of Man only to the extent necessary to ensure the implementation of the arrangements for those islands set out in the Treaty concerning the accession of new Member States to the European Economic Community and to the European Atomic Energy Community signed on 22 January 1972.”*

The arrangements referred in Article 355(5)(c) of the Treaty are those set out in Protocol No. 3 to the Act of Accession which formed part of the United Kingdom's Treaty of Accession 1972 to what was then the European Economic Community. A copy of Protocol 3 is reproduced below. Under this special relationship the Island is outside of the European Union for most purposes.

Under Protocol 3, the Isle of Man is part of the customs territory of the Union. There is free movement of industrial and agricultural goods in trade between the Island and the Union. EU customs legislation and certain legislation relating to the trade in agricultural goods applies directly to the Island by virtue of Protocol 3.

The Isle of Man neither contributes to, nor receives anything from, the funds of the European Union.

Any proposal to amend the text of Protocol 3 would require the unanimous approval of all Member States of the EU.

Apart from the requirements of Protocol 3 all other EU legislation is not directly applicable to the Island. The Isle of Man Government may, however, choose to enact legislation that is similar to, or based on, EU legislation if it believes that this is in the Island's interests.

The Island's relationship with the Union allows it to trade with countries in the European Economic Area that are not EU Member States (Iceland, Liechtenstein and Norway) in a fashion generally similar to its trade with the Union itself.

### **Protocol 3 to the UK's Act of Accession**

#### **Article 1**

1. The Community rules on customs matters and quantitative restrictions, in particular those of the Act of Accession, shall apply to the Channel Islands and the Isle of Man under the same conditions as they apply to the United Kingdom. In particular, customs duties and charges having equivalent effect between those territories and the Community, as originally constituted and between those territories and the new Member States, shall be progressively reduced in accordance with the timetable laid down in Articles 32 and 36 of the Act of Accession. The Common Customs Tariff and the ECSC unified tariff shall be progressively applied in accordance with the timetable laid down in Articles 39 and 59 of the Act of Accession, and account being taken of Articles 109, 110 and 119 of that Act.

2. In respect of agricultural products and products processed therefrom which are the subject of a special trade regime, the levies and other import measures laid down in Community rules and applicable by the United Kingdom shall be applied to third countries.

Such provisions of Community rules, in particular those of the Act of Accession, as are necessary to allow free movement and observance of normal conditions of competition in trade in these products shall also be applicable.

The Council, acting by a qualified majority on a proposal from the Commission, shall determine the conditions under which the provisions referred to in the preceding sub-paragraphs shall be applicable to these territories.

## **Article 2**

The rights enjoyed by Channel Islanders or Manxmen in the United Kingdom shall not be affected by the Act of Accession. However, such persons shall not benefit from the Community provisions relating to the free movement of persons and services.

## **Article 3**

The provision of the Euratom Treaty applicable to persons or undertakings within the meaning of Article 196 of that Treaty shall apply to those persons or undertakings when they are established in the aforementioned territories.

## **Article 4**

The authorities of these territories shall apply the same treatment to all natural and legal persons of the Community.

## **Article 5**

If, during the application of the arrangements defined in this Protocol, difficulties appear on either side in relations between the Community and these territories, the Commission shall without delay propose to the Council such safeguard measures as it believes necessary, specifying their terms and conditions of application.

The Council shall act by qualified majority within one month.

## **Article 6**

In this protocol, Channel Islander or Manxman shall mean any citizen of the United Kingdom and Colonies who holds that citizenship by virtue of the fact that he, a parent or grandparent was born, adopted, naturalised or registered in the Island in question; but such a person shall not for this purpose be regarded as a Channel Islander or Manxman if he, a parent or grandparent was born, adopted, or naturalised or registered in the United Kingdom. Nor shall he be so regarded if he has at any time been ordinarily resident in the United Kingdom for five years.

The administrative arrangements necessary to identify those persons will be notified to the Commission.

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