

The Customs and Excise Act 2018 - a landmark development

The Customs and Excise Act 2018 (the Act) was passed into law in year 2018 and is a landmark development. The new law is the product of sound vision, much hard work by the New Zealand Customs Service (NZCS) team, and an extensive consultation phase with affected stakeholders. For the most part, the Act will apply from 1 October 2018.

The Act entirely replaces the Customs and Excise Act 1996. NZCS has taken a proactive approach to ensure our Customs legislation remains relevant and up-to-date and that it does not hamper the growth and development of New Zealand business. The key focus for NZCS was to have a legislative framework that provides flexibility for future operational and technological changes and to make sure New Zealand has a world class border management system. Two features stand out in the new Act:

1. principles-based legislation, and
2. several new business-oriented measures.

Key changes for businesses

- A new compensatory interest and late payment penalties scheme replaces the “additional duty” regime, and will apply in the same way to all importers and producers of excisable goods.
- A new “provisional values” regime applies for importers who cannot establish the Customs value of goods on importation. Replaces the “uplift” scheme.
- Importers will be able to request a binding valuation ruling from NZCS.
- Businesses will be able to request NZCS to conduct a formal “administrative review” of any decision, providing a low-cost initial avenue of appeal.
- For importers using “transaction values”, the legislation clarifies that the last sale in a supply chain is the relevant “sale for export to New Zealand”.

Let's talk

If you would like further advice in relation to the topic outlined above or a deeper discussion of how this issue might affect your business, please contact:

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