



## Customs Act changes

### Snapshot

The Minister of Customs, Hon. Nicky Wagner, has [confirmed](#) that a number of largely “business friendly” changes to the Customs and Excise Act will proceed.

The changes were consulted on last year (see our [taxmail](#) on the original proposals) and Officials and the Government should be commended for taking on board submissions made to improve the rules.

There will be further opportunities for business to provide feedback once draft legislation is introduced later this year.

The challenge for both NZ Customs and business will be ensuring the changes to the Customs and Excise Act are successfully implemented, in practice.

This will require continued engagement from business, during the legislative and implementation phases, to ensure appropriate feedback is provided to Officials and Government.

**The proposed changes to the Customs and Excise Act are largely business friendly and address some of the common frustrations with the customs rules.**

**We urge continued engagement by business to ensure the successful implementation of the proposed changes.**

### Contact us

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## What are the key changes to the Customs and Excise Act?

The proposed changes include:

- Allowing NZ Customs to issue binding valuation rulings.
- A new “additional duty” regime, which distinguishes between compensation and penalties, for errors. This is aimed at encouraging greater voluntary compliance and will require NZ Customs to pay interest if an error disadvantages a client.
- A new internal review/appeal process for resolution of disputes with NZ Customs, without having to go direct to the Customs Appeal Authority.
- Allowing importers to declare a provisional value for imports where the final value of the imported goods is not known (e.g. where the price of the goods may change due to transfer pricing adjustments).
- Reducing the maximum penalty for some administrative offences, e.g. for not taking reasonable care with customs documentation, but extending the application of administrative penalties to exports.
- Specific rules to protect sensitive personal and commercial information when NZ Customs shares information with other agencies.
- Enabling Customs records to be stored offshore, or in the “cloud”, with the approval of NZ Customs.
- Enabling all New Zealand alcohol producers (not just wine producers) to store product offsite so that excise is only paid when the product is removed from the offsite storage facility.
- Removing the need for a permit to move alcohol and fuel between Customs Controlled Areas.
- Requiring import entries to be lodged before goods arrive into New Zealand.
- Modernising and simplifying the language used in the Customs and Excise Act and including a purpose statement.

The Minister also noted that NZ Customs and Inland Revenue have been instructed to work together on how the payment of import GST can be streamlined.

Further information on the Customs and Excise Act review can be found [here](#).

## Our view

We welcome the proposed changes to the Customs and Excise Act, which are largely business friendly, and address some of the most common frustrations with New Zealand’s customs legislation. For example, why is NZ Customs not able to issue valuation rulings?

While the proposed changes are well intentioned, business cannot afford to be complacent and become disengaged. The next stage of the Customs and Excise Act review will be critical to ensuring that the changes are legislated, and implemented by NZ Customs, as intended. We therefore strongly urge affected businesses to make submissions on the draft legislation, when it is introduced later this year, and to continue engaging with NZ Customs on practical implementation issues.

We also await with interest the results of NZ Customs and Inland Revenue’s work to streamline the payment of GST on imports. New Zealand has enacted rules to collect [GST on offshore supplies](#) of services to NZ consumers. The administrative threshold for collecting GST on imported goods remains the final frontier.

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If you would like to discuss how the changes to the Customs and Excise Act may impact your business, please contact us.

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