

AS TABLED IN THE HOUSE OF ASSEMBLY

A BILL

entitled

CUSTOMS TARIFF AMENDMENT ACT 2014

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SCHEDULE

[See First Schedule Supplied by the Customs Department]

WHEREAS it is expedient to amend the Customs Tariff Act 1970 and to make a consequential amendment to the Revenue Act 1898;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act, which amends the Customs Tariff Act 1970 ("the principal Act"), may be cited as the Customs Tariff Amendment Act 2014.

Amends section 1

2 Section 1 of the principal Act is amended—

(a) by repealing the definition of "Heading" and substituting—

" "Heading" or "heading" means a heading of the Bermuda Nomenclature, being a numerical code (in the first column of a Chapter of the First Schedule) for goods of a particular class or description;"; and

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(b) by repealing the definition of “Tariff Code” and substituting—

“ “Tariff Code” or “tariff code” means a subheading of the Bermuda Nomenclature, being a numerical code (in the second column of a Chapter of the First Schedule) for goods of a particular class or description;”.

Amends section 5A

3 Section 5A of the principal Act is amended—

(a) in subsection (1)—

(i) by repealing paragraph (d) and substituting—

“(d) accompanied goods of tariff code 9802.009 to the value of \$200 imported by an islander;”;

(ii) by repealing paragraph (f) and substituting—

“(f) bona fide baggage imported within a period—

(i) starting 90 days before the arrival of the passenger to whom it belongs; and

(ii) ending 90 days after the arrival of the passenger, at the discretion of the Collector of Customs;”;

(iii) by repealing paragraph (i) and substituting—

“(i) accompanied goods of tariff code 9802.009 to the value of \$50 imported by a visitor;”;

(b) in subsection (6) by deleting “Medals, cups and similar items” and substituting “Goods”.

Repeals and replaces First Schedule

4 The First Schedule to the principal Act is repealed and replaced by the First Schedule in the Schedule to this Act.

Amends Second Schedule

5 The Second Schedule to the principal Act is amended in the first sentence thereof by deleting “or to goods taken out of bond under subsections (3) and (4) of section 36 of the Revenue Act 1898”.

Amends Fifth Schedule

6 The Fifth Schedule to the principal Act is amended in the Table of End-Use Reliefs—

(a) by repealing CPC 4103 and substituting—

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Description	Commercial fishing equipment and bait
CPC	4103
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	<ol style="list-style-type: none"> 1. Goods of tariff code 0511.910. 2. Lubricating oils of heading 27.10 in bulk. 3. Monofilament line of heading 39.16. 4. Fishing floats of tariff code 3926.90. 5. Traps and parts of tariff code 3926.90. 6. Cordage, ropes and cables of tariff codes 5607.290, 5607.490, 5607.500 and 5607.900. 7. Goods of tariff code 5608.110. 8. Rudders and struts of tariff code 7326.900. 9. Goods of tariff codes 8407.210, 8407.290 and 8408.100. 10. Goods of tariff codes 8409.910 and 8409.990 for goods of tariff codes 8407.210, 8407.290 and 8408.100. 11. Goods of tariff codes 8413.500, 8413.600, 8413.700 and 8413.810. 12. Goods of tariff code 8413.910 for goods of tariff codes 8413.500, 8413.600, 8413.700 and 8413.810. 13. Machinery of tariff code 8422.300 for filling, closing, sealing, or labelling bottles, cans, boxes, bags or other containers. 14. Heat shrink wrapping machinery of tariff code 8422.400. 15. Refrigerators, freezers and ice making machinery of tariff code 8418.690. 16. Winches of tariff codes 8425.310 and 8425.390. 17. Goods of tariff code 8438.500. 18. Ice crushing machinery of tariff code 8479.820. 19. Ice shaving machinery of tariff code 8479.899. 20. Goods of heading 84.83. 21. Gaskets and mechanical seals of tariff codes 4016.930, 4504.900, 4823.900 and heading 84.84. 22. Propellers of 8487.100. 23. Goods of tariff codes 8502.110, 8502.120, 8502.130 and 8502.200. 24. Parts of tariff code 8503.000 for goods of tariff codes 8502.110, 8502.120, 8502.130 and 8502.200. 25. Goods of heading 85.11. 26. Goods of tariff code 8526.100. 27. Goods of tariff code 8526.910.

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	28. Echo sounders, scanning sonar and fish finders of tariff code 9014.800. 29. Fighting chairs of tariff codes 9401.610, 9401.690, 9401.710, 9401.790 and 9401.800. 30. Fish hooks, weights, swivels, lines, lures, floats, butterfly nets, artificial bait and other line fishing tackle of heading 95.07 (except fishing rods and reels).
End-Use Conditions / Restrictions	1. Goods must be used only— (a) to maintain, repair or refit fishing vessels licensed under regulation 5 of the Fisheries Regulations 2010; (b) for fishing by persons registered under regulation 12 of the Fisheries Regulations 2010; or (c) to chill, freeze, process, or pack Bermuda fish products prior to marketing. 2. Goods must be approved by the Director of Environmental Protection. In this CPC “bulk” means in an aggregate volume equal to or greater than 12 litres.
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

(b) by repealing CPC 4140 and substituting—

Description	Goods for youth organizations and St. John Ambulance Brigade.
CPC	4140
Duty Rate	0%
Eligible Beneficiary	St. John Ambulance Brigade; Bermuda Girl Guides Association; Bermuda Sea Cadets Association; Boys' Brigade; Church Lads' & Church Girls' Brigade; Girls' Brigade; Duke of Edinburgh's Award, Bermuda; Outward Bound Bermuda; Pathfinder Club (Seventh-Day Adventist Church of Bermuda); Raleigh International, Bermuda; and Scout Association - Bermuda Branch.
Qualifying Goods	Articles of uniform and equipment.
End-Use Conditions / Restrictions	Goods must be imported and used only for the purposes of the relevant eligible beneficiary.
Specific Controls /	

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Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

(c) by repealing CPC 4152 and substituting—

“

Description	Paper for use in the printing industry.
CPC	4152
Duty Rate	0%
Eligible Beneficiary	Commercial printers
Qualifying Goods	1. Paper, excluding newsprint of heading 48.01 2. Envelopes of tariff code 4817.100
End-Use Conditions / Restrictions	Goods must be imported and used exclusively by the local commercial printing industry for printing purposes.
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

”;

(d) by repealing CPC 4160 and substituting—

“

Description	Commercial tour boats
CPC	4160
Duty Rate	10%
Eligible Beneficiary	All importers
Qualifying Goods	1. Vessels 2. Equipment, furnishings, fittings, fixtures and parts.
End-Use Conditions / Restrictions	1. Vessels must be— (a) licensed under section 4 of the Marine Board (Island Boats) Regulations 1965; and (b) used exclusively for commercial tours or commercial sport diving purposes. 2. Equipment, furnishings, fittings, fixtures and parts must be imported and used only to equip, furnish, refit, repair or maintain qualifying vessels.
Specific Controls /	

”

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Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

(e) in the “Qualifying Goods” row of CPC 4169, by repealing paragraph 7 and substituting—

“7. Lymphedema sleeves and equipment.

8. Equipment designed to compensate for speech impediment.

9. Other equipment which assists disabled people with severe handicap to their limbs.”;

(f) by repealing CPC 4181;

(g) by repealing CPC 4198 and substituting—

“

Description	Awards
CPC	4198
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	All goods
End-Use Conditions / Restrictions	Goods must be imported for award to a person for distinction in art, literature, science or sport, or for public service, or otherwise in recognition of meritorious achievement or conduct and must be so awarded.
Specific Controls / Diversion	The Collector of Customs may require the production of any supporting documents.
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

”;

(h) by repealing CPC 4202 and substituting—

“

Description	Goods for use as memorials
CPC	4202
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	1. Goods of heading 68.02 2. Goods of tariff code 9703.009

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	3. Goods of tariff code 8310.000
End-Use Conditions / Restrictions	Goods must be imported and used only as memorials for deceased persons or historical events or to be affixed thereto.
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

”;

(i) by repealing CPC 4208 and substituting—

“

Description	Goods for integrated electronic communications networks
CPC	4208
Duty Rate	0%
Eligible Beneficiary	ICOL holders and their agents
Qualifying Goods	Electronic communications equipment, apparatus and machinery (except customer premises equipment).
End-Use Conditions / Restrictions	1. The goods must be imported for and incorporated in infrastructure to establish, construct and operate electronic communications network infrastructure on an integrated basis, subject to the terms of an ICOL granted by the Regulatory Authority under the Electronic Communications Act 2011. 2. In this CPC— “customer premises equipment” has the meaning given in section 2 of the Electronic Communications Act 2011; “ICOL” and “ICOL holders” have the meaning given in the Electronic Communications Act 2011.
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

”; and

(j) by, after CPC 4209, inserting the following CPCs—

“

Description	Goods for Government capital expenditure schemes
CPC	4210

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Duty Rate	Such rate as is determined by the Minister of Finance in respect of the qualifying goods. (This rate must be set out in a Head of Department's certificate.)
Eligible Beneficiary	All importers
Qualifying Goods	All goods
End-Use Conditions / Restrictions	<p>1. Goods must be imported and used only for the purposes of a Bermuda Government capital expenditure scheme approved by the Cabinet of the Government of Bermuda (an "approved scheme").</p> <p>2. The Head of a Bermuda Government Department (a "Head of Department") shall complete a certificate (a "Head of Department's certificate") and thereon certify that the importation is for the purposes of a particular approved scheme.</p> <p>3. A Head of Department's certificate shall be in such form, and contain such particulars, as the Collector of Customs shall determine.</p> <p>4. The customs declaration for the imported goods shall include such reference to the Head of Department's certificate as the Collector of Customs shall require.</p> <p>5. A Head of Department's certificate shall be published in accordance with the Statutory Instruments Act 1977, provided that section 6 (parliamentary scrutiny of statutory instruments) of that Act shall not apply.</p>
Specific Controls / Diversion	<p>1. The holder of an authorisation to import goods under this relief, whenever so required by the Collector of Customs, shall permit the Collector or any person authorised by him for that purpose, to inspect any goods declared for this relief and to enter any premises in order to inspect such goods.</p> <p>2. The Head of Department shall keep a record of each Head of Department's certificate certified by him, and the Collector of Customs may determine the form and the manner in which such record is to be kept.</p>
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.
Description	Goods for Global Marine Systems (Bermuda) Limited
CPC	4211

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Duty Rate	0%
Eligible Beneficiary	Global Marine Systems (Bermuda) Limited
Qualifying Goods	Telecommunication cable, equipment, apparatus and machinery
End-Use Conditions / Restrictions	Goods must be imported and used directly and solely for the purpose of providing, maintaining, repairing and extending offshore submarine cables.
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.
Description	Goods for controlled multi-sensory environment therapy (Snoezelen rooms)
CPC	4212
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	All goods
End-Use Conditions / Restrictions	1. Goods must be used exclusively in rooms designed for controlled multi-sensory environment therapy. 2. Goods must be approved by the Chief Medical Officer.
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.
Description	Goods for automated external defibrillators (AEDs)
CPC	4213
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	1. Goods of heading 85.07 2. Electrodes of tariff code 9018.909
End-Use Conditions / Restrictions	Goods must be imported and used exclusively with automated external defibrillators.
Specific Controls /	

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Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.
Description	Goods for optical lens production
CPC	4214
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	Optical lens blanks, lens polish and other materials and supplies
End-Use Conditions / Restrictions	Goods must be imported and used only with machines of tariff code 8479.891
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

Amends Sixth Schedule

7 The Sixth Schedule to the principal Act is amended in the Table of Temporary Importation Reliefs—

- (a) by repealing CPC 5010 (Cinematographic projectors) and CPC 5011 (Cinematography films and equipment); and
- (b) by, after CPC 5029, inserting—

Description	Commercial Traveller's samples
CPC	5030
Duty Rate	0%
Eligible Beneficiary	Commercial Travellers
Qualifying Goods	All goods
Temporary Importation Conditions / Restrictions	The goods must be imported and used only to solicit orders for goods of the type they represent. In this CPC "commercial traveller" means a person other than a person ordinarily resident in Bermuda who, on behalf of any person, firm, company or corporate body outside Bermuda, takes or receives or solicits orders for anything capable of being sold or disposed of for valuable consideration.

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Specific Controls / Diversion	1. Security for the relieved duty shall be provided in such form and manner as the Collector of Customs may require as a condition of authorization. 2. The goods must be exported within 30 days of importation or such longer period as the Collector of Customs may in any particular case specify. 3. The Collector of Customs in issuing an authorization may make it subject to such other conditions as he considers appropriate for protecting the revenue.
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

Miscellaneous amendments to Schedules

8 (1) The Fifth Schedule is amended—

- (a) in CPC 4104, in the “End-Use Conditions / Restrictions” row, by—
 - (i) deleting “Agriculture, Fisheries and Parks” and substituting “Environmental Protection”; and
 - (ii) deleting “the Environment” and substituting “Health and Environment”;
- (b) in CPC 4119, in the “End-Use Conditions / Restrictions” row, by deleting “Agriculture and Fisheries” and substituting “Environmental Protection”;
- (c) in CPC 4124 by—
 - (i) deleting “Department of Tourism” wherever it appears and substituting “Bermuda Tourism Authority”; and
 - (ii) deleting “Director of Tourism” and substituting “Chief Executive Officer of the Bermuda Tourism Authority”; and
- (d) in CPC 4171 by deleting “Works, Engineering and Housing” and substituting “Public Works”.

(2) The Sixth Schedule is amended by—

- (a) deleting “Department of Tourism” wherever it appears in CPC 5007 and CPC 5022, and substituting “Bermuda Tourism Authority”; and
- (b) deleting “Director of Tourism” wherever it appears in CPC 5007, CPC 5009, CPC 5022, CPC 5023 and CPC 5024, and substituting “Chief Executive Officer of the Bermuda Tourism Authority”.

Consequential amendment to Revenue Act 1898

9 Section 27 (commercial travellers samples) of the Revenue Act 1898 is repealed.

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Commencement

10 This Act comes into operation on 1 April 2014.

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SCHEDULE

(section 4)

[SEE FIRST SCHEDULE SUPPLIED BY THE CUSTOMS DEPARTMENT]

CUSTOMS TARIFF AMENDMENT BILL 2014

EXPLANATORY MEMORANDUM

This Bill (“the Act”) seeks to amend the Customs Tariff Act 1970 (“the principal Act”) to: (a) make changes to certain duty free allowances in section 5A, (b) repeal and replace the First Schedule, and (c) make certain changes to the Second, Fifth and Sixth Schedules. The Act also makes a consequential amendment to the Revenue Act 1898 (repealing section 27 thereof).

Clause 1 is self-explanatory.

Clause 2 clarifies the definitions of “Heading” and “Tariff Code”.

Clause 3 amends section 5A of the principal Act. Paragraph (a)(i) extends application of the \$200 personal allowance to include all persons who are entitled to reside in Bermuda. Paragraph (a)(ii) extends the period during which the Collector of Customs may authorise duty free allowance in respect of unaccompanied baggage. Paragraph (a)(iii) increases to \$50 the allowance for accompanied personal goods of visitors (whether or not the goods are intended as a gift) and removes the once every 31 day restriction on claims. Paragraph (b) seeks to expand the scope of the duty free allowance for awards.

Clause 4 repeals and replaces the First Schedule of the principal Act.

Clause 5 amends the Second Schedule to the principal Act by removing a spent reference to section 36 of the Revenue Act 1898.

Clause 6 makes various amendments in the Table of End-Use Reliefs in the Fifth Schedule to the principal Act. Paragraph (a) replaces CPC 4103 (commercial fishing equipment and bait). Paragraph (b) replaces CPC 4140 (goods for youth organizations and St. John’s Ambulance Brigade). Paragraph (c) replaces CPC 4152 (paper for use in printing industry). Paragraph (d) replaces CPC 4160 (commercial tour boats). Paragraph (e) amends CPC 4169 (medical appliances and equipment that are designed to compensate for a physical disability or chronic medical condition). Paragraph (f) repeals CPC 4181 (class-racing sailboats). Paragraph (g) replaces CPC 4198 (awards). Paragraph (h) replaces CPC 4202 (goods for use as memorials). Paragraph (i) replaces CPC 4208 (goods for integrated electronic communications networks). Paragraph (j) inserts the following new CPCs: (i) CPC 4210 (goods for Government capital expenditure projects); (ii) CPC 4211 (goods for Global Marine Systems (Bermuda) Limited); (iii) CPC 4212 (goods for controlled multi-sensory environment therapy (Snoezelen rooms)); and (iv) CPC 4213 (goods for automated external defibrillators (AEDs)).

Clause 7 amends the Sixth Schedule to the principal Act. Paragraph (a) repeals CPC 5010 (cinematographic projectors) and CPC 5011 (cinematography films and equipment). Paragraph (b) inserts a new CPC 5030 (Commercial Traveller’s samples).

Clause 8 makes general amendments to Fifth and Sixth Schedules to the principal Act, correcting outdated references to Government Departments and officers.

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Clause 9 provides for the consequential repeal of section 27 (commercial travellers samples) of the Revenue Act 1898.

Clause 10 provides for commencement on 1 April 2014.

The Schedule to the Bill contains the new First Schedule to the principal Act.