

# **Tariff (PACER Plus) Amendment Bill**

Government Bill

## **Explanatory note**

### **General policy statement**

This Bill amends New Zealand law as part of the implementation of a free trade agreement, the Pacific Agreement on Closer Economic Relations Plus (**PACER Plus**) done at Nuku'alofa, Tonga, on 14 June 2017 (the **Agreement**). The Bill amends the Tariff Act 1988 and the notes to, and Part II of, the Tariff and—

- will enable the application of preferential tariff rates under the Agreement; and
- will amend the rules on “goods re-entered after repair or alteration” in the Tariff.

The Agreement will also be implemented by amendments to—

- the Tariff to enable the application of preferential tariff rates for parties to the Agreement; and
- the Customs and Excise Regulations 1996 to give effect to the rules of origin applicable to imports into New Zealand that originate from PACER Plus parties.

### **Departmental disclosure statement**

The Ministry of Foreign Affairs and Trade is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2018&no=54>

### National interest analysis

An extended national interest analysis has been prepared that takes the place of a regulatory impact assessment. The Ministry of Foreign Affairs and Trade produced the national interest analysis on 6 June 2017 to help inform the main policy decisions taken by the Government relating to the contents of this Bill. The national interest analysis was presented to the House of Representatives on 20 June 2017, in accordance with Standing Order 397(2) (presentation of national interest analyses for international treaties).

A copy of this national interest analysis can be found at—

- <https://www.mfat.govt.nz/pacer>
- <http://www.treasury.govt.nz/publications/informationreleases/ris>

### Clause by clause analysis

*Clause 1* is the Title clause.

*Clause 2* provides for the Bill to come into force on a date appointed by Order in Council. This form of commencement is necessary in order to co-ordinate the Bill's commencement with the entry into force of the Pacific Agreement on Closer Economic Relations Plus (**PACER Plus**) for New Zealand.

## Part 1

### Amendments to Tariff Act 1988

*Clause 3* states that the Bill amends the Tariff Act 1988 (the **principal Act**).

The Bill's amendments affect sections 2 and 7A of the principal Act. These sections relate to the interpretation of certain terms used in the principal Act and Orders in Council about preferential countries.

*Clause 4* inserts definitions of country, PACER Plus, and specified PACER Plus party in section 2(1) of the principal Act. The definition of country is inserted to clarify the meaning of that term used in different provisions of the principal Act, including in section 7A, which *clause 5* amends.

*Clause 5* amends section 7A of the principal Act, which relates to Orders in Council about preferential countries.

## Part 2

### Amendments to Tariff

*Clause 6* provides that this Bill amends the Tariff. A copy of the Tariff as from time to time amended, modified, or revoked and replaced on or after 1 January 2010 is, as required by section 9B of the principal Act, published at the following Internet site: <https://www.customs.govt.nz/business/tariffs/working-tariff-document/>

*Clause 7* inserts an abbreviation of the name of PACER Plus into a list of preferential abbreviations (relating to countries whose produce or manufactured goods may enter New Zealand free of duty in defined circumstances) in note 2 of the Tariff.

*Clause 8* inserts the reference to country that is a specified PACER Plus party and its abbreviated name in the list of preferential countries and preferential abbreviations in note 3 of the Tariff. This has the effect of enabling preferential Tariff rates to be applied to goods imported from specified PACER Plus parties.

The preferential Tariff rates applicable to goods imported from specified PACER Plus parties will be inserted into the Tariff by an Order in Council that is to be made under section 9 of the principal Act.

*Clause 9* inserts a concession item in Part II of the Tariff, as set out in the *Schedule*.



*Hon David Parker*

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**The Parliament of New Zealand enacts as follows:**

**1 Title**

This Act is the Tariff (PACER Plus) Amendment Act **2018**.

## 2 Commencement

This Act comes into force on a date appointed by the Governor-General by Order in Council.

## Part 1 Amendments to Tariff Act 1988

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### 3 Principal Act

This Act amends the Tariff Act 1988 (the **principal Act**).

### 4 Section 2 amended (Interpretation)

In section 2(1), insert in their appropriate alphabetical order:

**country** includes a territory or a part of a country or territory

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**PACER Plus** means the Pacific Agreement on Closer Economic Relations Plus done at Nuku'alofa, Tonga, on 14 June 2017

**specified PACER Plus party** means a country that is for the time being declared by Order in Council under **section 7A(1)(bb)** to be a specified PACER Plus party for the purposes of this Act

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### 5 Section 7A amended (Orders in Council about preferential countries)

(1) Before section 7A(1)(c), insert:

(bb) declare a country that is a party to the PACER Plus to be a specified PACER Plus party for the purposes of this Act:

(2) In section 7A(3), before “or a specified AANZFTA party”, insert “, a specified PACER Plus party,”.

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## Part 2 Amendments to Tariff

### 6 Tariff amended

**Sections 7, 8, and 9**, in accordance with section 9F(1) of the principal Act, amend the Tariff.

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### 7 Tariff, note 2 amended

In the notes to the Tariff, note 2, penultimate paragraph, after “Pac,”, insert “PPP”.

### 8 Tariff, note 3 amended

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In the notes to the Tariff, note 3, after the item relating to a country in relation to which the South Pacific Regional Trade and Economic Co-operation Agreement is in force, insert:

Country that is a specified PACER Plus party PPP

**9 Tariff, Part II amended**

In Part II of the Tariff, after paragraph (2) of the item relating to concession reference number 66, insert the concession item set out in the Schedule.

## Schedule New Tariff item

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Concession reference number	Class of goods	Rates of duty	
		Normal tariff	Preferential tariff
(3)	Goods re-entered after repair or alteration—		
	(a) in the territory of a specified PACER Plus party; and		
	(b) in accordance with chapter 2, article 4 of PACER Plus.	Free	..