



# IMPORTING OR BRINGING TOBACCO INTO NEW ZEALAND

## FREQUENTLY ASKED QUESTIONS

### **What are the new rules for importing tobacco products, tobacco leaf and refuse?**

From 1 July 2020, tobacco products, tobacco leaf and refuse will become prohibited imports and you will be required to have a permit to import these products. Permits will be approved and issued by the New Zealand Customs Service.

Also from 1 July 2020 you also cannot receive these prohibited products through the international mail system. They must only be imported using a freight forwarder, the fast-freight courier system or as bulk sea or air cargo. You will still be able to use New Zealand Post's international courier service.

The new rules will enable New Zealand Customs to seize and destroy all illegally imported tobacco products, leaf and refuse.

### **What is the difference between tobacco products and tobacco leaf and refuse?**

Tobacco products are cigarettes, pipe tobacco and hand rolling tobacco. Tobacco leaf is whole plants or leaves in the natural state, or as cured or fermented leaves. It also includes tobacco that has been stemmed or stripped, trimmed or untrimmed and broken or cut, including pieces cut to shape. Tobacco refuse is any scraps, waste, chippings, stems, or deposits of tobacco resulting from the processing of tobacco.

### **Do the new rules apply to all tobacco products?**

No. A permit is not required to import cigars, cigarillos, water-pipe tobacco, chewing tobacco, snuff and snus.

### **Why has New Zealand changed the rules?**

When you import or bring tobacco products into New Zealand, you must comply with New Zealand laws. You must pay all relevant taxes on your imported tobacco at the border. In recent years, there has been an increasing volume of tobacco products, tobacco leaf and refuse coming into New Zealand through the international mail system. Tobacco leaf can be manufactured into cigarettes for sale on the black market without excise tax being paid.

This is not fair on legitimate tobacco importers, manufacturers and retailers that pay excise taxes on their products and New Zealanders who are paying full excise tax on the tobacco products they buy at retail outlets.

### **Why has a permit system been introduced?**

New Zealand Customs protects and promotes New Zealand by protecting our borders. This includes undertaking due diligence of imported products, such as tobacco products, tobacco leaf and refuse, and tobacco importers, manufacturers and retailers who import these products into New Zealand. A permit system will ensure bona fide importers are paying the required excise tax.

### **How do I apply for a permit?**

The application form is a simple one-page document. Email [tobacopermits@customs.govt.nz](mailto:tobacopermits@customs.govt.nz) to request an application form. If you want to import on 1 July 2020 you will need to complete and return the application form by 16 June 2020.

### **Will established commercial importers be required to apply for a permit?**

New Zealand Customs will issue a permit to established importers for one year from 1 July or the length of time a manufacturer holds a licence to manufacture tobacco products. Other importers will need to apply for a permit. Permits will be issued free of charge.

### **Will you issue permits for people to import tobacco leaf and refuse to make cigarettes for their own use?**

No. You have never been able to manufacture tobacco products for your own use using imported tobacco leaf or refuse. The personal use exemption in the Customs and Excise Act 2018 relates only to tobacco where you have grown the leaf on your own property and manufactured it for your own use. It enables the individual to make five kilograms in any year. It cannot be sold or distributed.

### **How long will it take to process my permit application?**

Permit applications will be processed in ten (10) working days. It is not guaranteed that you will get a permit by simply filling out and sending the application form. No permit will be issued to a person under the age of 18 years, or to anyone New Zealand Customs identifies as having previously smuggled tobacco products or who has undertaken illegal manufacturing previously in New Zealand.

### **How long will the permit last?**

Private or new importers will be issued a single-use permit that can be used once and will be valid for 12 months, from the date of issue. For Customs-controlled Areas licensed to manufacture tobacco the permit will remain valid for as long as they remain licensed.

### **Can you apply for a length of time and/or just by consignment?**

Private or new importers will be issued a single-use permit that can be used once and will be valid for 12 months, from the date of issue. There is no 'permit by consignment' option.

### **Can permits be transferred?**

No, a permit is not transferable – only the permit holder can use it.

### **Can permits be obtained after the product has landed in the country?**

No permits will not be issued after product has arrived in the country. You must apply for a permit before you import any cigarettes, pipe tobacco, hand rolling tobacco, tobacco leaf or refuse.

### **What are the penalties for importing without a permit?**

Under the new rules, any cigarettes, pipe tobacco, hand rolling tobacco products, tobacco leaf or refuse imported without a permit, or that do not comply with permit conditions, will be seized and destroyed. There are a range of penalties that depend upon the severity of the offending. For the full list of penalties, see [www.customs.govt.nz](http://www.customs.govt.nz)

### **How and when will seizures be notified?**

Under the new rules, any cigarettes, pipe tobacco, hand rolling tobacco products, tobacco leaf or refuse imported without a permit will be seized and destroyed by New Zealand Customs. The importer will be notified as soon as is reasonably practicable that their products has been seized and destroyed.

### **What happens if my product is seized and destroyed but I had a valid permit?**

In the unlikely event of the product being seized and destroyed in error, the importer will be entitled to compensation for the customs value of the product.

### **What about non-tobacco products imported in the same consignment as the seized tobacco products, leaf or refuse?**

Only cigarettes, pipe tobacco, hand rolling tobacco products, tobacco leaf or refuse imported without a permit will be seized. The other non-tobacco goods will be released unless they were used to conceal the illegally imported items.

### **I didn't know I was being sent tobacco leaf or refuse as a gift – what do I need to do?**

You cannot receive any cigarettes, pipe tobacco, hand rolling tobacco, tobacco leaf or refuse that are sent as gifts to New Zealand. Only approved permit holders are allowed to send these products. If there is sufficient evidence that the product was a gift and the importer did not know, they are unlikely to be prosecuted but the product will still be seized and destroyed.

### **What about product already in transit before the law changed?**

If you have product in transit before the law changed, and you do not have a permit then contact New Zealand Customs on 0800 428 786.

### **Is it possible to tranship products through New Zealand?**

Yes. Importers may store transshipment cargo for short periods in a customs depot licensed by New Zealand Customs.

### **Are there any changes to how duty free operators can sell tobacco?**

No. Duty free operators must store duty-free tobacco securely until it is sold to customers entitled to duty free purchases. The forms and processes involved in these sales are unchanged. Customers entitled to duty free purchases may include relevant travellers, operators of a ship or aircraft for use as a ship or aircraft store, or military or diplomatic officials with access to duty free entitlements. Forms and processes involved with these sales are unchanged.

### **Do the new rules change duty-free limits and does a passenger require a permit?**

Passengers arriving into New Zealand with tobacco do not need a permit and individual duty-free tobacco limits are unchanged.

### **I want to import tobacco leaf and refuse to manufacture tobacco. Can I get a permit and what conditions will be imposed?**

You will have to apply for a permit to import tobacco leaf or refuse into New Zealand from 1 July 2020. If you want to manufacture tobacco in New Zealand, you need a permit and must also be licensed by New Zealand Customs under section 59 of the Customs and Excise Act 2018. As a condition of a permit being granted, an applicant must have a Customs-controlled Area licence for the manufacture of tobacco.

### **Who issues the licence to manufacture tobacco products?**

New Zealand Customs.

### **I want to import unmanufactured tobacco leaf to make a non-tobacco product, such as garden fertiliser. Do I need a permit?**

Yes, you will need a permit.