



CUSTOMS FACT SHEET

New Zealand Customs Service – IMPORTANT INFORMATION

NUMBER 7A GOODS CLEARANCE FEES

This Fact Sheet explains the fees that apply to import and export clearances and inward and outward cargo reports lodged with Customs. It should be read in conjunction with Customs Fact Sheets 7 (Clearance of imported goods), 6, 6A, and 6B (Clearance of goods for export).

Why have the fees been introduced?

Customs has introduced new trade security measures to enhance New Zealand's security and help maintain the flow of our export trade across foreign borders during times of heightened international security concerns. The main elements of the Customs Supply Chain Security Strategy are:

- Advanced electronic reporting of information about inward and outward cargo.
- Intelligence-based risk assessment.
- Examination of cargo identified as high risk to New Zealand or trading partners, using both non-invasive technology and physical inspection, as required.
- Voluntary agreements with exporters under the Secure Exports Partnership (SEP) programme to reduce risk.

The Government decided that part of the cost of the Supply Chain Security Strategy would be recovered through new charges, and included provisions in changes to the Customs and Excise Act 1996 to enable this.

What are the fees and who pays them?

Inward Cargo Transaction Fee (ICTF)

This fee is charged on every import Electronic Cargo Information (ECI) report lodged with Customs. The fee is \$352 (including GST) when the report relates to goods carried by sea, and \$30 (including GST) when the report relates to goods carried by air. An Import ECI report is used by:

- Carriers and freight agents to lodge an Inward Cargo Report in advance of the arrival of a ship or aircraft in New Zealand (as required under section 21 of the Customs and Excise Act 1996), and
- Importers, Customs brokers, freight forwarders, and the like to get Customs clearance for goods that are exempt from the requirement to lodge an import entry, and on which less than \$50 duty and/or GST is payable (as required under regulation 26(2) of the Customs and Excise Regulations 1996).

The fee is payable by whoever transmits the ECI message to Customs e.g., the vessel or aircraft operator; a shipping company or airline sharing space on the craft; a cargo consolidator; a freight forwarder, Customs broker, or importer.

Note that for goods imported by parcels post, if the total Customs value of all goods imported by a single importer on one day is less than NZ\$1,000, and there is less than \$50 duty and/or GST collectively payable, Customs clearance is not required for those goods.

Outward Cargo Transaction Fee (OCTF)

This fee is charged on every export Electronic Cargo Information (ECI) report lodged with Customs. The fee is \$11.25 (including GST) when the report relates to goods carried by sea, and \$3.75 (including GST) when the report relates to goods carried by air. An Export ECI report is used by:

- Cargo consolidators and integrators to lodge a Consolidation Outward Report to allow loading of consolidated shipments aboard a ship or aircraft departing New Zealand (as required under section 34 of the Customs and Excise Act 1996), and
- Carriers and freight agents to lodge an Outward Cargo Report following the departure of a ship or aircraft from New Zealand (as required under section 34 of the Customs and Excise Act 1996), and
- Exporters, Customs brokers, freight forwarders and the like to get Customs clearance for goods that are exempt from the requirement to lodge an export entry, (as required under regulation 29(2) of the Customs and Excise Regulations 1996) or for transshipment consignments (when required by Rule 4(a)(ii) of the Customs (Import Entry) Rules 1997).

The fee is payable by whoever transmits the ECI message to Customs e.g., the vessel or aircraft operator; a shipping company or airline sharing space on the craft; a cargo consolidator; a freight forwarder, Customs broker, or exporter.

Note that for goods exported by parcels post, if the total Customs value of all goods exported by a single importer on one day is less than NZ\$1,000, Customs clearance is not required for those goods.

Import Entry Transaction Fee (IETF)

This fee is charged on every Standard Import Entry and Simplified Import Entry lodged with or prepared by Customs, unless exempted. From 1 October 2006, the Import Entry Transaction Fee (IETF) is \$25.38 (including GST).

The fee includes a *biosecurity risk screening levy* of \$3.38 collected by Customs on behalf of the Ministry of Agriculture and Forestry (MAF). This levy will be charged on all imports that attract the IETF. The funds collected by Customs from the levy are paid to MAF.

A Standard Import Entry is used by importers, Customs brokers, freight forwarders and the like to declare to Customs goods with a Customs value of NZ\$1,000 or more, as required under section 39(1) of the Customs and Excise Act 1996.

A Simplified Import Entry is used by importers, Customs brokers, freight forwarders and the like to declare to Customs:

- Goods with a Customs value of less than NZ\$1,000 on which more than \$50 duty and GST is payable (as required under regulations 25(i) and 26(2) of the Customs and Excise Regulations 1996), and
- Unaccompanied personal or household effects of any value that qualify for related duty concessions (as required under regulation 26(2) of the Customs and Excise Regulations 1996).

However a Simplified Import Entry can also be used to gain Customs clearance for goods on which less than \$50 duty and/or GST is payable, rather than an Import ECI Report, if the importer or agent chooses. Due to the new ICTF fee outlined above that is payable on Import ECI Reports, and the IETF exemptions outlined below, this may often be the better option.

The fee is payable by either the importer named on the entry, or by whoever lodges the entry with Customs, depending on the method of payment chosen i.e., Cash, Client Deferred Payment, or Broker Deferred Payment.

Export Entry Transaction Fee (EETF)

This fee is charged on every export entry lodged with Customs, including export entries for drawback. The fee is \$4 (including GST) when the entry is for goods being exported under a Customs-approved Secure Exports Scheme under section 53C of the Customs and Excise Act 1996, and \$5.75 (including GST) for other goods.

An Export Entry is used by exporters, Customs brokers, freight forwarders and the like to declare to Customs goods with a Customs value of NZ\$1,000 or more, as required under section 49(1) of the Customs and Excise Act 1996, and also to claim drawback of duty for goods with a Customs value of less than NZ\$1,000. However it can also be used to gain Customs clearance for goods with a Customs value of less than NZ\$1,000, rather than an Export ECI Report, if the exporter or agent chooses. Due to the new ECTF fee outlined above that is payable on Export ECI Reports, this may often be the better option for goods to be exported by sea.

The fee is payable by whoever lodges the entry with Customs e.g., an exporter or a Customs broker.

Are there any exemptions to the fees?

The only exemptions in place relate to the Import Entry Transaction Fee. Under regulation 24A(2) of the Customs and Excise Regulations 1996, those exemptions are:

Temporary Import Entries

- (a) Goods that the Chief Executive is satisfied, under section 116(1) of the Act, have been temporarily imported.

Transshipment Entries

- (b) Goods conveyed, removed, or transshipped for export.
- (c) Goods subject to the control of the Customs that are to be transported from one Customs controlled area to another Customs controlled area for future Customs clearance.

Short Shipments

- (d) Goods in respect of which an entry has already been made and the duty paid because an entry was made in respect of those goods when an earlier consignment was found to be short packed, short shipped, or short landed.

Sight Entries

- (e) Goods in respect of which full details are not available in order to make a full or complete entry.

Duty Deminimus Goods

- (f) Goods—
 - (i) on which no duty is payable, or
 - (ii) on which, together with the any other goods imported by or for the person on the same craft on which those goods arrived, or, in the case of a postal article, together with any other goods imported by or for the person in the same dispatch of mail, the total duty and/or GST payable amounts to less than \$50.

Private Imports

- (g) Goods that —
- (i) are for the person's own personal, non-commercial use and not for resale; and
 - (ii) have a Customs value that, together with the Customs value of any other goods imported by or for the person on the same craft on which those goods arrived, or, in the case of a postal article, together with the Customs value of any other goods imported by or for the person in the same dispatch of mail, amounts to less than \$1,000.

Note:

To claim the exemption for private imports under (g), the code "PVT" must be inserted in the Other Information Code field of the entry header (refer to *Fact Sheet 28—Advice on Importing Goods into New Zealand*).

What happens if I cancel an entry or ECI Report?

If an entry or ECI report is cancelled after the fee has been stated, the fee will be refunded by appearing as a credit on your next statement. Otherwise the cancelled entry or ECI report details will be matched against the original entry.

What are the billing arrangements for the new IETF?

The IETF will be invoiced and collected using the same process as for the present ITF i.e., via cash invoice, or monthly Client Deferred account, or fortnightly Broker Deferred account, dependent on the method of payment stated on the entry. There will be no changes to the present arrangements for billing or payment.

What are the billing arrangements for other new goods clearance fees?

A separate system will be used for the billing and collection of the Inward and Outward Cargo Transaction Fees (ICTF and OCTF) and the Export Entry Transaction Fee (EETF):

- If the balance outstanding for a client is greater than \$50, the fees will be billed on a monthly invoice/statement, with the fees for each month being payable on the 20th of the following month.
- For small and occasional clients whose monthly outstanding balance does not exceed \$50, the invoice/statement will be rendered every three months, and will be payable on the 20th of the following month.
- An option will also be available for clients lodging export entries and ECI reports by means of the Customs On-line Declarations website to pay the related fees at the same time as they settle the ECN transmission charges for their transactions. This option is likely to be available from 1 February 2005.

Can I have different address details and/or payment method to the IETF?

If you currently have a Customs client code that is used on import entries, and from 1 December 2004 will use that client code to lodge export entries, import ECI reports or export ECI reports, Customs will default the new fees to the same address and payment method set up for that client code. If you want to use a different method of payment and/or statement address for the new fees, a new client code will need to be created. (For a new client code, visit the Customs website to download the application form at www.customs.govt.nz/resources/nzcs224.doc or call the Customs National Call Centre on 0800 428786.)

This does not apply if a freight forwarder, Customs broker or other agent lodges your export entries, import ECI reports or export ECI reports on your behalf. It also does not apply if the same client code is not used on import entries. In these cases, no action is required.

Can I be billed more frequently than monthly?

Weekly billing is only available on request – please contact the National Call Centre on 0800 428786.

What will I see on my statement?

Client statements will show:

- Your client account number.
- Your name and address.
- The period covered by the account.
- The date on which each transaction was posted to your account.
- The entry or ECI lodgement number broken down into the separate types of fees.
- The job reference number.
- The amount of each debit or credit.
- The total GST amount included in the statement (to enable you to claim as an input on your GST return).
- The net amount payable and due date. (This is deemed to be due notice for the amount and time of direct debit payment as required under standard banking practice).

The information will be the same for broker statements, broken down into individual clients on whose behalf you have acted. It should be noted that broker statements are not deemed to be a tax invoice and therefore the credit input terms will not be shown at the foot of these statements.

For further information regarding your statement refer to the frequently asked questions and contact details on the reverse of your statement. The frequently asked questions are also available on the Customs website.

How do I pay my account?

Payment is by cheque or direct debit. If you have an existing import account arrangement with Customs on direct debit payment terms under the same client code, then this will continue with the new fee structure unless you advise Customs otherwise. If you pay by direct debit it will be indicated at the foot of your statement, otherwise settlement of the statement is expected by cheque.

If you wish to pay by direct debit or to change your bank account details, a new direct debit form must be completed. To allow sufficient time for the changes to be processed, the completed form must be received at least 10 working days before the direct debit is due to run. The form is available from the Customs website at www.customs.govt.nz/resources/nzcs615.pdf or by contacting the National Call Centre on 0800 428786. Post the form to the National Credit Control Unit. Please note that the banking system will only accept original direct debit forms bearing authorised signatures. Any completed forms that are emailed or faxed will be rejected.

If payment is not received in full by the due date, the Customs Credit Control unit will take the necessary steps to seek settlement or, if deemed appropriate, take enforcement action to recover the debt.

Who should I notify with changes to my details?

If your contact details change (such as address, phone/fax numbers, or contact person), please notify the National Credit Control Unit by fax 0-9-359 6604, phone 0-9-359 6655, or post (Box 29, Auckland).

For further information, contact your nearest office of the New Zealand Customs Service, visit the Customs website www.customs.govt.nz, or call Customs on 0800 428786.