



UTTANRÍKIS- OG MENTAMÁLARÁÐIÐ

MINISTRY OF FOREIGN AFFAIRS AND CULTURE

MEMORANDUM ON THE CONDITIONS FOR TRADE BETWEEN THE FAROE ISLANDS AND THE UNITED KINGDOM

Last updated July 2022

On 1 January 2021, the bilateral Free Trade Agreement between the United Kingdom and the Faroe Islands entered into force. The Agreement provides for the same tariff regime regarding trade between the Faroe Islands and the United Kingdom as existed prior to the UK's withdrawal from the European Union under the terms of the bilateral Free Trade Agreement between the Faroe Islands and the European Union.

The Faroe Islands /UK Free Trade Agreement can be found on the following [link](#).

- **Status of the Faroe Islands as a non-EU trading partner**

The Faroe Islands are part of the Kingdom of Denmark but constitute a separate jurisdiction. The Faroe Islands decided not to be included in Denmark's accession to the EEC in 1973. Neither the founding treaties of the EU nor EU legislation applies to the Faroe Islands.

Trade related matters, which are under the exclusive competence of Faroese authorities include, but are not limited to, taxes, duties, supplies, production, distribution, price controls and import and export controls. As a separate customs area, taxes and duties in the Faroe Islands are not aligned with those of Denmark or the European Union. Labour market and production regulations, including seafood production, are nevertheless in line with European standards.

In addition to the United Kingdom, the Faroe Islands have free trade agreements with the European Union, Norway, Switzerland and Turkey. The Faroe Islands also have a comprehensive free trade agreement with Iceland, which establishes a single economic area for the free exchange of goods, services, capital and persons.

The Faroe Islands are part of the Danish monetary area. Separate Faroese banknotes are issued and authorised. The Faroese króna is equivalent to the Danish krone. Danish banknotes are exchanged without commission in any bank in the Faroe Islands, as is the case for Faroese banknotes in Denmark.

- **Continuation of tariff-free regime from 1 January 2021**

With respect to imports from the United Kingdom to the Faroe Islands, all trade in goods is free of tariffs, with the only exceptions being duties on imports of fresh milk and cream products and a 5 tonne tariff free quota of sheep meat (11 tonnes from 2023).

From the Faroe Islands to the United Kingdom, all industrial goods can be imported free of tariffs. Seafood products outlined in Table 1 in the Annex to the Free Trade Agreement are mostly tariff free, with tariff-free quotas currently applying to some fish products, including fish feed.

- **Sanitary and Phytosanitary (SPS) requirements**

For imports from the Faroe Islands to the UK, British authorities have confirmed that Faroese imports that are fully harmonised with EU SPS standards and that are currently able to be exported to the EU will also be eligible for the UK's phased import arrangements. This means that Faroese imports of fishery products can continue to be imported into the UK without additional health certification or border inspection. UK authorities have advised that new UK health certificates and procedures for border inspection will not be implemented until 2023, at the earliest.

Pre-notification of all imports of animal products is required, [using the Import of products, animals, food and feed system \(IPAFFS\)](#).

Further details and updates regarding requirements for imports of goods to the UK are outlined on the [UK Government's website](#). See also the UK Government's guidance on [Importing or moving fish to the UK](#), which is regularly updated.

For imports from the UK to the Faroe Islands, the regulations providing for veterinary controls of animal products imported to the Faroe Islands have been amended to include a provisional exemption for physical checks on food from the UK originating from terrestrial animals, as well as feed for terrestrial animals.

Notwithstanding these provisional exemptions from physical border controls, all imports of animals and animal products to the Faroe Islands from the UK should be notified in advance to the Faroese Food and Veterinary Authority and should be accompanied by a health certificate. Import to the Faroe Islands of feed for aquaculture and live aquatic animals will follow regulations similar to EU regulations.

Further details on these requirements can be found on the website of the Faroese Food and Veterinary Authority at www.hfs.fo.

The Government of the Faroe Islands will give priority to concluding an agreement with the UK on SPS requirements for trade in products of animal origin in order to maintain high mutual standards of food safety while also encouraging the further development of bilateral trade.