



# Customs and Excise Amendment Regulations 2001

Silvia Cartwright, Governor-General

## Order in Council

At Wellington this 28th day of May 2001

Present:

Her Excellency the Governor-General in Council

Pursuant to sections 65 and 286 of the Customs and Excise Act 1996, Her Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following regulations.

### Contents

1	Title	5	New heading and regulation inserted
2	Commencement		
3	New heading substituted		<i>Provisions relating to least developed countries</i>
4	Less and least developed countries (Group II)	43A	Least developed countries (Group III)

---

## Regulations

### 1 Title

- (1) These regulations are the Customs and Excise Amendment Regulations 2001.

- (2) In these regulations, the Customs and Excise Regulations 1996<sup>1</sup> are called “the principal regulations”.

<sup>1</sup> SR 1996/232

## 2 Commencement

These regulations come into force on 1 July 2001.

## 3 New heading substituted

The principal regulations are amended by revoking the heading immediately before regulation 43, and substituting the following heading:

*“Provisions relating to less developed countries”.*

## 4 Less and least developed countries (Group II)

- (1) The heading to regulation 43 of the principal regulations is amended by omitting the words “**and least**”.

- (2) Regulation 43 of the principal regulations is amended by revoking subclause (1), and substituting the following subclause:

“(1) For the purposes of this regulation, **Group II** means the group of countries consisting of the countries declared to be less developed countries for the purposes of the Tariff Act 1988.”

## 5 New heading and regulation inserted

The principal regulations are amended by inserting, after regulation 43, the following heading and regulation:

*“Provisions relating to least developed countries*

### “43A Least developed countries (Group III)

- “(1) For the purposes of this regulation, **Group III** means the group of countries consisting of the countries declared to be least developed countries for the purposes of the Tariff Act 1988.

- “(2) The following classes of goods are deemed, for the purposes of the Act and the Tariff Act 1988, to be the produce or manufacture of the countries included in Group III:

“(a) the following goods wholly obtained in any of the countries included in Group III:

“(i) mineral products extracted from its soil or from its sea bed:

- “(ii) vegetable products harvested there:
- “(iii) live animals born and raised there:
- “(iv) products obtained there from live animals:
- “(v) products obtained by hunting or fishing conducted there:
- “(vi) products of sea fishing and other products taken from the sea by its vessels:
- “(vii) products made on board its factory ships exclusively from the products referred to in subparagraph (vi):
- “(viii) used articles collected there that are fit only for the recovery of raw materials:
- “(ix) waste and scrap resulting from manufacturing operations conducted there:
- “(x) products obtained there exclusively from products specified in subparagraphs (i) to (ix):
- “(b) goods partly manufactured in the countries included in Group III, subject to the following conditions:
  - “(i) that the process last performed in the manufacture of the goods was performed in a country included in Group III; and
  - “(ii) that, in respect of the goods, the expenditure for the following is not less than half of the factory or works cost of the goods in their finished state:
    - “(A) expenditure in material that is the origin of 1 or more countries included in Group III or of New Zealand; or
    - “(B) expenditure in other items of factory or works cost (as defined in this regulation) incurred in 1 or more countries included in Group III or in New Zealand; or
    - “(C) expenditure partly in any material referred to in subparagraph (A) and partly in any other items referred to in subparagraph (B).
- “(3) Subclause (2) applies only to goods exported directly from a country in Group III to New Zealand without entering the commerce of another country (other than a country also included in Group III) after shipment from that country and

before importation into New Zealand, unless the Chief Executive otherwise permits and subject to any conditions that he or she in any case approves.

- “(4) For the purposes of this regulation, the factory or works cost of any article must be the sum of the following items:
- “(a) the cost of materials as received into the factory, excluding customs duty or excise duty or other duties paid or payable for those materials:
  - “(b) manufacturing wages:
  - “(c) the following factory overhead expenses:
    - “(i) all expenses directly or indirectly connected with manufacture, for example, rent, rates, and taxes for the factory:
    - “(ii) motive power, gas, fuel, water, lighting, and heating:
    - “(iii) expenses of supervision, for example, wages and salaries of managers, supervisors, timekeepers, and guards:
    - “(iv) repairs, renewals, and depreciation of plant, machinery, and tools:
    - “(v) interest on capital outlay on plant, machinery, tools, and factory buildings:
    - “(vi) royalties payable for patented machines or processes used in the manufacture of the goods:
  - “(d) the cost of containers other than the outside package.
- “(5) In calculating the factory or works cost in subclause (4), and in calculating the expenditure in any item of factory or works cost, none of the following items must be included or considered:
- “(a) manufacturer’s profit, or the profit or remuneration of any trader, agent, broker, or other person dealing in the article in its finished condition:
  - “(b) royalties payable for the finished goods:
  - “(c) the cost of outside packages or any cost of packing the goods into them:
  - “(d) administrative and general office expenses:
  - “(e) any cost of conveying, insuring, or shipping the goods after their manufacture:
  - “(f) any other charges incurred after the completion of the manufacture of the goods.”

Martin Bell,  
for Clerk of the Executive Council.

---

### **Explanatory note**

*This note is not part of the regulations, but is intended to indicate their general effect.*

These regulations, which come into force on 1 July 2001, amend the Customs and Excise Regulations 1996.

The principal regulations currently deal with countries declared to be less and least developed countries under the Tariff Act 1988 as a single group for the purposes of determining the country of produce or manufacture of goods.

The amendments provide for less and least developed countries to be separated into 2 distinct groups (Groups II and III, respectively).

The amendments are consequential on the removal of all duties on goods imported into New Zealand from countries declared to be least developed countries (Group III) for the purposes of the Tariff Act 1988 (see the Tariff (Least Developed Countries Duty Removal) Amendment Order 2001).

---

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 31 May 2001.

These regulations are administered in the New Zealand Customs Service.

---