

LEGAL POSITION

2. The legislation which provides for this policy is contained in section 252 of the Customs Act which is as follows:

- “252. Failure to comply with conditions of entry—
 (1) When under any provision of this Act or of the Tariff any goods are, if entered for a particular purpose or under any condition prescribed by the Minister, exempt from duty or liable to a lower rate of duty than if entered otherwise than for that purpose or under that condition, and any goods have been entered under that provision, every person commits an offence who knowingly—
 (a) Uses those goods for any purpose other than that for which they have been so entered; or
 (b) Fails to comply with any condition prescribed by the Minister in respect of the goods so entered.

(2) If any person commits an offence under this section he shall be liable to a fine not exceeding 3 times the amount of the duty or additional duty that would have been payable if the goods had been entered otherwise than under the provision under which they were entered, or [\$400], whichever sum is the greater, and the goods shall be forfeited.

(3) The Comptroller may at any time, if he thinks fit, accept from the owner of any goods so entered for a particular purpose or under any condition prescribed by the Minister the amount of duty or additional duty that would have been payable on them if they had been entered otherwise than for that purpose or under that condition, and thereafter this section shall cease to apply in respect of those goods.”

3. The thrust of this section is to make the non-observance of the conditions under which a concession is granted an offence. It is, of course, appropriate that it should be treated as such when there is a deliberate attempt to evade the revenue involved. However, relativity to an enforcement orientated section of the Act is questionable when importers apply to the department formally to remove or vary conditions and such applications are approved on the basis of the requisite duty being payable. The department is therefore contemplating whether or not a case exists to propose an amendment to the legislation to take such action rather than in the context in which section 252 places it.

DESCRIPTIONS

4. Over a considerable number of years, a range of different wordings has come to be used where specific end-uses are required for approvals. These have sometimes been unnecessarily limiting—for example, by relating the concession to the business of the importer rather than solely to the intending use. It is now proposed that these descriptions be standardised and the following wording adopted:

“... on condition that the goods are for use solely in the manufacture of ...”

This wording may need to be varied slightly in particular circumstances (e.g., where the approval is linked to use by hospitals and the like).

5. The present practice of allowing importation by third parties where the goods are intended for supply to a purchaser who will use the goods for the approved use will not be affected by this proposal.

CUSTOMS “PARTICULAR PURPOSE” DECLARATIONS

6. A common practice associated with conditional end-use is to require “particular purpose” declarations under the Customs Act relative to this intended usage. It is now proposed, consistent with the above standard description to dispense with the need for such declarations. Legal responsibility will not be effected thereby.

GENERAL

7. The objective of this review is to clarify the policy and procedures relating to concessions where end-use is a necessary element. While the department prefers to avoid end-use requirements in the granting of duty concessions, this is not always possible. However, where end-use requirements are a necessary element of an approval, it is our wish that such requirements be clear and administratively effective.

8. Any person wishing to make representations concerning the proposals set out in this paper should refer a written submission to—

The Comptroller of Customs,
 Customs Department,
 Private Bag,
 Wellington.

Attention: Concessions.

by 23 December 1983.

9. Telephone and other requests for clarification should be addressed to Mr Hellyar of this division.

10. Submissions, either generally or in relation to particular goods, should be forwarded so to arrive no later than 23 December 1983. Subject to consideration of any objections, it is intended that the standardisation of descriptions will be effected early in the new year.

Dated at Wellington this 10th day of November 1983.

P. J. MCKONE, Comptroller of Customs.

2/3

Consent to Raising of Loans by Certain Local Authorities

PURSUANT to the Local Authorities Loans Act 1956, the undersigned Deputy Secretary to the Treasury, acting under powers delegated to the Secretary to the Treasury by the Minister of Finance, hereby consents to the borrowing by the local authorities, mentioned in the Schedule hereto, of the whole or any part of the respective amounts specified in that Schedule.

SCHEDULE

Local Authority and Name of Loan	Amount Consented to \$
Bay of Islands Electric Power Board: Development Loan No. 32, 1983	3,500,000
Hutt Valley Energy Board: Electricity Reticulation Loan No. 62, 1983	4,000,000
Lower Hutt City Council: Roading Loan 1983	300,000
Drainage Loan 1983	300,000
Newmarket Borough Council: Teed Street Carpark Loan No. 1, 1983	400,000
North Canterbury Catchment Board: Office Building Extension Loan 1983	200,000
Oxford County Council: Oxford Township Water Supply Improvement Loan 1983	180,000
Raglan County Council: Plant Loan 1983	180,000
Te Awamutu Borough Council: Water Supply Improvement Loan 1983	1,500,000
Thames-Coromandel District Council: Pauanui Water Supply Improvement Loan 1983	260,000
Whangamata Sewer Loan 1983	3,700,000
Waitara Borough Council: Waitara Borough Pensioner Flats Loan No. 2, 1983	138,000
Waitotara County Council: Rangitatau East Road Realignment Loan 1983	200,000

Dated at Wellington this 1st day of November 1983.

C. H. TERRY,
 Deputy Secretary to the Treasury.

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Consent to Raising of Loans by Certain Local Authorities

PURSUANT to the Local Authorities Loans Act 1956, the undersigned Deputy Secretary to the Treasury, acting under powers delegated to the Secretary to the Treasury by the Minister of Finance, hereby consents to the borrowing by the local authorities, mentioned in the Schedule hereto, of the whole or any part of the respective amounts specified in that Schedule.

SCHEDULE

Local Authority and Name of Loan	Amount Consented to \$
Egmont Electric Power Board: Patea Hydro Development Loan 1983	21,372,000

Dated at Wellington this 4th day of November 1983.

C. H. TERRY,
 Deputy Secretary to the Treasury.

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Private School Conditional Integration Act 1975

PURSUANT to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Minister of Education and the proprietor of the following school:

St Hilda's Collegiate School, Dunedin.