

AS TABLED IN THE HOUSE OF ASSEMBLY

A BILL

entitled

CUSTOMS TARIFF AMENDMENT ACT 2017

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SCHEDULE
First Schedule

WHEREAS it is expedient to amend the Customs Tariff Act 1970 and the Customs Duty (Special Remission) Act 1951;

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") and the Customs Duty (Special Remission) Act 1951, may be cited as the Customs Tariff Amendment Act 2017.

Amends section 13(1)(b) of the principal Act

2 Section 13(1)(b) of the principal Act is amended, by—

- (a) repealing and replacing the words "any tariff code" with the words "tariff code 9801.411 or tariff code 9802.101"; and
- (b) repealing the words "that bears a 0% rate of duty".

Repeals and replaces First Schedule

3 The First Schedule to the Customs Tariff Act 1970 (in this Act referred to as "the principal Act") is repealed and replaced by the contents of the Schedule to this Act.

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Amends the Fifth Schedule to the principal Act

4 The Fifth Schedule is amended—

- (a) in CPC 4110, in the description for “Qualifying Goods”, by adding the next sentence “For the avoidance of doubt, the relief extended extends to furniture and equipment for libraries, assembly halls, auditoriums and gymnasiums.”;
- (b) in CPC 4130, in the description for “Qualifying Goods”, by repealing and placing the same with the following—

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| | |
|------------------|---|
| Qualifying Goods | 1. Electric generating and waste heat recovery equipment and parts; and 2. Air quality monitoring instruments and associated equipment. |
|------------------|---|

”;

- (c) in CPC 4169 (Medical appliances and Equipment), in the description for “End-Use Conditions / Restrictions”, by repealing the words “All goods must be approved by the Chief Medical Officer.”;
- (d) by repealing and replacing CPC 4172, with the following—

“

| | |
|-----------------------------------|---|
| Description | Goods for national security |
| CPC | 4172 |
| Duty Rate | 0% |
| Eligible Beneficiary | All importers |
| Qualifying Goods | All goods |
| End-Use Conditions / Restrictions | 1. Goods must only be used by or on behalf of a Bermuda Government Department for improving marine safety, saving lives at sea, protection of the coastal and marine environment, surveillance of the coastal and marine environment, and for all other purposes of border protection and national security to the satisfaction of the Collector of Customs. 2. The Head of a Bermuda Government Department 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. |

”;

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- (e) in CPC 4209 (Goods for demand-side management systems), in the description for “Qualifying Goods”, by repealing and replacing the words “Equipment, apparatus and machinery” with the words “All goods.”;
- (f) in CPC 4217 (Goods for ocean scientific research, etc.), in the description “End-Use Conditions / Restrictions”, by repealing and replacing condition 1 with the following—

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| | |
|-----------------------------------|--|
| End-Use Conditions / Restrictions | 1. Goods must be imported and used by an approved organization for the purposes of— (a) ocean scientific research, environmental protection or education; (b) the construction, maintenance and enhancement of buildings, facilities, vessels and equipment owned, leased or used by the approved organization; or (c) the operations and administration of the approved organization. |
|-----------------------------------|--|

”;

- (g) by repealing CPC 4704 (Goods of tariff code 2710.193 (HAGO));
- (h) by repealing and replacing CPC 4705 (Goods of tariff code 2710.193 (HAGO)) with the following—

“

| | |
|-----------------------------------|--|
| Description | Goods of tariff code 2710.194 (Fuel oil) |
| CPC | 4705 |
| Duty Rate | 20¢ per l |
| Eligible Beneficiary | Bermuda Electric Light Company Ltd. (“BELCO”) |
| Qualifying Goods | Goods of tariff code 2710.194 |
| End-Use Conditions / Restrictions | Product must be used exclusively by BELCO. |
| 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 adding after CPC 4224, the following—

“

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|----------------------|------------------------------------|
| Description | Goods for renewable energy systems |
| CPC | 4226 |
| Duty Rate | 0% |
| Eligible Beneficiary | All importers |

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| | |
|-----------------------------------|--|
| Qualifying Goods | All goods |
| End-Use Conditions / Restrictions | Goods must be imported for and incorporated in a renewable energy system or its structures or mounting systems. In this CPC “renewable energy system” means any apparatus principally designed to transform ocean wave, solar or wind energy into usable electrical, kinetic, light, mechanical or thermal energy. |
| Specific Controls / Diversion | |
| Construction | For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC. |

”;

(j) by adding after the new CPC 4226, the following—

“

| | |
|-----------------------------------|--|
| Description | Batteries for electric vehicles |
| CPC | 4227 |
| Duty Rate | 0% |
| Eligible Beneficiary | All importers |
| Qualifying Goods | Goods of tariff code 8507.600 (lithium ion accumulators) |
| End-Use Conditions / Restrictions | Goods must be imported and used only as the power source for— (a) goods of tariff code 8702.400 (motor vehicles for the transport of ten or more persons, including the driver, with only electric motor for propulsion); (b) goods of tariff code 8703.800 (motor cars with only electric motor for propulsion); (c) goods of tariff code 8704.901 (motor vehicles for the transport of goods with only electric motor for propulsion); (d) goods of tariff code 8711.600; (motorcycles and auxiliary cycles); or (e) carriages for disabled persons with only electric motor for propulsion of tariff code 8713.900. |
| Specific Controls / Diversion | |
| Construction | For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC. |

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(kj) by adding next after the new CPC 4227, the following—

| | |
|-----------------------------------|--|
| Description | Goods for the Airport Utility-Scale Solar PV Installation |
| CPC | 4228 |
| Duty Rate | 0% |
| Eligible Beneficiary | All importers |
| Qualifying Goods | All goods |
| End-Use Conditions / Restrictions | 1. Goods must be imported for and incorporated in the LF Wade International Airport Utility-Scale Solar Photovoltaic Installation (hereafter (“USSPVI”) or its structures or mounting systems. 2. Goods must be imported during the construction and operation phases of the USSPVI. 3. The controller of the company carrying out the USSPVI shall certify that the goods qualify for the relief. |
| Specific Controls / Diversion | |
| Construction | For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC. |

(l) by adding next after the new CPC 4228, the following—

| | |
|-----------------------------------|--|
| Description | Goods for local commercial manufacturing |
| CPC | 4229 |
| Duty Rate | 5% |
| Eligible Beneficiary | All importers |
| Qualifying Goods | All goods |
| End-Use Conditions / Restrictions | 1. Goods must be imported for and used only in the local commercial manufacture of goods by an approved business. 2. Goods must be incorporated in locally manufactured goods. 3. In this CPC— “approved business” means a business organization approved by the Minister by notice published in the Gazette (which shall not be subject to parliamentary scrutiny). “commercial |

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| | manufacture of goods” means the conversion, by mechanical means or otherwise, of raw materials, components or parts into goods for use or sale for consideration, and excludes the preparation of foodstuffs and the manufacture alcoholic beverages and products containing tobacco or tobacco substitutes. |
| Specific Controls / Diversion | |
| Construction | For the avoidance of doubt, the general provisions of this Schedule shall be construed as one with this CPC. |

”; and

(m) by repealing CPC 4187 and CPC 4189.

Amends the Customs Duty (Special Remission) Act 1951

5 The Customs Duty (Special Remission) Act 1951 is amended by—

(a) repealing section 7; and

(b) repealing and replacing section 8(6) with the following—

“(6) In this section—

“exempted goods” has the meaning assigned to it in section 6; and

“locally manufactured goods” means any goods or articles manufactured in Bermuda wholly or partly from exempted goods by an exempted person in carrying on a manufacturing undertaking in Bermuda.”.

Commencement

6 This Act shall come into operation on 1 April 2017.

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SCHEDULE

(Section 3)

FIRST SCHEDULE

First Schedule

The First Schedule is published on the Bermuda Government Portal at the following web address: www.gov.bm/schedules-customs-tariff-act-1970

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EXPLANATORY MEMORANDUM

This Bill seeks to amend the Customs Tariff Act 1970 (the “principal Act”) and the Customs Duty (Special Remission) Act 1951.

Clause 1 is the citation.

Clause 2 amends section 13(1)(b) of the principal Act, by: (a) repealing and replacing the words “any tariff code” with the words “tariff code 9801.411 or tariff code 9802.101”; and (b) repealing the words “that bears a 0% rate of duty” as these words have now been determined to be superfluous.

Clause 3 The First Schedule to the Customs Tariff Act 1970 (“the principal Act”) is repealed and replaced by the contents of the Schedule to this Act. The First Schedule is published on the Bermuda Government Portal at the following web address: www.gov.bm/schedules-customs-tariff-act-1970 .

Clause 4 amends the Fifth Schedule to the principal Act: (a) in CPC 4110, in the description for “Qualifying Goods”, by adding the next sentence “For the avoidance of doubt, the relief extended extends to furniture and equipment for libraries, assembly halls, auditoriums and gymnasiums.”; (b) in CPC 4130, in the description for “Qualifying Goods”, by repealing and placing the same with “1. Electric generating and waste heat recovery equipment and parts; and 2. Air quality monitoring instruments and associated equipment.”; (c) in CPC 4169 (Medical appliances and Equipment), in the description for “End-Use Conditions / Restrictions”, by repealing the words “All goods must be approved by the Chief Medical Officer.”; (d) by repealing and replacing CPC 4172; (e) in CPC 4209 (Goods for demand-side management systems), in the description for “Qualifying Goods”, by repealing and replacing the words “Equipment, apparatus and machinery” with the words “All goods.”; (f) in CPC 4217 (Goods for ocean scientific research, etc.), in the description “End-Use Conditions / Restrictions”, by repealing and replacing condition 1 with “1. Goods must be imported and used by an approved organization for the purposes of— (a) ocean scientific research, environmental protection or education; (b) the construction, maintenance and enhancement of buildings, facilities, vessels and equipment owned, leased or used by the approved organization; or (c) the operations and administration of the approved organization.”; (g) by repealing CPC 4704 (Goods of tariff code 2710.193 (HAGO)); (h) by repealing and replacing CPC 4705 (Goods of tariff code 2710.193 (HAGO)) with CPC 4705 (Goods of tariff code 2710.194 (Fuel oil)); (i) by adding CPC 4226 (Goods for renewable energy systems); (j) by adding CPC 4227 (Batteries for electric vehicles); (k) by adding CPC 4228 (Goods for the Airport Utility-Scale Solar PV Installation); (l) by adding CPC 4229 (Goods for local commercial manufacturing); and (m) by repealing CPC 4187 and CPC 4189.

Clause 5 amends the Customs Duty (Special Remission) Act 1951: (a) by repealing section 7; (b) repealing and replacing section 8(6), thereby adding definitions for “exempted goods” and “locally manufactured goods”.

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Clause 6 is the commencement provision.