

A BILL

entitled

CUSTOMS TARIFF AMENDMENT (NO. 3) ACT 2022

WHEREAS it is expedient to amend 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 may be cited as the Customs Tariff Amendment (No. 3) Act 2022.

Amends First Schedule

2 (1) The First Schedule to the Customs Tariff Act 1970 is amended by deleting "5%" and substituting "0%" in each of the following tariff codes—

- (a) 0207.110; 0207.120; 0207.130; 0207.140; 0207.240; 0207.250; 0207.260 and 0207.270;
- (b) 0405.100;
- (c) 0904.110 and 0904.120;
- (d) 1507.900;
- (e) 1508.900;
- (f) 1509.200; 1509.300; 1509.400 and 1509.900;
- (g) 1511.900;
- (h) 1512.190 and 1512.290;
- (i) 1513.190 and 1513.290;
- (j) 1514.190 and 1514.990;
- (k) 1515.190; 1515.290 and 1515.500;
- (l) 1604.140;
- (m) 1902.110; 1902.190; 1902.200; 1902.300 and 1902.400;

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(n) 2007.109; 2007.910 and 2007.990;

(o) 2103.200;

(p) 3401.110; and

(q) 9619.001.

(2) The First Schedule to the Customs Tariff Act 1970 is amended with respect to each of the headings specified below, by inserting therein the following Tariff codes, Description, Units for duty, Units of Classification and Rates of duty as the case may be—

(a) in heading 02.01 as follows—

“

0201.301	--- Ground beef	value	1.kg	0%
0201.309	--- Other	value	1.kg	5%

”;

(b) in heading 02.02 as follows—

“

0202.301	--- Ground beef	value	1.kg	0%
0202.309	--- Other	value	1.kg	5%

”;

(c) in heading 04.06 as follows—

“

0406.301	--- Processed cheese sliced, put up for retail sale	value	1.kg	0%
0406.309	--- Other processed cheese	value	1.kg	5%
0406.901	--- Cheddar	value	1.kg	0%
0406.909	--- Other cheese	value	1.kg	5%

”;

(d) in heading 07.08 as follows—

“

0708.202	--- Green beans (<i>Phaseolus vulgaris</i>)	value	1.kg	0%
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”;

(e) in heading 08.03 as follows—

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0803.901	--- Bananas, fresh	value	1.kg	0%
0803.909	--- Other	value	1.kg	5%

”;

(f) in heading 19.05 as follows—

“

1905.902	--- Bread, fresh or chilled	value	1.kg	0%
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”;

(g) in heading 20.05 as follows—

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2005.591	--- Green beans (<i>Phaseolus vulgaris</i>)	value	1.kg	0%
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”;

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2005.599	--- Other	value	1.kg	5%	”;
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(h) in heading 20.08 as follows—

2008.111	--- Paste of peanuts only (peanut butter)	value	1.kg	0%	”;
2008.119	--- Other	value	1.kg	5%	

(i) in heading 34.02 as follows—

3402.501	--- Laundry detergent	value	1.kg	0%	”;
3402.502	--- Dish detergent	value	1.kg	0%	
3402.509	--- Other	value	1.kg	12.5%	

(j) in heading 96.19 as follows—

9619.003	--- Sanitary towels (pads) and tampons	value	1.kg	0%.	”;
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(k) in heading 15.17 as follows—

1517.901	--- Shortening	value	1.kg	5%.	”.
1517.909	--- Other	value	1.kg	5%	

(3) Consequentially upon the amendments to the First Schedule to the Customs Tariff Act 1970 set forth in subsection (2), the First Schedule is amended as follows—

- (a) in heading 02.01, the Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 0201.300, and the tariff code amended to “0201.30”;
- (b) in heading 02.02, the Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 0202.300, and the tariff code amended to “0202.30”;
- (c) in heading 07.08, the Tariff Code, Description, Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 0708.201;
- (d) in heading 04.06—
 - (i) the Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 0406.300, and the tariff code amended to “0406.30”; and
 - (ii) the Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 0406.900, and the tariff code amended to “0406.90”;
- (e) in heading 08.03, the Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 0803.900, and the tariff code amended to “0803.90”;

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- (f) in heading 20.05, the Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 2005.590, and the tariff code amended to “2005.59”;
- (g) in heading 20.08, the Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 2008.110, and the tariff code amended to “2008.11”;
- (h) in heading 34.02, the Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 3402.500, and the tariff code amended to “3402.50”; and
- (i) in heading 15.17, the Unit for Duty, Unit of Classification and Rate of Duty are deleted for tariff code 1517.900, and the tariff code amended to “1517.90”.

Amends the Fifth Schedule

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

- (a) in CPC 4240, in End-Use Condition 3, by deleting “31st August 2023”, and substituting “30th September 2023”;
- (b) by inserting after CPC 4240 the following—

“

Description	Goods for local commercial manufacturing of bread and baked goods
CPC	4241
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	Goods of such description or quantity as may be approved by the Minister in the relevant approved business notice made under this CPC, in accordance with policy guidelines issued by the Minister and published in such manner as he sees fit

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End-Use Conditions / Restrictions	<p>1. Goods must be imported for and used only in the local commercial manufacture of bread and baked goods by an approved business.</p> <p>2. In this CPC—</p> <p>“approved business” means a business or organisation approved by the Minister by notice published in the Gazette (which shall not be subject to parliamentary scrutiny);</p>
	<p>“commercial manufacture of bread and baked goods” means the conversion, by mechanical means or otherwise, of raw food products for sale for consideration.</p>
Specific Controls / Diversion	
Construction	<p>For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.</p>

Amends section 1 of Cost of Living Commission Act 1974

4 Section 1 of the Cost of Living Commission Act 1974 is amended by repealing the definition of “business undertaking” and substituting the following—

“business undertaking” includes—

- (a) a business or company in Bermuda operated on a self-service basis that offers a wide range of food and other household goods, including essential commodities; and
- (b) the supplier in Bermuda of the business or company referred to in paragraph (a);”.

Commencement

5 This Act shall come into operation on such day as the Minister of Finance may by notice in the Gazette appoint.

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EXPLANATORY MEMORANDUM

This Bill seeks to amend the First Schedule and the Fifth Schedule to the Customs Tariff Act 1970 (the “principal Act”).

Clause 2 amends the First Schedule to the principal Act to reduce the rate of import duty to zero (0%) for 21 categories of essential goods as follows: ground beef; chicken (fresh, chilled or frozen); turkey (fresh, chilled or frozen); butter; processed cheese slices; cheddar cheese; green beans; fresh bananas; pepper; cooking oil; tuna (canned and dry packed); pasta; bread (fresh or chilled); jam; peanut butter; tomato ketchup and other tomato sauce; bath soap bars; laundry detergent; dish detergent; diapers for babies; and sanitary towels (pads) and tampons. Amendments to a number of tariff codes are made in consequence.

Clause 3 amends the Fifth Schedule to the principal Act to extend the duty relief period for the BHB and to insert a new end use relief as follows:

- Paragraph (a) amends CPC 4240 (end-use duty relief for hospital operating supplies). This amendment seeks to assist the BHB in offsetting additional operating expenses. The period of the new relief is to be restricted to 18 months, from 1st April 2022 until 30th September 2023.
- Paragraph (b) inserts a new end use relief (CPC 4241) which provides a 0% rate of duty for goods imported for, and used only in, the local commercial manufacture of bread and baked goods by a business or organisation approved for this purpose by the Minister by notice published in the Gazette.

Clause 4 amends the Cost of Living Commission Act 1974 in section 1 in the definition of “business undertaking” to provide for the definition to also apply to suppliers in Bermuda of the businesses and companies referred to in the definition.

Clause 5 provides for commencement.