

A BILL

entitled

CUSTOMS TARIFF AMENDMENT ACT 2018

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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 Act 2018.

Amends section 13

2 In section 13 of the Customs Tariff Act 1970 ("the principal Act") (obligation to pay duty upon diversion), in subsection (1)(b), delete "that have been specified in a customs declaration as being classifiable" and substitute "that are classifiable".

Repeals and replaces the First Schedule

3 The First Schedule to the principal Act is repealed and replaced by the contents of the Schedule to this Act.

Amends the Fifth Schedule

4 (1) The Fifth Schedule to the principal Act (end use relief) is amended as set out in this section.

(2) The following CPCs are repealed—

(a) CPC 4147 (other refractory substances);

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- (b) CPC 4148 (resins and chemicals);
- (c) CPC 4154 (aluminium cans);
- (d) CPC 4176 (PVC articles);
- (e) CPC 4177 (sheet steel);
- (f) CPC 4214 (goods for optical lens production).

(3) In CPC 4130 (electric generating equipment), in the description for “Qualifying Goods”, insert—

“3. Utility scale battery energy storage systems and parts.”

(4) In CPC 4140 (goods for youth organizations and St. John Ambulance Brigade)—

- (a) delete the description for “Eligible beneficiary” and insert “All importers”;
- (b) delete the description for “End-Use Conditions/Restrictions” and substitute—

“1. Goods must be imported and used only for the purposes of an approved organization.

2. In this CPC, “approved organization” means an organization approved by the Minister by notice published in the Gazette (which shall not be subject to parliamentary scrutiny).”

(5) Repeal and replace CPC 4169 (medical appliances and equipment that are designed to compensate for a physical disability or chronic medical condition) as follows—

Description	Medical equipment and supplies
CPC	4169
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	1. Mechano-therapy braces; walking canes; seat canes; and cane tips 2. Oxygen cylinders and regulators; oxygen concentrators; oxygen masks and cannulas; oxygen-conserving devices; oxygen resuscitation bags; and other similar appliances, specifically designed for oxygen, respiratory or aerosol therapy including peak flow meters 3. Apnea monitors and positive airway pressure (PAP) machines 4. Ostomy supplies

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	<p>5. Equipment designed to compensate for decreased vision or hearing</p> <p>6. Diabetic equipment and supplies</p> <p>7. Lymphedema sleeves and equipment</p> <p>8. Equipment designed to compensate for speech impediment</p> <p>9. Renal dialysis equipment</p> <p>10. Other equipment which assists disabled people with severe handicap to their limbs</p> <p>11. Food supplements</p> <p>12. Parts and accessories of qualifying goods</p>
End-Use Conditions / Restrictions	<p>1. The goods must be used to compensate for a physical disability or to treat or monitor a chronic medical condition.</p> <p>2. The Chief Medical Officer must certify that food supplements are eligible for this relief.</p>
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

(6) In consequence of revised CPC 4169, repeal CPC 4163 (renal dialysis).

(7) In CPC 4220 (passenger motor cars licensed as trucks), in the description for “End-Use Conditions/Restrictions”, in both conditions 1 and 2, delete “light truck or intermediate truck” and substitute “light, intermediate or heavy truck”.

(8) Repeal CPC 4223 (goods for the 35th America’s Cup).

(9) In CPC 4227 (batteries for electric vehicles), in the description for “Qualifying Goods”, delete “Goods of tariff code 8507.600 (lithium ion accumulators)” and substitute “Electric accumulators of heading 85.07”.

(10) At the end of the Fifth Schedule, insert the following new CPC—

Description	Specialised vehicles for the physically disabled
CPC	4230
Duty Rate	35%
Eligible Beneficiary	All importers

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Qualifying Goods	Goods of heading 87.03 designed or adapted to transport physically disabled persons
End-Use Conditions / Restrictions	1. Goods must be registered as a physically disabled vehicle with the Transport Control Department. 2. Registration as a physically disabled vehicle with the Transport Control Department must be maintained. 3. Goods must be used mainly to transport physically disabled persons.
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

(11) After new CPC 4230 inserted by subsection (10), insert—

Description	Sporting events approved by the Bermuda Tourism Authority
CPC	4231
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	All goods
End-Use Conditions / Restrictions	1. Goods must be imported and used only in connection with the holding of a sporting event in Bermuda. 2. The sporting event must be approved by the chief operations officer of the Bermuda Tourism Authority.
Specific Controls / Diversion	
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

Amends the Sixth Schedule

5 (1) The Sixth Schedule to the principal Act (temporary importation relief) is amended as set out in this section.

(2) Repeal CPC 5006 (vessels - racing or exhibition).

(3) CPC 5007 is repealed and replaced as follows—

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Description	Goods for promoting or publicising Bermuda abroad
CPC	5007
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	All goods
Temporary Importation Conditions / Restrictions	1. Goods must be imported and used for work which promotes or publicises Bermuda in other countries. 2. The chief operations officer of the Bermuda Tourism Authority or the Head of Operations of the Bermuda Business Development Agency shall certify that the goods qualify 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.

(4) CPC 5022 is repealed and replaced as follows—

Description	Sporting events approved by the Bermuda Tourism Authority
CPC	5022
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	All goods
Temporary Importation Conditions / Restrictions	1. Goods must be imported and used only in connection with the holding of a sporting event in Bermuda. 2. The sporting event must be approved by the chief operations officer of the Bermuda Tourism Authority.
Specific Controls / Diversion	Goods must be exported within 30 days of the end of the sporting event or within such longer period as the Collector of Customs may in any particular sporting event specify.
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

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(5) At the end of the Sixth Schedule, insert the following new CPC—

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Description	Goods for NASA Space Flight Temporary Mobile Tracking Station
CPC	5033
Duty Rate	0%
Eligible Beneficiary	All importers
Qualifying Goods	All goods
Temporary Importation Conditions / Restrictions	Goods must be imported and used only by representatives of NASA for the purposes of the Research Range Services Programme.
Specific Controls / Diversion	Goods must be exported within 30 days of the end of the support mission(s) or within such longer period as the Collector of Customs may in any particular case specify.
Construction	For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC.

”

### Commencement

- 6 (1) Subject to subsection (2), this Act shall come into operation on 1 April 2018.
- (2) Section 4(2) shall come into operation on such date as the Minister of Finance may appoint by notice published in the Gazette.

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SCHEDULE

(Section 3)

FIRST SCHEDULE

The First Schedule to the principal Act (Bermuda nomenclature and import duties) is published on the Bermuda Government Portal at the following web address: [www.gov.bm/schedules-customs-tariff-act-1970](http://www.gov.bm/schedules-customs-tariff-act-1970).

## CUSTOMS TARIFF AMENDMENT BILL 2017

### EXPLANATORY MEMORANDUM

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

Clause 1 is self-explanatory.

Clause 2 amends section 13(1)(b) of the principal Act by deleting words so that customs duty on diversion is payable so long as the relevant goods are classifiable in the tariff codes.

Clause 3 provides that the First Schedule to the principal Act (Bermuda nomenclature and import duties) is repealed and replaced by the contents of the Schedule to this Act. The First Schedule will be published on the Bermuda Government Portal at the following web address: [www.gov.bm/schedules-customs-tariff-act-1970](http://www.gov.bm/schedules-customs-tariff-act-1970). This year’s amendments include a reduction to 0% duty on eggs and certain fresh fruit and vegetables; increased duty on certain wine and tobacco products; and reduced duty on certain linen products, shoes and clocks.

Clause 4 amends the Fifth Schedule to the principal Act to repeal specified CPC codes which will be incorporated under CPC 4229 (goods for local commercial manufacturing); to amend CPC 4130 (electric generating equipment); to revise CPC 4140 (goods for youth organisations and St. John Ambulance Brigade) so that approved organisations will be gazetted by the Minister; to replace and broaden the scope of CPC 4169 (medical appliances and equipment that are designed to compensate for a physical disability or chronic medical condition) and to repeal CPC 4163 (renal dialysis) in consequence; to amend CPC 4220 (passenger motor cars licensed as trucks) to include heavy trucks; to repeal CPC 4223 (goods for the 35th America’s Cup) which is spent; to amend CPC 4227 (batteries for electric vehicles); and to insert new CPC 4230 (specialised vehicles for the physically disabled) and new CPC 4231 (sporting events approved by the Bermuda Tourism Authority).

Clause 5 amends the Sixth Schedule to the principal Act (temporary importation relief) to repeal CPC 5006 (vessels – racing or exhibition) as this relief will be covered by other CPCs; to broaden the scope of CPC 5007 (goods for promoting or publicising Bermuda abroad); to reform CPC 5022 (sporting events approved by the Bermuda Tourism Authority); and to insert new CPC 5033 (goods for NASA Space Flight Temporary Mobile Tracking Station).

Clause 6 provides for commencement on 1 April 2018, except for clause 4(2) which will come into operation on a date or dates appointed by the Minister of Finance.