

AS TABLED IN THE HOUSE OF ASSEMBLY

A BILL

entitled

CUSTOMS TARIFF AMENDMENT (NO. 2) ACT 2019

WHEREAS it is expedient to amend the First and Fifth Schedules to the Customs Tariff Act 1970:

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, may be cited as the Customs Tariff Amendment (No. 2) Act 2019.

Amends the First Schedule

2 The First Schedule to the Customs Tariff Act 1970 is amended—

- (a) in tariff code 2203.000 by revoking and replacing the rate of duty "\$1.26" with the rate of duty "\$1.36";
- (b) in tariff codes 2204.100, 2204.210, 2204.220, 2204.290, 2204.300, 2205.100, and 2205.900 by revoking and replacing the rate of duty "\$5.00" with the rate of duty "\$6.00";
- (c) in tariff code 2206.000 by revoking and replacing the rate of duty "\$1.26" with the rate of duty "\$1.36";
- (d) in tariff codes 2207.100, 2208.200, 2208.300, 2208.400, 2208.500, 2208.600, 2208.700, and 2208.900, by revoking and replacing the rate of duty "\$31.35" with the rate of duty "\$32.00";
- (e) in tariff codes 2401.200 and 2401.300 by revoking and replacing the rate of duty "\$300.00" with the rate of duty "\$500.00";
- (f) in tariff code 2402.200 by revoking and replacing the rate of duty "\$0.37" with the rate of duty "\$0.40";
- (g) in tariff code 2403.110, 2403.190, 2403.910, and 2403.990 by revoking and replacing the rate of duty "\$300.00" with the rate of duty "\$500.00";

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- (h) in tariff code 9801.103 by revoking and replacing the rate of duty "\$12.54" with the rate of duty "\$12.89";
- (i) in tariff code 9801.104 by revoking and replacing the rate of duty "\$5.00" with the rate of duty "\$6.00";
- (j) in tariff code 9801.309 by revoking and replacing the rate of duty "25%" with the rate of duty "35%";
- (k) in tariff code 9801.209 by revoking and replacing the rate of duty "\$74.00" with the rate of duty "\$80.00";
- (l) by revoking and replacing tariff code 2401.100 with the following—

“

Heading	Tariff Code		Unit for Duty	Unit of Classification	Rate of Duty
	2401.100	- - Tobacco, not stemmed/ stripped	value	1. kg	\$500.00

”;

- (m) by revoking and replacing tariff code 9803.141 with the following—

“

Heading	Tariff Code		Unit for Duty	Unit of Classification	Rate of Duty
	9803.141	- Footwear	value	1. kg	6.5%
	9803.143	- Watches	value	1. kg	12.5%

”;

- (n) by revoking and replacing tariff code 9803.163 with the following—

“

Heading	Tariff Code		Unit for Duty	Unit of Classification	Rate of Duty
	9803.163	- Cigars, cheroots, cigarillos, containing tobacco	value	1. kg	35%
	9803.164	- Smoking tobacco	value	1. kg	\$500.00

”; and

- (o) in tariff code 9803.171 by revoking and replacing the rate of duty "\$74.00" with the rate of duty "\$80.00".

Amends the Fifth Schedule

3 The Fifth Schedule to the Customs Tariff Act 1970 is amended—

- (a) by revoking and replacing CPC 4110 with the following—

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Description	School equipment, stationery and educational supplies
CPC	4110
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	All goods
End-Use Conditions or Restrictions	Classroom and office stationery; art equipment and supplies; sports, physical education and recreational equipment; audio equipment (excluding Karaoke systems) and accessories; visual equipment and accessories; computer equipment, parts and accessories; musical instruments; teaching aids; classroom furniture and equipment (including equipment for home economics); office furniture and equipment; lighting fittings; wall clocks; network equipment and cabling; telephones; flooring materials and systems; security cameras; plumbing; drywall supplies; dollies and casters; doors, windows and their frames and thresholds for doors. For the avoidance of doubt, the relief extends to furniture and equipment for libraries, assembly halls, auditoriums and gymnasiums.
End-Use Conditions / Restrictions	1. Goods must be imported and used to educate pupils enrolled in a school registered pursuant to section 12 of the Education Act 1996. 2. The Commissioner of Education shall certify that the goods are eligible for this relief.
Specific Controls / Diversion	

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Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.
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(b) in CPC 4119 by revoking and replacing the words “Director of Environmental Protection” with the words “Director of the Department of Environment and Natural Resources”.

(c) by revoking and replacing CPC 4195 with the following—

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Description	Goods for pollution control
CPC	4195
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	All goods
End-Use Conditions / Restrictions	1. Goods must be used only in connection with the control of pollution. 2. The Director or the Environmental Engineer of the Department of Environment and Natural Resources shall certify that the goods are eligible for this relief.
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

”

(d) in CPC 4215 by—

(i) inserting in end-use condition 1, after the words “local commercial production”, the words “and retail packaging”; and

(ii) revoking and replacing the words “Director of the Department of Environmental Protection” with the words “Director of the Department of Environment and Natural Resources”.

(e) in CPC 4218 by revoking and replacing the words “Director of the Department of Environmental Protection” with the words “Director of the Department of Environment and Natural Resource”.

Commencement

4 This Act shall come into operation on 1 April 2019.

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EXPLANATORY MEMORANDUM

This Bill seeks to amend the First and Fifth Schedules to the Customs Tariff Act 1970.

Clause 1 is the citation.

Clause 2 amends the First Schedule to the Customs Tariff Act 1970: (a) in tariff code 2203.000 by revoking and replacing the rate of duty "\$1.26" with the rate of duty "\$1.36". This amendment is being made for revenue raising purposes; (b) in tariff codes 2204.100, 2204.210, 2204.220, 2204.290, 2204.300, 2205.100, and 2205.900 by revoking and replacing the rate of duty "\$5.00" with the rate of duty "\$6.00". These amendments are being made for revenue raising purposes; (c) in tariff code 2206.000 by revoking and replacing the rate of duty "\$1.26" with the rate of duty "\$1.36". This amendment is being made for revenue raising purposes; (d) in tariff codes 2207.100, 2208.200, 2208.300, 2208.400, 2208.500, 2208.600, 2208.700, and 2208.900, by revoking and replacing the rate of duty "\$31.35" with the rate of duty "\$32.00". These amendments are being made for revenue raising purposes; (e) in tariff codes 2401.200 and 2401.300 by revoking and replacing the rate of duty "\$300.00" with the rate of duty "\$500.00";. These amendments are being made to achieve effective parity with new \$0.40 rate for tariff code 2402.200; (f) in tariff code 2402.200 by revoking and replacing the rate of duty "\$0.37" with the rate of duty "\$0.40". This amendment is being made for revenue raising purposes; (g) in tariff code 2403.110, 2403.190, 2403.910, and 2403.990 by revoking and replacing the rate of duty "\$300.00" with the rate of duty "\$500.00". These amendments are being made to achieve effective parity with new \$0.40 rate for tariff code 2402.200; (h) in tariff code 9801.103 by revoking and replacing the rate of duty "\$12.54" with the rate of duty "\$12.89". The accompanied personal goods rate is being raised to match the new rate for spiritous beverages of heading 22.08; (i) in tariff code 9801.104 by revoking and replacing the rate of duty "\$5.00" with the rate of duty "\$6.00". The accompanied personal goods rate is being raised to match new rate for wines of heading 22.04 and 22.05; (j) in tariff code 9801.309 by revoking and replacing the rate of duty "25%" with the rate of duty "35%". The accompanied personal goods rate is being raised to match the existing rate for cigars, cheroots and cigarillos of tariff code 2402.100; (k) in tariff code 9801.209 by revoking and replacing the rate of duty "\$74.00" with the rate of duty "\$80.00". The accompanied personal goods rate for cartons of 200 cigarettes is being raised to match the new rate for cigarettes of tariff code 2402.200; (l) by revoking and replacing tariff code 2401.100, thereby replacing the rate of duty "35%" with the rate of duty of "\$500.00". The duty rate for tariff code 2401.100 is being changed to a specific duty rate of \$500.00 per kg to match the rates for other unmanufactured tobaccos of heading 24.01; (m) by revoking and replacing tariff code 9803.141 with tariff codes 9803.141 and 9803.143, thereby dividing tariff code 9803.141 into two codes. These tariff codes are being divided into two to ensure that imports of footwear and watches via post and courier can be separately accounted for; (n) by revoking and replacing tariff code 9803.163 with tariff codes 9803.163 and 9803.164, thereby dividing tariff code 9803.163 into two. The tariff codes are being divided into two so that the duty rate for smoking tobacco imported via post and courier will match the duty rate for smoking tobacco in heading 24.03; and (o) in tariff code 9803.171 by revoking and replacing the rate of duty "\$74.00"

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with the rate of duty "\$80.00". The duty rate for cartons of 200 cigarettes imported via post and courier will match the new duty rate for 2402.200.

Clause 3 amends the Fifth Schedule to the Customs Tariff Act 1970: (a) by revoking and replacing CPC 4110, thereby adding a revised "End-Use Conditions or Restrictions" to the same. These amendments are also being made to assist registered schools with their expenditures on school equipment by widening the scope of relief to include the listed articles: (b) in CPC 4119 by revoking and replacing the words "Director of Environmental Protection" and replacing them with the words "Director of the Department of Environment and Natural Resources". (c) by revoking and replacing CPC 4195 with a new CPC 4195, thereby widening the scope of relief to include all goods for the control of pollution. This amendment also serves to expand the scope of relief to allow the duty free importation of goods for controlling any kind of pollution event, subject to the certification of the Director or the Environmental Engineer of the Department of Environment and Natural Resources; (d) in CPC 4215 by: (i) inserting in end-use condition 1, after the words "local commercial production", the words "and retail packaging"; and (ii) revoking and replacing the words "Director of the Department of Environmental Protection" with the words "Director of the Department of Environment and Natural Resources". These amendments expand the scope of relief to include retail packaging for local animal and vegetable products. The packaging will help to keep local produce clean and safe for human consumption in order to ensure high quality and to prolong shelf life. The expanded relief will help to reduce local food production costs allowing local farmers to better compete with cheaper overseas imports; and (e) in CPC 4218 by revoking and replacing the words Director of the Department of Environmental Protection" with the words "Director of the Department of Environment and Natural Resources".

Clause 4 is the commencement provision.