



NUMBER

6

EXPORT CLEARANCE REQUIREMENTS

From 1 March 2004, except for certain postal items, all goods to be exported from New Zealand must be electronically cleared with Customs prior to export, or they will not be loaded for export. The exporter is responsible for ensuring that clearance is obtained, and that information provided to Customs is accurate.

Why is Customs clearance necessary?

Customs requires export clearances in order to monitor and enforce permit requirements and prohibitions on the export of certain goods, and to provide assurance to our trading partners about the security of New Zealand exports.

Export entries are also important to exporters to support zero-rating of export sales for GST purposes.

In addition, Customs provides export entry data to Statistics New Zealand to compile overseas trade statistics, the Balance of Payments and GDP statistics. These key economic indicators are used by the Reserve Bank, Treasury and other national and international agencies in forecasting, monitoring and managing New Zealand's economic performance. Private companies also use these statistics to monitor market share and plan their business. Trade NZ uses the statistics to assist businesses looking to export, and to decide which sectors it needs to work with.

Export clearances contribute to the welfare of all New Zealanders, and accurate information is vital.

What documentation do I need to complete for Customs clearance?

Goods must be cleared on either an export entry or an Electronic Cargo Information (ECI) report.

- An export entry provides full details of the consignment to be exported, including the classification of the goods under the Tariff of New Zealand.
- An ECI report provides summary details of a single or multiple exempt-entry consignments, and the tariff classification of the goods is not required.

Error-free clearances not subject to Customs inspection are normally processed by the Customs computer system in under 60 minutes, generating a printable message authorising export.

What goods must be cleared via an export entry?

Unless exempted as set out on the following page, export consignments with a Free On Board (FOB) value of more than NZ\$1,000, and all consignments on which a claim for drawback of duty is being made, must be cleared electronically on an export entry.

Goods that are exempt from the requirement to make an export entry may still be electronically cleared on an export entry if desired.

For consignments to be exported by air or sea freight, a single entry can only cover shipments to be exported on a single voyage or flight by one exporter. For consignments to be exported by post by one exporter on one date, any number of such consignments may be declared on a single entry. A new entry must be made where more than one exporter, voyage/flight, or date is involved.

Full instructions on how to complete an export entry are set out in Fact Sheet 6A—Completing an Electronic Export Entry and Fact Sheet 6B—Completing an Electronic Cargo Information Report.

What goods do not require an export entry?

The following goods are exempt from the requirement to lodge an entry:

- Bona fide gifts to persons resident outside New Zealand.
- Trade samples supplied without charges to persons resident outside New Zealand.
- A passenger's baggage and effects (except goods that are sold ex a licensed export warehouse or under drawback of duty). Note the term "passenger's baggage and effects" does not include motor vehicles.
- Goods exported by diplomatic missions.
- Commercial documents, and newspapers.
- Film, and videotape exported for use overseas and return to New Zealand.
- Ships and aircraft leaving New Zealand under their own power, other than those departing for sale overseas.
- Goods sent by parcel post for repair and return.
- Goods of a type normally used for commercial or business purposes, such as portable computers and accessories, cellular telephones, video and other photographic equipment carried by a passenger leaving New Zealand.
- Any goods having a FOB value not exceeding \$1,000, except goods sold from an export warehouse and goods subject to a claim for a drawback of duty.

What does the FOB value include?

For the purposes of export entries, the term "FOB" is the total of the value of the goods in the consignment, plus all costs involved in their packaging, packing, and transport in New Zealand, and any other costs up to and including their loading aboard the export vessel or aircraft, or acceptance by a postal service. FOB does not include international freight/postage and insurance, and any other costs incurred after loading or acceptance by a postal service in New Zealand.

What goods must be cleared via an ECI report?

If not cleared on an export entry, goods must be cleared on an ECI report, except for goods to be exported by post. Goods that are exempt from an entry that are to be exported by post do not require Customs clearance, but are still subject to any export approval requirements that may apply.

A single ECI report can only cover shipments to be exported on a single flight or voyage, or where exported by post, on one date. Consignments for any number of exporters may be declared on one ECI report.

What is the timeframe for making an export clearance?

Export clearances must be made not less than one hour before loading aboard the export ship or aircraft, or for goods to be exported by post, at any time before acceptance by the postal service.

This is on the condition that, should Customs require to inspect any consignment, completion of examination in time for loading cannot be guaranteed if:

- the clearance is lodged less than nine hours prior to loading in the case of airfreight, and
- less than 48 hours prior to loading in the case of seafreight.

However, freight forwarders, consolidators, airlines and ports may apply their own conditions on the provision of the Customs clearance, in order to meet processing and security requirements. Consequently there may be a requirement to produce Customs clearance more than one hour before loading. To assist in the efficiency of supply chains and to provide adequate time for planning, should an intervention or authority be required, Customs strongly recommends export clearances are lodged as soon as possible prior to the delivery of the goods for loading.

What exports are prohibited or restricted?

Customs enforces a wide range of export prohibitions and restrictions on behalf of government departments and agencies that have policy responsibility for export controls on certain types of goods. For some types of goods, an export licence or permit may be required, with a code and number to be declared on particular fields within an export entry. For some other types of goods, exportation may be completely prohibited.

To ensure you understand how to comply with any prohibition or restriction requirements, this Fact Sheet should be read in conjunction with:

- *Fact Sheet 4—Export Prohibitions and Restrictions*—which gives a brief explanation of the prohibitions and restrictions Customs enforces at the border.
- *Fact Sheet 10—Permits to Export—Alerts*—which explains export entry requirements.
- *The Export Permit List*—which lists the tariff items that are subject to export prohibitions and restrictions.

These documents are published on the Customs website www.customs.govt.nz under Library/Fact Sheets and Library/Technical Publications (*Export Permit List*). Alternatively you can pick up copies at any Customs office, or request that copies be mailed to you by contacting the Customs National Call Centre at email feedback@customs.govt.nz or phone 0800-428 786 (0800 4 CUSTOMS).

How do I lodge a Customs clearance?

Export entries and ECI reports may be lodged over the Internet, or via the Customs Electronic Data Interchange (EDI) system. Most exporters use their freight forwarder or a Customs broker to lodge export clearances on their behalf, as they generally already have EDI software, and are familiar with Customs legal requirements.

Using a freight forwarder, Customs broker or other agent

Exporters need to decide which freight forwarder, Customs broker or other agent to engage. Customs brokers and freight forwarders are listed in New Zealand business directories under those headings. A list of those affiliated to the Customs Brokers and Freight Forwarders Association (CBAFF) is also available at www.cbaff.org.nz. Under Customs legislation, actions by the agent in the clearance process are attributable to the exporter.

Using EDI

EDI users are required to:

- Develop or purchase EDI software which contains features necessary to transmit clearance messages and receive responses.
- Test proper functionality with Customs prior to use.
- Pay for the EDI link and associated messaging costs.

Thus EDI is generally more suitable for higher-frequency users. For further information on EDI requirements, refer to the Customs website www.customs.govt.nz under Exporters/Customs Requirements/Clearance of Goods/Electronic Lodgement.

Clearance via the Internet

The Customs online declarations website www.cusweb.co.nz is designed for regular exporters who have sufficient knowledge of Customs requirements to clear their own exports with Customs.

If you are unfamiliar with how to determine the tariff classification, value or permit requirements for the goods you export, Customs suggests you engage your freight forwarder or a Customs broker to lodge export clearances on your behalf. Alternatively, you can contact the CBAFF on 09 419 0042 or email cbaff@clear.net.nz to enquire about training programmes you can attend to equip yourself to lodge your own entries.

Users of the Customs online declarations website require access to the Internet but do not need any special software, and pay for messaging costs at a higher rate than EDI. Therefore the online declarations website is generally more suitable for lower-volume users.

For information about Internet clearances, refer to the Customs website www.customs.govt.nz under Exporters/Customs Requirements/Clearance via Internet.

Client codes

The exporter named on an export entry, or an exporter lodging an ECI report, must hold a Customs client code. A code for a new exporter will be issued by Customs on application. Visit the Customs website www.customs.govt.nz for more information about client codes, or contact the Customs National Call Centre on 0800-428 786 (0800 4 CUSTOMS).

Registering as a user of the Customs entry processing system

Every individual person who wishes to lodge electronic clearances, whether via EDI or the Internet, needs to apply to Customs to be registered to do so. Approved applicants are issued with a Customs declarant code. Approved applicants who wish to lodge export entries rather than just ECI reports are also issued a Unique User Identifier (UUI). The UUI is issued to an individual and identifies the person responsible for lodging an electronic entry. It is considered to be their electronic signature.

For more information on registering as a user of the Customs entry processing system, refer to Fact Sheet 11, or see the Customs website www.customs.govt.nz under Exporters/Customs Requirements/Clearance of Goods/Entry Processing Registration.

Offences

The person making the entry completes a declaration on the entry declaring the particulars contained in the entry are true and correct.

It is an offence to make an entry under the Customs and Excise Act 1996 to make a declaration (ECI Report) or written statement that is erroneous in a material particular.

A fine can be imposed upon conviction of these offences.

What evidence of Customs clearance do I need to provide?

Exports by airfreight

For each individual consignment, Customs clearance in the form of an export entry delivery order or an ECI clearance advice must be provided to the freight forwarder or the airline's Cargo Terminal Operator (CTO) before loading aboard the aircraft that is departing internationally. (A CTO is licensed to load cargo aboard aircraft.)

- For consignments cleared via ECI, the clearance advice must be presented to the freight forwarder or airline's CTO in hard copy. (Exporters may engage the freight forwarder to complete the ECI clearance.)
- For consignments booked with a freight forwarder and that the exporter/agent has cleared via an export entry, Customs can automatically transmit the delivery order to the freight forwarder when the entry is cleared, if the freight forwarder sets up this facility. To enable transmission of the delivery order, the exporter/agent must state the freight forwarder's Customs client code in the "Delivery Authority" field of the export entry. Exporters/agents should check with the freight forwarder to ensure they are set up for electronic receipt. Where the freight forwarder's Customs client code is not stated, or the freight forwarder is not set up for electronic receipt, a delivery order must be presented in hard copy.
- For consignments booked with the airline, the Customs clearance advice must be presented to the airline's CTO in hard copy, unless the CTO advises otherwise.

Exports by seafreight

For each individual shipment, Customs clearance in the form of an export entry delivery order or an ECI clearance advice must be provided to the consolidator, or for FCL (Full Container Load) shipments, to the port, before loading aboard the vessel that is departing internationally.

- For shipments cleared via ECI, the clearance advice must be presented to the consolidator in hard copy.
- Upon clearance of an export entry for FCL shipments, Customs will automatically transmit the container number and Customs clearance number to the port of loading if the port is set up for electronic receipt. In this case, no action is required by the exporter/agent. Exporters/agents should check with the port to ensure it is set up for electronic receipt. Where the port is not set up for electronic receipt, a delivery order must be presented in hard copy.
- For any shipments cleared on an export entry (FCL included), upon clearance of the entry, Customs can automatically transmit the delivery order to anyone the exporter wishes to receive it, (for example, a consolidator, port, stevedore, or shipping company) if that person sets up this facility. To enable transmission of the delivery order, the exporter/agent must state the person's Customs client code in the "Delivery Authority" field of the export entry. Exporters/agents should check with the person to ensure they are set up for electronic receipt. Where the person's Customs client code is not stated, or the person is not set up for electronic receipt, a delivery order must be presented in hard copy.

For further information, contact your nearest office of the New Zealand Customs Service, visit the Customs website www.customs.govt.nz, or call Customs on 0800-428 786 (0800 4 CUSTOMS).