

Trading in drug precursors if there's no Brexit deal

Summary

How trading in drug precursor chemicals would be affected if the UK leaves the EU with no deal.

Detail

If the UK leaves the EU in March 2019 without a deal, find out how this would affect you if you are handling and trading in drug precursor chemicals.

A scenario in which the UK leaves the EU without agreement (a 'no deal' scenario) remains unlikely given the mutual interests of the UK and the EU in securing a negotiated outcome.

Negotiations are progressing well and both we and the EU continue to work hard to seek a positive deal. However, it's our duty as a responsible government to prepare for all eventualities, including 'no deal', until we can be certain of the outcome of those negotiations.

For two years, the government has been implementing a significant programme of work to ensure the UK will be ready from day 1 in all scenarios, including a potential 'no deal' outcome in March 2019.

It has always been the case that as we get nearer to March 2019, preparations for a no deal scenario would have to be accelerated. Such an acceleration does not reflect an increased likelihood of a 'no deal' outcome. Rather it is about ensuring our plans are in place in the unlikely scenario that they need to be relied upon.

This series of technical notices sets out information to allow businesses and citizens to understand what they would need to do in a 'no deal' scenario, so they can make informed plans and preparations.

This guidance is part of that series.

Also included is an [overarching framing notice](<https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario/>) explaining the government's overarching approach to preparing the UK for this outcome in order to minimise disruption and ensure a smooth and orderly exit in all scenarios.

We are working with the devolved administrations on technical notices and we will continue to do so as plans develop.

Purpose

If the UK leaves the EU in March 2019 without a deal, find out how this would affect you if you are handling and trading in drug precursor chemicals.

Drug precursors are chemicals that can be used in the illicit manufacture of narcotic drugs. They also have legitimate commercial uses and are legally used in a wide variety of industrial processes, such as medicines, flavourings and fragrances.

They are divided into four categories, which are:

- category 1: the most sensitive substances (the 'main' drug precursors)
- category 2: less sensitive substances and pre-precursors
- category 3: bulk chemicals that can have different types of uses in the manufacturing process, for example as feedstock, solvents or impurities removers
- category 4: covers medicinal products for human and veterinary use containing ephedrine or pseudoephedrine.

Before 29 March 2019

If you're trading in drug precursor chemicals outside the EU you must hold a domestic drug precursor chemical licence (for category 1 substances) or registration (for all category 2 and some in cases category 3 substances).

If you're a UK company trading in drug precursor chemicals with another EU country, you don't need an import or export licence and the substance can be shipped immediately.

If you want to trade outside the EU you may need to apply for an import or export licence and you're required to provide a pre-export notification (PEN) for some categories of chemicals. This means that the substance cannot be shipped for 15 days while the importing authority considers the export. The application fee for an individual export or import licence is £24.

After March 2019 if there's no deal

In the unlikely event the UK leaves the EU with no deal, EU regulations would no longer apply to the UK and the UK would be treated by the EU as a 'third country'. This means that the current rules that apply for trading in drug precursor chemicals with countries outside the EU will apply for UK-EU trade. This is an established regime which derives from the requirements of wider international obligations under the UN International Drug Conventions.

The UK is transposing the relevant EU regulation into UK law, to enable the drug precursor chemicals regulatory system to operate.

If you are handling drug precursor chemicals in the UK, or you are already trading with non-EU countries, there will be no change to the licensing and registration requirements.

What you need to do

In the unlikely event of a no deal, you would need the same licenses and registration to trade with the EU as you currently need to trade with non-EU countries.

For category 1 substances you would need a domestic drug precursor chemical licence. For category 2 substances and some category 3 substances, you would need to make an application for a 'registration' with the Home Office.

You will need to apply for an import and/or export licences when trading with EU countries in certain categories of drug precursor chemicals.

You may also need a pre-export notification (PEN) to trade in certain drug precursor chemicals. The PEN requirement will depend on the category of chemical and individual country's requirements i.e. a country may request a PEN for certain drug precursor chemicals if there's an increased risk of diversion in their country.

The licensing/registration and PEN requirements are outlined below:

Domestic Licensing/Registration Requirements

- If you currently trade with the EU in Category 1 drug precursor chemicals – No change to domestic licence requirements – A domestic licence is always required if you are using drug precursors in the UK (end user), trading within the EU and exporting/importing with third countries.
- If you currently trade with the EU in Category 2A drug precursor chemicals – Change in requirements – You will need to register with the Home Office if you want to trade within the EU regardless of volume (currently you are only required to register if more than 100L per annum). If businesses are only handling drug precursors in the UK then there will be no change to requirements.
 - If you trade with the EU in Category 2B drug precursor chemicals – Change in requirements – You will need to register with the Home Office if you want to trade within the EU regardless of volume (currently only required to register if it exceeds certain volumes). If businesses are only handling drug precursors in the UK then there will be no change to requirements.
- If you trade with the EU in Category 3 drug precursor chemicals – Change in requirements – You will need to register with the Home Office if you want to trade within the EU and are exporting quantities which exceed certain volumes (depending on chemical but between 20KG – 100KG per annum). If you are only handling drug precursors in the UK then there will be no change to requirements.
- If you are trading with third countries in all categories of drug precursor chemicals – No change in requirements.
- If you only handle drug precursors in the UK – No change in requirements.

Fees are payable for all 'domestic' licences/registrations and range from £109 to £3,655, depending on whether an applicant already holds a licence with us.

Import and Export Licensing/Registration Requirements

- If you are trading within the EU in Category 1 drug precursor chemicals – Change in requirements – You will need to apply for an import and export licence and PEN.
- If you are trading within the EU in Category 2A drug precursor chemicals– Change in requirements – You will need to apply for an export licence and PEN. No change to import licences.
- If you are trading within the EU in Category 2B drug precursor chemicals – Change in requirements – You will need to apply for an export licence and a PEN may be required depending on the importing country's requirements. No change to import authorisations.
- If you are trading within the EU in Category 3 drug precursor chemicals – Change in requirements – You will need to apply for an export authorisation and a PEN may be required depending on importing country's requirements. No change to import authorisations.
- If you are trading within the EU in Category 4 drug precursor chemicals – Change in requirements – You may need to apply for an export licence and a PEN may be required depending on importing country's requirements. No change to import authorisations.

The fee for an individual export or import licence is £24.

More information

The UK is a signatory to the [United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988](<http://undocs.org/ST/CND/1/Add.3/Rev.2>) ("the UN Convention"), which establishes controls on these substances to prevent the illicit manufacturing of drugs while also allowing for legitimate trade.

EU legislation implements the UK's international obligations under Article 12 of the UN Convention through:

- Council Regulation (EC) No 273/2004 of the European Parliament and of the Council, which controls and monitors trade in drug precursors within the EU
- Council Regulation (EC) No 111/2005, which controls trade in drug precursors between EU and third countries

You can find out more about drug [precursor chemical licensing](<https://www.gov.uk/guidance/precursor-chemical-licensing>), how to apply for licences and registrations and the associated fees online.

Making an application to the Home Office – Domestic Licences/Registrations

As part of contingency planning for a no deal scenario, you may apply for a [domestic licence and registrations for drug precursor chemicals](https://eforms.homeoffice.gov.uk/outreach/drugs_registration.ofml) online now, although a fee will apply.

If you already hold a domestic licence/registration in order to trade with non-EU countries, you will not be required to apply for a separate licence for trade with the EU. Please note however that an individual licence or registration is required for each site. Please note that import-export licences can only be issued to holders of a valid domestic licence, where one is needed. Domestic licences are valid for a period of one year.

Making an application – Import and Export Licences/Registrations

Should a deal not be agreed with the EU, the import and exporting licensing requirements will come into place at 23:00 on 29 March 2019. The Home Office will process applications in date order – you should plan on the basis of a 7 working day processing time.

All import licences are normally valid for 3 months and export licences will be valid for 2 months or in line with the importing country's permit, whichever expires first. Please note that import or export licences cannot be issued until such time as the relevant domestic licence is held, should one be needed. If you are a UK business you must register for a [National Drugs Control System](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/652840/nds_user_guide_version_v_october_2017.pdf) (NDS) account to apply for any import or export licences in order to facilitate international trade. The NDS is used to administer the import and export licensing regime of the UK.

Registered NDS users can then [apply for a licence online](<https://dlcu.homeoffice.gov.uk/Default.aspx>). Individual import and/or export licences are required every time a shipment takes place.

This notice is meant for guidance only. You should consider whether you need separate professional advice before making specific preparations.

It is part of the government's ongoing programme of planning for all possible outcomes. We expect to negotiate a successful deal with the EU.

The UK government is clear that in this scenario we must respect our unique relationship with Ireland, with whom we share a land border and who are cosignatories of the Belfast Agreement. The UK government has consistently placed upholding the Agreement and its successors at the heart of our approach. It enshrines the consent principle on which Northern Ireland's constitutional status rests. We recognise the basis it has provided for the deep economic and social cooperation on the island of Ireland. This includes North-South cooperation between Northern Ireland and Ireland, which we're committed to protecting in line with the letter and spirit of Strand two of the Agreement.

The Irish government have indicated they would need to discuss arrangements in the event of no deal with the European Commission and EU Member States. The UK would stand ready in this scenario to engage constructively to meet our commitments and act in the best interests of the people of Northern Ireland, recognising the very significant challenges that the lack of a UK-EU legal agreement would pose in this unique and highly sensitive context.

It remains, though, the responsibility of the UK government, as the sovereign government in Northern Ireland, to continue preparations for the full range of potential outcomes, including no deal. As we do, and as decisions are made, we'll take full account of the unique circumstances of Northern Ireland.

*[PEN]: Pre-export notification *[NDS]: National Drugs Control System