

PORT PARTNERS

(CUSTOMS CLEARANCE) LTD

UK-Morocco Association Agreement (Fresh produce)





Introduction

On the 26th October 2019, the UK and Moroccan governments signed a trade and political continuity agreement. The signing of this agreement will give exporters the certainty they need to continue to trade on the same terms as they do under existing arrangements.

Objective of the UK-Morocco Association Agreement

- 1. The overriding objective is to preserve the link between Morocco and the United Kingdom established in article 1 of the EU-Morocco Association agreement:
- 2. Preserve the preferential conditions relating to trade:
- 3. Provide a platform for further trade liberalisation between Morocco and the UK:

Entry into Force

Article 11.3 of the UK-Morocco Agreement provides that the agreement shall enter into force on the later of:

- a. The date on which the EU-Morocco Agreement ceases to apply to the UK; and
- b. The date of the later of the notifications by which the UK and Morocco notify each other that they have completed their respective legal procedures.

For the UK-Morocco Agreement to enter into force, both parties must first complete their domestic legal procedures required for entry into force.

Article 11.4 of the UK-Morocco Agreement allows the parties to provisionally apply the agreement pending entry into force. Such provisional application shall take effect on the later of:

- a. The date on which the EU-Morocco Agreement ceases to apply to the UK; and
- b. The date of the later of the parties notifications

Entry Price System

The European Union's (EU) Entry Price System (EPS) is a variable tariff mechanism applying to 15 types of fruits and vegetables as detailed on the following pages.

The Entry Price System was introduced by the European Union (EU) to protect EU growers. The objective of which is to prevent the price level from non-EU countries having an adverse effect on prices within the community.

Under the EPS, a specific duty is charged in addition to the ad-valorem duty, whenever the price at which the goods are imported is below a pre-determined entry price. The specific duty varies depending on the differences between the entry price and the import price of the goods. In most cases, if the import price of the consignment undercuts the entry price by more than 8%, the full bound tariff is applied.

What has changed?

The UK has simplified the tariff by removing the entry price system for the 15 types of fruits and vegetables as specified in Annex 1 section 8 of the UK-Morocco agreement 'Modifications to protocol 1' of the EU-Morocco association agreement 'Article 2(3)(a)':

- The agreement allows for the UK to introduce and apply an Entry Price System (EPS) on or after entry into force, and;
- In the event the UK introduces and EPS, the agreement provides that the EPS will replicate in whole or in part, that applied in accordance with EU Council regulation (EU) No 1308/2013 Article 181 and any successor legislation which is applicable at time of entry into force;
- The UK's WTO goods schedule (published 24th July 2019) replicates the entry prices and specific tariffs as bound in the EU's WTO schedule. Any future UK EPS will therefore have entry prices and specific duties no higher than those specified in the UK's WTO goods schedule.

Important Note 1: The UK has not released ad-valorem duty rates that may be applied in the absence of an EPS which are expected to be confirmed later this year. The ad-valorem (%) rates shown on the following tables are therefore speculative.

Goods subject to an EU Entry Price System

The following tables show the simplification of the UK-Morocco tariff in comparison to the existing EU-Morocco tariff and Entry Price System (See important note 1).

Description	Commodity Code	Period	Current EU-Maroc Tariff	UK Global Tariff	UK Maroc Tariff
Apples	0808 10 80	Jan 1 - Mar 31	0.0 % + up to € 23.8 / 100kg	4.0 %	0.0 %
		Apr 1 - Jul 31	0.0 % + up to € 23.8 / 100kg	0.0 %	0.0 %
		Aug 1 - Dec 31	0.0 % + up to € 23.8 / 100kg	8.0 %	0.0 %
Apricots	0809 10 00	Jan 1 - May 31	0.0 %	20.0 %	0.0 %
		Jun 1 - Jul 31	0.0 % + up to € 22.7 / 100kg	20.0 %	0.0 %
		Aug 1- Dec 31	0.0 %	20.0 %	0.0 %
Artichokes	0709 91 00	Jan 1 - Jun 30	0.0 % + up to € 22.9 / 100kg	10.0 %	0.0 %
		Jul 1 - Oct 31	0.0 %	10.0 %	0.0 %
		Nov 1 - Dec 31	0.0 % + up to € 22.9 / 100kg	10.0 %	0.0 %
Cherries (Excl. sour)	0809 29 00	Jan 1 - May 20	0.0 %	12.0 %	0.0 %
		May 21 - May 31	0.0 % + up to € 27.4 / 100kg	12.0 %	0.0 %
		Jun 1 - Jul 31	0.0 % + up to € 27.4 / 100kg	6.0 %	0.0 %
		Aug 1 - Aug 10	0.0 % + up to € 27.4 / 100kg	12.0 %	0.0 %
		Aug 11 - Dec 31	0.0 %	12.0 %	0.0 %

Description	Commodity Code	Period	Current EU-Maroc Tariff	UK Global Tariff	UK Maroc Tariff
Clementine	0805 22 00	Jan 1 - end Feb	3.2 % (0.0 % Quota) + up to € 10.6 / 100kg	16.0 %	3.2 % (0.0% Quota)
		Mar 1 - Oct 31	0.0 %	16.0 %	0.0 %
		Nov 1 - Dec 31	3.2 % (0.0 % Quota) + up to € 10.6 / 100kg	16.0 %	3.2 % (0.0 % Quota)
Courgettes	0709 93 10	Jan 1 - Apr 20	12.8 % (0.0 % Quota) + up to € 15.2 / 100kg	12.0 %	12.8 % (0.0 % Quota)
		Apr 21 - May 31	5.1 % + up to € 15.2 / 100kg	12.0 %	5.1 %
		Jun 1 - Dec 31	12.8 % + up to € 15.2 / 100kg	12.0 %	12.8 %
Cucumbers	0707 00 05	Jan 1 - May 31	12.8 % (0.0% Quota) + up to € 37.8 / 100kg	12.0 %	12.8 % (0.0% Quota)
		Jun 1 - Oct 31	0.0 % + up to € 37.8 / 100kg	12.0 %	0.0 %
		Nov 1 - Dec 31	12.8 % (0.0% Quota) + up to € 37.8 / 100kg	12.0 %	12.8 % (0.0% Quota)
Lemons	0805 50 10	Jan 1 - Dec 31	0.0 % + up to € 25.6 / 100kg	6.0 %	0.0 %
Mandarins	0805 21 90	Jan 1 - end Feb	0.0 % + up to € 10.60 / 100kg	16.0 %	0.0 %
		Mar 1 - Oct 31	0.0 %	16.0 %	0.0 %
		Nov 1 – Dec 31	0.0 % + up to € 10.60 / 100kg	16.0 %	0.0 %

Description	Commodity Code	Period	Current EU-Maroc Tariff	UK Global Tariff	UK Maroc Tariff
Nectarines	0809 30 10	Jan 1 - Jun 10	0.0 %	16.0 %	0.0 %
		Jun 11 - Sep 30	0.0 % + up to € 13.0 / 100kg	16.0 %	0.0 %
		Oct 1 - Dec 31	0.0 %	16.0 %	0.0 %
Oranges (Navel)	0805 10 22	Jan 1 - Apr 30	0.0 % + up to € 7.10 / 100kg	10.0 %	0.0 %
		May 1 - May 31	0.0 % + up to € 7.10 / 100kg	2.0 %	0.0 %
		Jun 1 - Oct 31	0.0 %	2.0 %	0.0 %
		Nov 1 - Nov 30	0.0 %	10.0 %	0.0 %
		Dec 1 - Dec 3	0.0 % + up to € 7.10 / 100kg	10.0 %	0.0 %
Peaches	0809 30 90	Jan 1 - Jun 10	0.0 %	16.0 %	0.0 %
		Jun 11 - Sep 30	0.0 % + up to € 13.0 / 100kg	16.0 %	0.0 %
		Oct 1 - Dec 31	0.0 %	16.0 %	0.0 %
Pears (Excl. Perry)	0808 30 90	Jan 1 - Jan 31	0.0 % + up to € 23.8 / 100kg	8.0 %	0.0 %
		Feb 1 - Mar 31 Apr 1 - Jul 31	0.0 % + up to € 23.8 / 100kg	4.0 %	0.0 %
			0.0 % + up to € 23.8 / 100kg	0.0 %	0.0 %
		Aug 1 - Dec 31	0.0 % + up to € 23.8 / 100kg	10.0 %	0.0 %

Description	Commodity Code	Period	Current EU-Maroc Tariff	UK Global Tariff	UK Maroc Tariff
Plums	0809 40 05	Jan 1 - Jun 30	0.0 %	6.0 %	0.0 %
		Jul 1 - Sep 30	0.0 % + up to € 10.30 / 100kg	12.0 %	0.0 %
		Oct 1 - Dec 31	0.0 %	6.0 %	0.0 %
Table grapes	0806 10 10	Jan 1 - Jul 20	0.0 %	8.0 %	0.0 %
		Jul 21 - Nov 20	0.0 % + up to € 9.60 / 100kg	8.0 %	0.0 %
		Nov 21 - Dec 31	0.0 %	8.0 %	0.0 %
Tomatoes	Tomatoes 0702 00 00	Jan 1 - May 14	3.5 % (0.0% Quota) + up to € 29.8 / 100kg	8.0 %	3.5 % (0.0 % Quota)
		May 15 - May 31	5.7 % (0.0% Quota) + up to € 29.8 / 100kg	8.0 %	5.7 % (0.0 % Quota)
		Jun 1 - Sep 30	5.7 % + up to € 29.8 / 100kg	14.0 %	5.7 %
		Oct 1 - Oct 31	5.7 % (0.0% Quota) + up to € 29.8 / 100kg	14.0 %	5.7 % (0.0 % Quota)
		Nov 1 - Dec 31	3.5 % (0.0% Quota) + up to € 29.8 / 100kg	8.0 %	3.5 % (0.0 % Quota)

Tariff-rate Quotas (TRQ)

Tariff quotas allow a pre-determined quantity of a product to be imported at lower import duty rates (in-quota) than the duty rate normally applied for that product.

Commitments on tariffs for both the UK and Morocco have been transitioned without change with exception to those detailed below. This means that under the UK-Morocco Agreement tariff preferences applied by the UK for products from Morocco will remain the same as those applied by the EU.

What has changed?

- The size of tariff-rate quotas, which have been resized to address the fact that the UK will no longer be a member of the EU with access to the EU quota:
- The UK has removed the monthly sub-allocation of the tariff-rate quota relating to tomatoes, fresh or chilled.

The following tables show the new UK 'first-come first-served' quotas compared with current EU volumes (in tonnes) and the period of validity:

Tomatoes: 0702 00 00

Overta manifed	EU volumes		UK volumes		
Quota period	Basic	Additional	Basic	Additional	
October	14,700		42,842		
November	38,500	28,000	(Approx.:	4,668	
December	43,500	(No more than 30 % of this additional quota is to be used during any one month)	16.5 % of the EU volume)	(Approx.:	
January	43,500			16.5 % of the EU volume)	
February	43,500				
March	43,500				
April	22,800				
May	7,000				

Other produce for which a tariff rate quota applies

Description	Quota period	EU Volume	UK Volume	Percentage of EU Volume
Garlic 0703 20 00	Jan1 - Dec 31	1,500	204	Approx.: 13.5 %
Cucumbers 0707 00 05	Nov 1 - May 31	15,000	2,228	Approx.: 14.8 %
Courgettes 0709 93 10	Oct 1 - Apr 20	50,000	7,627	Approx.: 15.2 %
Clementine 0805 22 00	Nov 1 - end Feb	175,000	29,173	Approx.: 16.6 %
Strawberries 0810 10 00	Apr 1 - Apr 30	3,600	490	Approx.: 13.6 %
	May 1 – May 31	1,000	136	Approx.: 13.6 %

Other fresh produce tariff arrangements

The UK Government are yet to release duty rates that will be applied to imports from Morocco. However, as the objectives of the UK-Moroccan Association Agreement are to preserve: (a) the link between Morocco and the United Kingdom, (b) the preferential conditions relating to trade, and (c) provide a platform for further trade liberalisation between Morocco and the UK, it is safe to assume duty rates will be no higher than those currently applied under the EU-Moroccan agreement:

The following tables detail (some) existing EU duty rates which are expected to be preserved under the objectives of the agreement. However, it is important to note that the rates displayed are speculative:

Fruits

Description	Commodity code	EU CET	UK Global tariff	EU Maroc tariff	UK Maroc tariff
Avocado	0804 40 00	Jan 1 - Mar 31 4.0 % Jun 1 - Nov 30 5.1 % Dec 1 - Dec 31 4.0 %	4.0 %	0.0 %	0.0 %
Cantaloupe melon	0807 19 00	8.8 %	8.0 %	0.0 %	0.0 %
Date	0804 10 00	7.7 %	6.0 %	0.0 %	0.0 %
Fig	0804 20 10	5.6 %	4.0 %	0.0 %	0.0 %
Gala melon	0807 19 00	8.8 %	8.0 %	0.0 %	0.0 %
Raspberry	0810 20 10	8.8 %	8.0 %	0.0 %	0.0 %
Watermelon	0807 11 00	8.8 %	8.0 %	0.0 %	0.0 %

Vegetables

Description	Commodity code	EU CET	UK Global tariff	EU Maroc tariff	UK Maroc tariff
Brussel sprouts	0704 20 00	12.0 %	12.0 %	0.0 %	0.0 %
Green Beans (Haricot)	0708 20 00	10.4 % or a min € 1.6 / 100kg	10.0 %	0.0 %	0.0 %
Onion	0703 10 19	9.6 %	8.0 %	0.0 %	0.0 %
Radish	0706 90 90	12.0 %	12.0 %	0.0 %	0.0 %
Sweetcorn	0709 99 60	€ 9.4 / 100kg	£ 7.8 / 100kg	0.0 %	0.0 %
Sweet pepper	0709 60 99	7.2 %	6.0 %	0.0 %	0.0 %

Herbs

Description	Commodity code	EU CET	UK Global tariff	EU Maroc tariff	UK Maroc tariff
Basil	1211 90 86	0.0 %	0.0 %	0.0 %	0.0 %
Coriander	0709 99 90	12.8 %	12.0 %	0.0 %	0.0 %
Mint	1211 90 86	0.0 %	0.0 %	0.0 %	0.0 %
Parsley	0709 99 90	12.8 %	12.0 %	0.0 %	0.0 %
Rosemary	1211 90 86	0.0 %	0.0 %	0.0 %	0.0 %

Proof of origin

Title V Article 16 'General requirements' of the agreement states:

"Products originating in Morocco shall, on importation into the UK benefit from the provisions of the agreement upon submission of one of the following proofs of origin":

- 1. A movement certificate EUR1;
- 2. A movement certificate EUR-MED;
- 3. An invoice declaration or an invoice declaration EUR-MED may be made out:
 - a) By an approved exporter, or
 - b) By an exporter for any consignment consisting of one or more packages containing products whose total value does not exceed € 6,000.00

Phytosanitary Controls

All importers are required to provide the Animal and Plant Health Authorities (APHA) with *at least 3 working days advance notification* of landing controlled materials that require phytosanitary certificates. These materials are:

- All plants for planting;
- Common fruit (except bananas) other than preserved by deep freezing;
- Cut flowers;
- Some seeds and leafy vegetables, other than vegetables preserved by deep freezing;
- Potatoes from some countries;
- Machinery or vehicles which have been operated for agriculture or forestry purposes.

What has changed?

- The EU will not be obliged to carry out physical checks on controlled materials in transit through the EU that are destined for the UK;
- Controlled materials in transit through the EU but which have not had physical checks carried out in the EU will require checks in the UK. We anticipate 5% of PEACH applications to be selected for physical checks;
- Controlled materials arriving through Roll-on Roll-off (Ro Ro) locations in the UK, that have not had physical checks carried out in the EU, will have to go to an approved plant health facility to be inspected. These will include:
 - Trade premises approved as a Place of First Arrival (PoFA) authorised to host Plant Health inspections;
 - Other facilities that have been authorised for Plant Health controls, known as Alternative Inspection Posts;
 - ✓ Motis FSA in Dover will continue to carry out APHA physical inspections.

Useful links

- Summary of the UK-Morocco association agreement
- Continuing the UK's trade relationship with the Kingdom of Morocco
- UK-Morocco association agreement No.2 (2019)
- <u>EU-Morocco association agreement</u>
- UK Global tariff tool



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