

CUSTOMS CONTROLLED AREAS

Section 10 of the Customs and Excise Act 1996 requires that areas used for certain specified purposes must be licensed as Customs controlled areas (CCAs). This fact sheet explains what these areas are, and the licensing procedures.

WHAT AREAS NEED TO BE LICENSED AS CCAS?

Subject to the exemptions specified in sections 68A and 68B and to section 12(4) of the Customs and Excise Act 1996 (the Act), no area shall be used for the following purposes, unless that area is licensed as a CCA:

- » the manufacture of goods specified in Part A of the Excise and Excise-equivalent Duties Table (Manufacturing area), or
- » the deposit, keeping, or securing of imported or excisable goods, without payment of duty on the goods, pending the export of those goods (Export warehouse), or
- » the temporary holding of imported goods for the purposes of the examination of those goods under section 151 of this Act (including the holding of the goods while they are awaiting examination) (General CCA), or
- » the disembarkation, embarkation, or processing of persons arriving in or departing from New Zealand (Arrival / departure halls), or
- » the processing of craft arriving in or departing from New Zealand or the loading or unloading of goods onto or from such craft (Sea / airports), or
- » any other prescribed purpose.

WHAT OTHER AREAS NEED TO BE LICENSED AS CCAS?

Areas used for the following purposes are required to be licensed as CCAs:

- » The storage of alcohol manufactured in New Zealand, where that alcohol cannot be physically accommodated within the manufacturing area in which it was manufactured, by or for one of the following:
 - › the manufacturer of the alcohol, or
 - › the first owner of the alcohol, if not also the manufacturer of the alcohol.

(Off-site storage CCA)

- » The storage of imported goods, or goods manufactured in a manufacturing area, of a kind that are subject to duty, and on which such duty has not been paid, pending the sale of those goods to:
 - › persons departing to or arriving from a country outside New Zealand, or
 - › persons exercising an entitlement to the supply of goods free of duty under the Act, or any other Act.

(Duty free store)

WHAT GOODS ARE SPECIFIED IN THE EXCISE AND EXCISE-EQUIVALENT DUTIES TABLE?

In brief, these goods include:

- » alcohol and alcohol products such as beverages and alcoholic ice cream
- » tobacco and tobacco products
- » fuels.

HOW DO I OBTAIN A LICENCE FOR A CCA?

An application for an area to be licensed as a CCA may be made by the owner or occupier of, or person operating in, the area, and lodged with your nearest Customs office.

An application is made by completing Form 1 (found on the Customs website www.customs.govt.nz), and must include a plan in the form of a diagrammatic layout of the area to be licensed. Architects' or other professional plans can be submitted if readily available; if not readily available, plans used for local body or resource management applications should provide the necessary detail. A layperson's description of the area is also to be included.

GRANT OR REFUSAL OF LICENCE

On receipt of an application for a licence and any further information requested by the Chief Executive of the New Zealand Customs Service, a licence may be granted for the area, or the licence application may be refused.



Any licence granted may be subject to such terms, conditions, or restrictions as the Chief Executive thinks fit.

PROCEDURE STATEMENT OR ALCOHOL EXCISE PLAN

A procedure statement, or in the case of alcohol an Alcohol Excise Plan, detailing the conditions, terms or restrictions and the operating procedures required of the licensee will be issued with every licence.

The contents of the procedure statement or Alcohol Excise Plan will be reviewed from time to time.

VARIATION OR REVOCATION OF CONDITIONS

The Chief Executive may, by notice in writing, vary or revoke the terms, conditions, or restrictions to which the licence is subject or revoke those terms, conditions, or restrictions and impose new terms, conditions, or restrictions.

REVOCATION OR SUSPENSION OF LICENCE

The Chief Executive may, at any time, revoke or suspend a licence where:

- » a term, condition, or restriction specified in the licence has been contravened, or
- » the area in respect of which the licence was granted ceases to be used for any of the purposes described in paragraphs (a) to (f) of section 10 of the Customs and Excise Act 1996 for which the area is licensed, or
- » the licensee ceases to be the owner or occupier of, or operator in, the area in respect of which the licence was granted, or
- » the Chief Executive considers that the licensee is no longer a fit and proper person to hold a licence, or
- » the prescribed annual licence fee (if any) is due and has not been paid.

Notice of the suspension or revocation of the licence shall be given in writing to the licensee.

SURRENDER OF LICENCE

A licence for a CCA may be surrendered at any time by the licensee by giving one month's notice in writing to the Chief Executive.

CLOSING OF A CCA

Where any licence issued under section 12 of the Customs and Excise Act 1996 is suspended, revoked, or surrendered, duty shall become due and payable on all goods within that area that are or were subject to the control of Customs immediately prior to the suspension, revocation, or surrender, unless the Chief Executive permits the goods to be removed to another CCA or to be exported.

TRANSFER OF A LICENCE

There is no provision to allow the transfer of a Customs controlled area licence.

If a new owner occupier or operator wants an area to remain licensed, a new application must be made.

If a licensee moves to new premises a new licence application must be made. The existing licence for the previous premises will then be cancelled.

ARE THERE ANY EXEMPTIONS FROM THE REQUIREMENT TO BE LICENSED?

Under sections 68A and 68B of the Act any area within a person's private house or dwelling place that is used by that person to manufacture:

- » tobacco when,
 - › manufactured by a person aged 18 years or older, and
 - › that has been grown by that person on their own land on which the house or dwelling is located, and
 - › is exclusively for their own personal use and not for sale or other disposition to any other person, and

- › where the maximum quantity of tobacco manufactured in any year (ending 30 June) does not to exceed 15 kilograms, or

- » beer, wine, or spirits, exclusively for his or her own personal use and not for sale or other disposition to any other person

is not required to be licensed as a CCA.

Under section 12 (4) of the Act, the Chief Executive may direct that an area need not be licensed if he or she is of the opinion that:

- » it is not in the public interest to do so, or
- » it is impracticable or unnecessary to do so.

ARE ANY FEES PAYABLE?

An annual licence fee is payable in respect of the CCAs specified in Schedule 1 to the Customs and Excise Regulations 1996. The specified areas are for:

1. the temporary holding of imported goods for the purposes of the examination of those goods under section 151 of the Act (including the holding of the goods while they are awaiting examination)
2. the deposit, keeping, or securing of imported or excisable goods, without payment of duty on the goods, pending the export of those goods
3. the storage of imported goods, or goods manufactured in a manufacturing area of a kind that are subject to duty, and on which such duty has not been paid, pending the sale of those goods to:
 - › persons departing to or arriving from a country outside New Zealand, or
 - › persons exercising an entitlement to the supply of goods free of duty under the Act, or any other Act

4. A combination of 2 and 3.

The fees are also specified in Schedule 1 to the Regulations.

ARE ANY SECURITIES REQUIRED FOR A CCA LICENCE?

Under section 156 of the Act the Chief Executive may require and take securities of the following kinds for the payment of duty:

- » a bond (with or without sureties)
- » a guarantee to her Majesty the Queen
- » a written undertaking in such form as the Chief Executive may require
- » a deposit of cash
- » a combination of any of the above.

CAN I APPEAL A DECISION BY CUSTOMS IN REGARDS TO A CCA LICENCE?

Yes, where the person is dissatisfied with the Customs decision concerning:

- » the grant or refusal of the licence, or
- » a variation or revocation of conditions, or
- » revocation or suspension of a licence, or
- » securities

an appeal can be lodged with the Customs Appeal Authority.

Appeal applications must be in the prescribed form (Form 14). This can be found in Schedule 2 to the Customs and Excise Regulations 1996. Copies of this form are also available free of charge from any Customs office.

Appeals should be sent to:

The Registrar
Customs Appeal Authority
Tribunals Unit
Private Bag 32001
Panama Street
Wellington 6146

A fee of \$408.88 must accompany the appeal application.

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).

