

Relationship with the European Union

The Isle of Man has a special relationship with the European Union set out in Protocol 3 to the United Kingdom's Act of Accession 1972, which formed part of the Treaty of Accession. A copy of Protocol 3 is reproduced below. Under this special relationship the Island is neither a member state nor an associate member of the European Union. It is also worth emphasising that the Isle of Man is an internally self-governing dependent territory of the Crown and is not part of the UK.

Under Protocol 3, the Isle of Man is part of the customs territory of the Union. It follows that there is free movement of industrial and agricultural goods in trade between the Island and the Union.

The Isle of Man neither contributes to, nor receives anything from, the funds of the European Union, thus guaranteeing the Isle of Man's fiscal independence. Any proposal to change Protocol 3 would require the unanimous approval of all Member States of the Union, including, of course, the UK.

Apart from the requirements of the Protocol, in particular that the Isle of Man Authorities shall apply the same treatment to all natural and legal persons of the Union, the other Union rules do not apply. The Isle of Man Government may, however, choose to enact legislation that is similar to or based on EU legislation.

The Island's relationship with the Union allows it to trade with countries in the European Economic Area 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 subparagraphs 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.