

Statement by
The Hon Minister for Finance & Economic Development
on Amendments to the Customs Tariff Law

Madam Speaker, on 5th April 2012, the Legislative Assembly passed the Customs Tariff Law (2012 Revision).

The primary effect of the Law was to implement the Harmonized Commodity Description and Coding System commonly referred to as the Harmonized System.

Madam Speaker, the Harmonized System of tariff nomenclature is an internationally standardized system of names and numbers for classifying traded products. The Harmonized System comprises of 5,000 tariff codes and is organized into 21 sections and 96 chapters, accompanied with general rules of interpretation and explanatory notes.

Madam Speaker, including the 5,000 tariff codes in the Law, increased the Law from 24 pages to 232 pages.

Since the commencement of the Law on 1st March 2014, the Customs Department and the Ministry of Finance & Economic Development have found a number of instances where, during the exercise of inserting the 5,000 tariff codes into the Law, some of the duty rates were incorrectly transcribed or excluded from the Law.

Madam Speaker, the Law is being periodically reviewed and Cabinet, pursuant to its authority under sections 7 and 8 of the Law, has been making amendments to the Law in order to regularize and correct the errors and anomalies identified in the Law.

An example of where the Law is being amended to correct a tariff code, Madam Speaker, is for *Netting and fencing* (tariff code 7314.20.10). The import duty was incorrectly placed into the Law as 22% when the correct duty rate should have been 17%. Cabinet will therefore amend Schedule 1 of the Law to reflect the correct duty rate of 17%.

Another example of where the Law is being amended to correct a tariff code, Madam Speaker, is for *Mowers for lawns, parks or sports-grounds: Other (including self-propelled)* (tariff code 8433.19.00). Madam

Speaker, the import duty was incorrectly placed into the Law as 29.5% when the correct duty rate should have been 22%. Cabinet will therefore amend Schedule 1 of the Law to reflect the correct duty rate of 22%.

A third example of where the Law is being amended to correct a tariff code is for Fork-lift trucks; other work trucks fitted with lifting or handling equipment (tariff code 8427.00.00). Madam Speaker, the import duty was incorrectly placed into the Law as 29.5% when the correct duty rate should have been 22%. Cabinet will therefore amend Schedule 1 of the Law to reflect the correct duty rate of 22%.

Madam Speaker the Law is also being amended to properly assign specific tariff codes to goods.

For example, Tequila is classified as "Undenatured ethyl alcohol of an alcoholic strength by volume of less than 50 percent vol.; spirits, liqueurs and other spirituous beverages" (tariff code heading 22.08). However, "Tequila" is not listed with a specific tariff code under this heading. Cabinet will therefore amend Schedule 1 of the Law to add "Tequila" with a specific tariff code of 2208.90.15. Madam Speaker, although there will be a separate tariff code for Tequila, the duty rate will remain the same at CI\$11.85 per litre.

Another example of where the Law is being amended to properly assign a tariff code to a good, Madam Speaker, is for lubricating oils. Lubricating Oils are classified as Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing more of petroleum oils or oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils: (tariff heading 27.10). However, "Lubricating Oils" is not listed with a specific tariff code under this heading. Cabinet will therefore amend Schedule 1 of the Law to add "Lubricating Oils" with a specific tariff code of 2710.19.30. Madam Speaker, although there will be a separate tariff code for Lubricating Oils, the duty rate will remain the same at 22%.

Madam Speaker, I want to emphasize and assure the business community and the public that the amendments to the Law, as described above, are solely being made to regularize and correct the errors and anomalies that have been identified in the Law.

Thank you Madam Speaker.