Australian Government
Australian Customs and Border Protection Service

INSTRUCTIONS AND GUIDELINES

AUSTRALIA-NEW ZEALAND CLOSER ECONOMIC RELATIONS TRADE AGREEMENT

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THIS INSTRUCTION AND GUIDELINE REFERS TO:
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SUBJECT:	Determining origin for goods claiming New Zealand preference under the Australia–New Zealand Closer Economic Relations Trade Agreement (ANZCERTA).
PURPOSE:	Outlines the rules that need to be satisfied under ANZCERTA to determine if a good is a New Zealand originating good and eligible for the free or preferential duty rate available under the agreement.
OWNER:	National Director Trade
CATEGORY:	Operational Procedures
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The electronic version published on the internet is the current Practice Statement.

SUMMARY OF MAIN POINTS

These Instructions and Guidelines outline all the rules of origin under ANZCERTA. Goods claiming preference under ANZCERTA must satisfy the relevant rules.

INTRODUCTION

These Instructions and Guidelines deal with origin issues as they relate to the Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA).

INSTRUCTIONS AND GUIDELINES

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Division 1: Instructions and Guidelines - ANZCERTA

1. Coverage of instructions and guidelines

(1) These Instructions and Guidelines deal only with origin issues as they relate to the Australia-New Zealand Closer Economic Relations Trade Agreement (the Agreement or ANZCERTA). This agreement originally came into force on 28 March 1983, with the latest amendments entering into force on 1 January 2007.

(b) Other Instructions and Guidelines in this series include:

- Instructions and Guidelines – Australia-United States Free Trade Agreement;
- Instructions and Guidelines – Thailand-Australia Free Trade Agreement;
- Instructions and Guidelines – Singapore-Australia Free Trade Agreement;
- Instructions and Guidelines – Australia-Chile Free Trade Agreement; and
- Instructions and Guidelines – Origin (General).

2. Abbreviations

The following abbreviations are used throughout these Instructions and Guidelines:

ANZCERTA Regulations	Customs (New Zealand Rules of Origin) Regulations 2006
CTC	Change in Tariff Classification
Customs Act	Customs Act 1901
HS	Harmonized System
ROO	Rule(s) of Origin
RVC	Regional Value Content

Division 2: Legislation

1. General outline of legislation

The ROO requirements of ANZCERTA are contained within the following documents:

- **Combined Australian Customs Tariff Nomenclature and Statistical Classification "Introduction"**
  - pages 1 and 2 (Application of Rates of Duty)
- **Customs Tariff Act 1995 (the Customs Tariff)**
  - Part 1 - Preliminary: sections 3, 4, 6, 7, 8, 9, 10 11, 12, 13, 13C and 14
  - Part 2 - Duties of Customs: sections 16, , 18 and 19
  - Schedule 3
  - Schedule 4 (general and preferential rates for concessional items)
- **Customs Act**
  - Division 1E of Part VIII (sections 153ZIA to 153ZIK) – "New Zealand originating goods"
  - Division 4D of Part VI (sections 126AJA to126AJD) – "Exportation of goods to New Zealand – Verification powers")
- Customs Regulations 1926 (the Customs Regulations)
  - Regulations 105F and 105G
- **Customs (New Zealand Rules Of Origin) Regulations 2006**

2. Operation of the legislation

Amendments to Article 3 of ANZCERTA have been implemented under the following legislation:

- **Customs Legislation Amendment (New Zealand Rules of Origin) Act 2006:**
  - Part 1 - New Zealand originating goods (incorporated into the Customs Act) - sections 153ZIA-153ZIK
  - Part 2 - Verification Powers: Exportation of goods to New Zealand (incorporated into the Customs Act) - sections 126AJA-126AJD
  - Part 3 – Other: including other amendments to the Customs Act, the Customs Tariff Act 1995, Customs Tariff (Anti-Dumping) Act 1975, Legislative Instruments Act 2003
- **Customs Amendment Regulations 2006(No. 6) (incorporated into the Customs Regulations)**
- **Customs (New Zealand Rules Of Origin) Regulations 2006**

Division 3: Overview of ANZCERTA

1. Geographical area covered by the Agreement

(1) The Agreement covers the territories of Australia and New Zealand.

2. Overview of goods covered by ANZCERTA

(1) All goods imported into Australia from New Zealand are covered by ANZCERTA. Amendments to the ROO covering preferential rates of duty applicable to New Zealand originating goods commenced on 1 January 2007.

(2) Section 16 of the Customs Tariff Act provides that the rates of customs duty for New Zealand originating goods are Free unless otherwise specified in the third column of the Tariff Classification in Schedule 3 under which the goods are specified.

(3) Record keeping obligations are imposed on producers and exporters of goods to New Zealand. **See Division 14** of these Instructions and Guidelines for more details.

Division 4: Principles of Rules of Origin

1. Explanation of concept of New Zealand originating goods

(1) ROO are necessary to provide objective criteria for determining whether or not imported goods are eligible for the preferential rates of duty available under ANZCERTA.

(2) ANZCERTA grants benefits to all goods that "originate" in New Zealand, or in New Zealand and Australia. "Originating" is a term used to describe goods that meet the requirements of Article 3 of the Agreement. Article 3 establishes which goods are originating goods and precludes goods from other countries from obtaining those benefits by merely transiting through Australia or New Zealand.

(3) The ROO define the methods by which it can be ascertained that a particular good has undergone sufficient work or processing, or has undergone substantial transformation, to obtain the benefits under ANZCERTA.

(4) Originating goods are those that:

- are wholly obtained in New Zealand or Australia, such as minerals extracted there, plants grown there, or products obtained from such plants, and live animals born and raised there; or
- are produced in either New Zealand or Australia, or both, exclusively from originating materials only; or
- are wholly manufactured in New Zealand:
  - from unmanufactured raw product; or
  - materials manufactured in either New Zealand or Australia; or
  - determined manufactured raw materials (DMRM); or
  - are originating because their last process of manufacture is performed in New Zealand and a regional value content of not less than 50% (note: this criterion will be repealed on 1 January 2012); or
- are produced entirely in New Zealand, or in New Zealand and Australia, from non-originating materials only, or from non-originating materials and originating materials. In this case, the non-originating materials must meet the requirements of the product-specific rules as listed in Appendix 3 of these Instructions and Guidelines.

(5) Non-originating goods or materials are those which originate from outside Australia or New Zealand, or which are produced in Australia or New Zealand but, because of a high level of offshore material used to produce them, do not meet the ROO.

2. Harmonized system of tariff classification

(1) Product-specific ROO are based on tariff classifications under the internationally accepted HS. The HS organises products according to the degree of production, and assigns them numbers known as tariff classifications. The HS is arranged into 97 chapters covering all products. Each chapter is divided into headings. Headings can be divided into subheadings, and subheadings are divided into tariff classifications.

Example: Harmonized System of Tariff Classification

Chapter 62.....Articles of apparel and clothing accessories, not knitted or crocheted

Heading 6209.....Babies' garments and clothing accessories

Subheading 6209.10.....Of wool or fine animal hair

Tariff classification 6209.10.20.....Clothing accessories

(2) As shown above, Chapter means the two-digit Chapter number. Headings are identified with a four-digit number, subheadings have a six-digit number, and tariff classifications have an eight-digit number. Subheadings give a more specific description than headings, and tariff classifications give a more specific description than subheadings.

(3) Under the HS, the Chapter, heading, and subheading numbers for any good are identical in any country using the HS. However, the last two digits of the tariff classification are not harmonized - each trading nation individually assigns them.

(4) The product-specific rules in Annex G of the Agreement are organised using the HS classification numbers. Therefore, importers determine the HS classification of the imported good and use that classification to find the specific ROO in the applicable Annex to the Agreement. If the good meets the requirements of the ROO (and all other relevant requirements), it is an originating good.

3. CTC

(1) When a ROO is based on a CTC, each of the non-originating materials used in the production of the goods must undergo the applicable change as a result of production occurring entirely in New Zealand or in New Zealand and Australia.

(2) This means that the non-originating materials are classified to one tariff classification prior to processing and classified to another upon completion of processing. This approach ensures that sufficient transformation has occurred within New Zealand or within New Zealand and Australia to justify a claim that the good is a legitimate product of New Zealand. The exact nature of the CTC required for a particular good can be found by referring to the product-specific rule in Appendix 3 of these Instructions and Guidelines (published as a separate document).

Example: Product-specific rule requiring a CTC

Newsprint (HS 4801) is produced in New Zealand from mechanical wood pulp (4701) imported from Malaysia.

The product-specific rule for 4801 is:

A change to heading 4801 from any other heading.

In the production of newsprint in New Zealand, from wood pulp imported from Malaysia, the CTC is from 4701 to 4801.

The product-specific rule for 4801 requires a CTC from any other heading. As 4701 is a different heading to 4801, the good satisfies the CTC requirement and is therefore a New Zealand originating good.

4. RVC

(1) For some goods, the CTC ROO is supported by a local content threshold component called the RVC requirement. The purpose of the RVC is to ensure that a good is produced with a specified proportion of the final value of the good coming from New Zealand or New Zealand and Australia.

(2) The RVC requirement can take the form of either an additional requirement to the specified CTC, or can be an alternative requirement, allowing the product to meet a lesser degree of tariff shift if the threshold is reached.

(3) Article 3 of the Agreement provides the formulae to determine RVC. The three methods are the Build-down, Build-up or Factory Cost Method.

(4) Section 3 in Division 9 of these Instructions and Guidelines provides a full explanation of RVC.

(5) In deciding whether goods are New Zealand originating goods the following concepts are also explained in these Instructions and Guidelines as follows:

5. Classes of originating goods under the ANZCERTA

(1) The classes of New Zealand originating goods under ANZCERTA are dealt with in Divisions 5 to 10 of these Instructions and Guidelines as outlined below:

- goods wholly obtained in New Zealand - (**Division 5**);
- goods produced entirely in New Zealand or in New Zealand and Australia, from originating materials only - (**Division 6**);
- goods wholly manufactured in New Zealand (and Determined Manufactured Raw Materials) - (**Division 7**);
- goods last processed in New Zealand - (**Division 8**);
- goods produced in New Zealand, or in New Zealand and Australia, from non-originating materials - (**Division 9**);
- other New Zealand originating goods - (**Division 10**).

(2) In deciding whether goods are New Zealand originating goods the following concepts which are explained in these Instructions and Guidelines must also be considered:

- CTC - (**Division 9, Section 2**);
- Accumulation - (**Division 9, Section 2**);
- De minimis rule - (**Division 9, Section 2**);
- RVC - (**Division 9, Section 3**);
- Goods that are chemicals, plastic or rubber - (**Division 9, Section 7**);
- Standard accessories, spare parts and tools - (**Division 10, Section 1**);
- Packaging materials and containers - (**Division 10, Section 2**);
- Consignment provisions - (**Division 10, Section 3**);
- Fungible goods and materials - (**Division 12**).

6. Origin Advice Rulings

(1) Written advice on any origin matter will be provided by Customs in the form of an Origin Advice Ruling upon request. The Ruling exists to advise Australian importers, New Zealand producers and New Zealand exporters on specific issues relating to the origin of their goods for the purposes of determining eligibility for preferential duty rates for goods imported into Australia (**Division 11**).

Division 5: Goods wholly obtained in New Zealand

1. Statutory provisions

(1) Section 153ZIC of the Customs Act contains provisions relating to goods wholly obtained in New Zealand:

153ZIC Goods wholly obtained in New Zealand or New Zealand and Australia

(1) Goods are ***New Zealand originating goods*** if they are wholly obtained in New Zealand or in New Zealand and Australia.

(2) Goods are ***wholly obtained in New Zealand or in New Zealand and Australia*** if, and only if, the goods are:

(a) minerals extracted in New Zealand; or

(b) plants grown in New Zealand, or in New Zealand and Australia, or products obtained in New Zealand from such plants; or

(c) live animals born and raised in New Zealand, or in New Zealand and Australia; or

(d) products obtained from live animals in New Zealand; or

(e) goods obtained from hunting, trapping, fishing, capturing or aquaculture conducted in New Zealand; or

(f) fish, shellfish, plant or other marine life taken from the sea by ships that are registered or recorded in New Zealand and are flying the flag of New Zealand; or

(g) goods produced or obtained exclusively from goods referred to in paragraph (f) on board factory ships that are registered or recorded in New Zealand and are flying the flag of New Zealand; or

(h) goods taken from the seabed, or the subsoil beneath the seabed, of the territorial sea of New Zealand or of the continental shelf of New Zealand:

(i) by New Zealand; or

(ii) by a New Zealand citizen; or

(iii) by a body corporate incorporated in New Zealand;

but only if New Zealand has the right to exploit that part of the seabed; or

(i) waste and scrap that has been derived from production operations in New Zealand, or from used goods collected in New Zealand, and that is fit only for the recovery of raw materials; or

> goods produced entirely in New Zealand, or in New Zealand and Australia, exclusively from goods referred to in paragraphs (a) to (i) or from their derivatives.

(2) In determining whether goods are wholly obtained or produced entirely in New Zealand the following definition in section 153ZIB will also need to be considered:

> ***produce*** means grow, farm, raise, breed, mine, harvest, fish, trap, hunt, capture, gather, collect, extract, manufacture, process, assemble or disassemble.

2. Policy and practice – wholly obtained goods

(1) Section 153ZIC directs that goods are New Zealand originating goods if they are wholly obtained in New Zealand because the goods fall into one of the following categories:

- minerals extracted in New Zealand (for example, silver mined in New Zealand); or
- plants grown in New Zealand, or in New Zealand and Australia, or products obtained in New Zealand form such plants (for example fruit from fruit trees); or
- live animals born and raised in New Zealand, or in New Zealand and Australia; or
- products obtained from live animals in New Zealand (milk from cows or eggs from chickens); or
- goods obtained from hunting, trapping, fishing, capturing or aquaculture conducted in New Zealand; or
- fish, shellfish, plant or other marine taken from the sea by ships that are registered or recorded in New Zealand and are flying, or entitled to fly, the flag of New Zealand (for example tuna caught by a New Zealand registered fishing vessel); or
- goods produced or obtained exclusively from goods referred to in the paragraph above on board factory ships that are registered or recorded in New Zealand and are flying the flag of New Zealand; or
- goods taken from the seabed or the subsoil beneath the seabed of the territorial sea of New Zealand or of the continental shelf of New Zealand by
  - New Zealand; or
  - a New Zealand citizen; or
  - a body corporate incorporated in New Zealand;

  but only if New Zealand has the right to exploit that part of the seabed; or
- waste and scrap (see examples #1 and 2 in Policy and Practice below) that has either:
  - been derived from production operations in New Zealand and that are fit only for the recovery of raw materials; or
  - used goods that are collected in New Zealand and that are fit only for the recovery of raw materials; or

- goods produced entirely in New Zealand, or in New Zealand and Australia, exclusively from goods referred to in 1.1 of this Division or from their derivatives.

3. Policy and practice - waste and scrap

(1) There are two categories of waste and scrap which qualify as "goods wholly obtained" under section 153ZIC.

(2) The first category is waste and scrap that results from production operations in New Zealand and that are fit only for the recovery of raw materials.

Example #1: Waste and Scrap

Galvanised pipe imported into New Zealand from Japan is used in the production of elbows and flanges.

The off-cuts and metal filings resulting from such a production process in New Zealand are waste and scrap that is fit only for the recovery of raw materials. Therefore, under 153ZIC(2)(i), the off-cuts and filings are considered to be "wholly obtained" goods and thus are New Zealand originating goods.

(3) The second category is waste and scrap that has been derived from used goods that are collected in New Zealand and those goods are only fit for the recovery of raw materials

Example #2: Waste and Scrap

Insulated copper wire is recovered in New Zealand from scrap telephone or electrical cables. This scrap wire is, vide 153ZIC(2)(i), considered to be New Zealand originating regardless of where the cable was produced.

Division 6: Goods produced entirely in New Zealand or in New Zealand and Australia, from originating materials only

1. Statutory provisions

(1) Section 153ZID of the Customs Act contains provisions relating to goods produced entirely in New Zealand or in New Zealand and Australia, from originating materials:

> **153ZID Goods produced in New Zealand or in New Zealand and Australia from originating materials**
>
> Goods are ***New Zealand originating goods*** if they are produced entirely in New Zealand, or entirely in New Zealand and Australia, from originating materials only.

(2) In determining whether goods are produced entirely in New Zealand or in New Zealand and Australia the following definitions in section 153ZIB will also need to be considered:

Agreement means the Australia New Zealand Closer Economic Relations Trade Agreement done at Canberra on 28 March 1983, as amended from time to time.

Note: The text of the Agreement is set out in Australian Treaty Series 1983 No. 2. In 2004 the text of an Agreement in the Australian Treaty Series was accessible through the Australian Treaties Library on the AustLII Internet site (www.austlii.edu.au).

Australian originating goods means goods that are Australian originating goods under a law of New Zealand that implements the Agreement.

Convention means the International Convention on the Harmonized Commodity Description and Coding System done at Brussels on 14 June 1983.

Note: The text of the Convention is set out in Australian Treaty Series 1988 No. 30. In 2006 the text of a Convention in the Australian Treaty Series was accessible through the Australian Treaties Library on the AustLII Internet site (www.austlii.edu.au).

Harmonized System means the Harmonized Commodity Description and Coding System (as in force from time to time) that is established by or under the Convention.

indirect materials means:

(a) goods or energy used or consumed in the production, testing or inspection of goods, but not physically incorporated in the goods; or

(b) goods or energy used or consumed in the operation or maintenance of buildings or equipment associated with the production of goods:

including:

(c) fuel (within its ordinary meaning); and

(d) tools, dies and moulds; and

(e) spare parts; and

(f) lubricants, greases, compounding materials and other similar goods; and

(g) gloves, glasses, footwear, clothing, safety equipment and supplies; and

(h) catalysts and solvents.

non-originating materials means goods that are not originating materials.

originating materials means:

(a) New Zealand originating goods that are used or consumed in the production of other goods; or

(b) Australian originating goods that are used or consumed in the production of other goods; or

(c) indirect materials.

New Zealand originating goods means goods that, under this Division, are New Zealand originating goods.

2. Policy and practice - general

(1) If Australian originating materials are imported into New Zealand and used in the production of a good also incorporating New Zealand originating materials, the good produced is a New Zealand originating good in accordance with paragraph (b) of the definition of "originating materials" above.

Example: Goods produced in New Zealand using a combination of Australian and New Zealand originating materials

A New Zealand producer imports tanned sheep leather (classified to 4105.30.00) from Australia. This leather is an Australian originating material.

The leather is used in New Zealand to produce handbags and wallets using a number of New Zealand originating materials (metal clasps, plastic zippers, cotton thread, etc).

The finished handbags and wallets (classified within heading 4202) are New Zealand originating goods because they are produced from originating materials.

3. Policy and practice – New Zealand originating materials

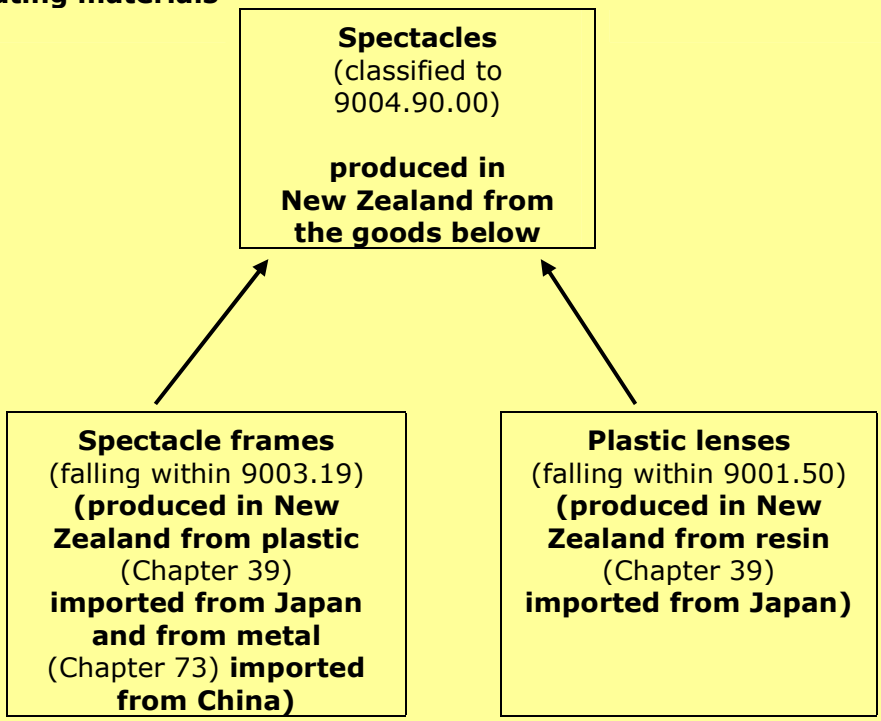
(1) Section 153ZID replicates the effect of paragraph 153ZIC(2)(J) to the extent that if a good is produced entirely in New Zealand from a good referred to in paragraph 153ZIC(2)(a) to paragraph 153ZIC(2)(i), inclusive (in other words, from wholly obtained New Zealand goods), then that good is a New Zealand originating good in accordance with paragraph (a) of the definition of "originating materials" above.

4. Policy and practice - goods produced in New Zealand using a combination of originating materials

(1) Section 153ZID is broader than paragraph 153ZIC(2)(j) because, in addition to the above production scenarios, it also allows the production of goods to occur from materials that are originating materials because they have met the requirements of the table in Schedule 1 to the ANZCERTA Regulations (the Schedule 1 tariff table).

(2) A full explanation of the operation of the Schedule 1 tariff table is contained in **Division 9** of these Instructions and Guidelines.

Example: Goods produced in New Zealand using a combination of originating materials



In this example, the spectacle frames and the plastic lenses are originating materials as they meet the criteria specified in the "Schedule 1 tariff table" (see Division 9 of these Instructions and Guidelines).

As the materials used in the production of the spectacles are originating materials, the spectacles are, in accordance with section 153ZID, also considered to be New Zealand originating goods.

5. Policy and practice - indirect materials

(1) Indirect materials are defined in section 153ZIB which is reproduced above at 1.2.

(2) All "indirect materials" which fall within paragraphs (a) and (b) of the definition of that term, used in the production of New Zealand originating materials, are considered to be originating materials regardless of the origin of those indirect materials.

(3) The list of indirect materials given in paragraphs (c) to (h) in the definition is not to be construed as an exhaustive list of such materials.

Example: Indirect materials

Tools and safety equipment, produced in Germany, are used by workers in New Zealand during the operation of equipment used to produce the spectacles in the above example. Such tools and safety equipment meet the terms of paragraph (b) of the definition of "indirect materials" and are thereby considered to be originating materials by virtue of paragraph (c) of the definition of "originating materials".

The use of such indirect materials in the production of goods in New Zealand is permitted by virtue of paragraph (c) of the definition of "originating materials" and such goods are deemed to be New Zealand originating materials.

Division 7: Goods wholly manufactured in New Zealand

1. Statutory provisions

(1) Section 153ZIH of the Customs Act contains provisions relating to goods wholly manufactured in New Zealand:

> **153ZIH Goods wholly manufactured in New Zealand**
>
> (1) Goods are ***New Zealand originating goods*** if they are wholly manufactured in New Zealand from one or more of the following:
>
> (a) unmanufactured raw products;
>
> (b) materials wholly manufactured in Australia or New Zealand or Australia and New Zealand;
>
> (c) materials covered by subsection (2).
>
> (2) The CEO may, by legislative instrument, determine specified materials imported into New Zealand to be manufactured raw materials of New Zealand.

(2) Section 153H of the Customs Act contains provisions relating to unmanufactured raw products.

> **153H Unmanufactured goods**
>
> Goods claimed to be the produce of a country are the produce of that country if they are its unmanufactured raw products

(3) Section 4 of the Customs Act defines the meaning of unmanufactured raw products:

> ***unmanufactured raw products*** means natural or primary products that have not been subjected to an industrial process, other than an ordinary process of primary production, and, without limiting the generality of the foregoing, includes:
>
> (a) animals;
>
> (b) bones, hides, skins and other parts of animals obtained by killing, including such hides and skins that have been sun-dried;
>
> (c) greasy wool;
>
> (d) plants and parts of plants, including raw cotton, bark, fruit, nuts, grain, seeds in their natural state and unwrought logs;
>
> (e) minerals in their natural state and ores; and
>
> (f) crude petroleum.

2. Policy and practice – general

(1) This section replicates the operation of previous subsection 153J(1) of the Customs Act.

(2) Wholly manufactured provisions apply in respect of goods produced in New Zealand.

(3) All provisions require wholly manufactured goods to be made from materials falling into one or more of three basic classes, as follows:

- unmanufactured raw products;
- materials wholly manufactured in New Zealand or Australia, or both;
- materials imported into New Zealand from a country other than Australia that are determined by the CEO to be the manufactured raw materials of New Zealand.

(4) Australia recognises that small quantities of imported manufactured materials may be used to produce otherwise wholly manufactured goods. The DMRM policy has been agreed between the Governments of Australia and New Zealand (see below).

3. Unmanufactured raw products

(1) Contrary to the provisions for wholly obtained goods of New Zealand imported into Australia without further manufacture, dealt with in Division 5 in this document, there is no limitation placed on the origin of unmanufactured raw products used as materials in wholly manufactured goods imported into Australia. Goods will be the manufacture of New Zealand notwithstanding that they may be made from unmanufactured raw products from outside the qualifying area (i.e. Australia or New Zealand).

4. DMRM

(1) Where goods would be wholly manufactured in New Zealand but for materials that are not available from within Australia or New Zealand, the CEO may determine those materials to be the produce or manufacture of New Zealand.

(2) For the purposes of this provision, joint procedures for the handling of DMRM requests have been developed between Australia and New Zealand. These procedures have been published in the booklet, ANZCERTA - Rules of Origin – Determined Manufactured Raw Materials (DMRM), which is available on the Internet at http://www.customs.gov.au/site/page.cfm?u=5339 (alternatively, on the Customs home page go to "import/export", "free trade agreements (roo)", "New Zealand", then open the PDF file titled "Australia-New Zealand 'Determined Manufactured Raw Materials'.

(3) Australia and New Zealand have agreed on procedures for processing DMRM applications. This includes consideration of the general duty rate applicable to imports of the material into Australia, eligibility for a duty concession and the publication of a Gazette notice that allows Australian manufacturers of the material for which a DMRM is sought 21 days in which to object to the granting of a DMRM.

(4) In this process, consideration is limited to the extent to which the material for which a DMRM is sought can be made locally. No consideration is given to the extent to which local firms can manufacture the complete goods to be made using that material.

(5) A complete list of current DMRMs at the time of publication can be viewed at Appendix 3 of these Instruction and Guidelines.

Division 8: Goods last processed in New Zealand

1. Statutory provisions

(1) Section 153ZII contains provisions relating to goods last processed in New Zealand:

153ZII Goods last processed in New Zealand

(1) Goods are ***New Zealand originating goods*** if:

(a) the last process in their manufacture was performed in New Zealand; and

(b) the qualifying expenditure on the goods is at least 50% (the ***standard percentage***) of the factory cost of the goods.

Lower percentage in unforseen circumstances

(2) If the CEO is satisfied that:

(a) a shipment of goods would be New Zealand originating goods under this section if the standard percentage were 48%; and

(b) the qualifying expenditure on the goods would have been at least 50% of the factory cost of the goods if an unforseen circumstance had not occurred; and

(c) the unforseen circumstance is unlikely to continue;

the CEO may determine in writing that the standard percentage is taken to be 48%:

(d) for the purposes of that shipment of goods; and

(e) for the purposes of any later shipment of similar goods that is affected by that unforseen circumstance during a period specified in the determination.

(3) A determination made under subsection (2) is not a legislative instrument.

CEO may revoke determination

(4) If:

(a) the CEO makes a determination under subsection (2); and

(b) the CEO becomes satisfied that the unforseen circumstance no longer exists;

the CEO may, by writing, revoke the determination even though the period specified in it has not ended.

(5) In this section:

factory cost of goods has the meaning given by the regulations.

qualifying expenditure on goods has the meaning given by the regulations.

similar goods, in relation to goods in a particular shipment (the ***first shipment***) means goods:

(a) that are contained in another shipment that is imported by the same importer; and

(b) that undergo the same process or processes of manufacture as the goods in the first shipment.

(2) Section 153ZIJ repeals section 153ZII on 1 January 2012.

2. Policy and practice – general

(1) This section replicates the operation of previous subsection 153J(2) of the Customs Act.

(2) All work undertaken in respect to the goods prior to that undertaken by the manufacturer (as defined in section 153B of the Customs Act) of preference claim goods at the factory (as defined in section 153B) will represent materials in that (final) process. Manufacture requires the creation of an article essentially different from the component parts or materials that go into such manufacture.

(3) The content of the defined terms referred to in subsection 153ZII(5) is set out in the ANZCERTA Regulations for calculating whether the goods are New Zealand originating goods. Further, the ANZCERTA Regulations incorporate the concept of a principal manufacturer to ensure that all genuine local content is counted towards the rule of origin and that there is equity of treatment as between integrated manufacturers and those that outsource production.

(4) What is 'manufacture' in any particular case must be determined on a case-by-case basis with due regard being paid to the nature of the goods concerned and the processes to which they have been subjected.

(5) Processes such as repairing, overhauling or re-furbishing do not constitute manufacture. These have been judged as restoration processes (see Regal Holdings Ltd and Chief Executive Officer of Customs (1997) 46 ALD 373).

(6) In keeping with the above, minor processing operations such as pressing, labelling, ticketing, packaging, preparation for sale and quality control inspections are not considered to be processes of manufacture in their own right.

(7) Generally, minor processing operations are considered to be part of overall manufacture, provided there is a single continuous line of production at the factory from primary materials to finished goods ready for sale. Such operations are clearly defined in the definition of "manufacture" in section 153ZIB of the Customs Act.

(8) Section 153ZIJ, which repeals Section 153ZII on 1 January 2012, gives effect to Article 3(1)(c)(iii) of ANZCERTA. The rules set out in Section 153ZII will only continue in force for 5 years after the commencement of the amending Act (i.e. 1 January 2012).

3. Policy and practice – where standard percentage may be determined to be 48%

(1) Allowable labour and overheads would generally be based on a 12 month period coinciding with the annual reporting period of the manufacturer. For this reason, such costs are unlikely to be affected by this provision, which relates to short-term aberrations.

(2) The provision will, however, apply directly to materials in circumstances where a short-term variation is experienced through, for example, severe exchange rate fluctuations. Where this variation directly affects the cost of production of each individual unit produced, it will come within the ambit of this provision. In ordinary circumstances, the short-term would not be expected to exceed three months.

(3) Where use of this provision is contemplated, application should be made to the Director Valuation and Origin, Trade Services, Customs House, 5 Constitution Avenue, Canberra ACT 2601, well before the goods are to be entered for home consumption, so that sufficient time is allowed to consider the application and where appropriate, to make a determination. The application should include all material required to support the claim.

(4) The form of the determination contemplated by section 153ZII is set out in **Appendix 2**.

Division 9: Goods produced in New Zealand or in New Zealand and Australia from non-originating materials

Section 1: Statutory Provisions and Overview

1. Statutory provisions

(1) Section 153ZIE of the Customs Act contains provisions relating to goods produced in New Zealand or in New Zealand and Australia from non-originating materials, or from a combination of non-originating and originating materials.

153ZIE Goods produced in New Zealand or New Zealand and Australia from non-originating materials

(1) Goods are ***New Zealand originating goods*** if:

(a) they are classified to a heading or subheading of the Harmonized System specified in column 1 or 2 of the table in Schedule 1 to the *Customs (New Zealand Rules Of Origin) Regulations 2006*; and

(b) they are produced entirely in New Zealand, or entirely in New Zealand and Australia, from non-originating materials only or from non-originating materials and originating materials; and

(c) each requirement that is specified in the regulations to apply in relation to the goods is satisfied.

Change in tariff classification

(2) The regulations may specify that each non-originating material used or consumed in the production of the goods is required to satisfy a specified change in tariff classification.

(3) The regulations may also specify when a non-originating material used or consumed in the production of the goods is taken to satisfy the change in tariff classification.

(4) If:

(a) the requirement referred to in subsection (2) applies in relation to the goods; and

(b) one or more of the non-originating materials used or consumed in the production of the goods do not satisfy the change in tariff classification;

then the requirement referred to in subsection (2) is taken to be satisfied if the total value of those non-originating materials does not exceed 10% of the customs value of the goods.

Regional value content

(5) The regulations may specify that the goods are required to have a regional value content of at least a specified percentage.

(6) If:

(a) the goods are required to have a regional value content of at least a specified percentage; and

(b) the goods are imported into Australia with standard accessories, standard spare parts or standard tools; and

(c) the accessories, spare parts or tools are not invoiced separately from the goods; and

(d) the quantities and value of the accessories, spare parts or tools are customary for the goods;

then the regulations must require the value of the accessories, spare parts or tools to be taken into account as originating materials or non-originating materials, as the case may be, for the purposes of working out the regional value content of the goods.

Note: The value of the accessories, spare parts or tools is to be worked out in accordance with the regulations: see subsection 153ZIB(3).

(7) For the purposes of subsection (6), disregard section 153ZIG in working out whether the accessories, spare parts or tools are originating materials or non-originating materials.

(8) However, subsection (6) does not apply if the accessories, spare parts or tools are imported solely for the purpose of artificially raising the regional value content of the goods.

No limit on regulations

(9) Subsections (2) and (5) do not limit paragraph (1)(c).

(2) In determining whether goods are produced entirely in New Zealand or in New Zealand and Australia from non-originating materials only or from a combination of non-originating and originating materials, the following definitions in section 153ZIB will also need to be considered:

Agreement means the Australia New Zealand Closer Economic Relations Trade Agreement done at Canberra on 28 March 1983, as amended from time to time.

Note: The text of the Agreement is set out in Australian Treaty Series 1983 No. 2. In 2006 the text of an Agreement in the Australia Treaties Series was accessible through the Australian Treaties Library on the AustLII website (www.austlii.edu.au).

customs value of goods has the meaning given by section 159.

indirect materials means:

(a) goods or energy used or consumed in the production, testing or inspection of goods, but not physically incorporated in their goods; or

(b) goods or energy used or consumed in the operation or maintenance of buildings or equipment associated with the production of goods;

including

(c) fuel (with its ordinary meaning); and

(d) tools, dyes and moulds; and

(e) spare parts; and

(f) lubricants, greases, compounding materials and other similar goods; and

(g) gloves, glasses, footwear, clothing, safety equipment and supplies for any of these things; and

(h) catalysts and solvents.

non-originating materials means goods that are not originating materials.

originating materials means:

(a) New Zealand originating goods that are used or consumed in the production of other goods; or

(b) Australian originating goods that are used or consumed in the production of other goods; or

(c) indirect materials.

(3) Value is further defined in subsection 153ZIB(3), which states in part:

Value of goods

(3) The ***value*** of goods for the purposes of this Division is to be worked out in accordance with the regulations. The regulations may prescribe different valuation rules for different kinds of goods.

(4) Also relevant is Regulation 5, "Determination of Value", of the ANZCERTA Regulations.

(5) Regional value content is defined in subsection 153ZIB(2), which states in part:

Regional value content of goods

(2) The ***regional value content*** of goods for the purposes of this Division is to be worked out in accordance with the regulations. The regulations may prescribe different regional content rules for different kinds of goods.

(6) Also relevant is Regulation 3, "Regional Value content", of the ANZCERTA Regulations.

2. Policy and practice - general

(1) Section 153ZIE of the Customs Act sets out the general rules for determining whether a good is a New Zealand originating, namely those goods that are produced entirely in New Zealand, or entirely in New Zealand and Australia, from non-originating materials only, or from non-originating materials and originating materials.

(2) Goods are New Zealand originating goods if all the requirements of subsection 153ZIE(1) have been met. The requirements of this subsection, simply put, are:

- that the tariff classification of the goods as entered on a customs entry corresponds with a heading or subheading in Column 1 or 2 of the Schedule 1 tariff table; and
- production of the final good occurred entirely in New Zealand or in New Zealand and Australia; and
- each requirement that is specified in the regulations to apply in relation to the goods is satisfied.

(3) The Schedule 1 tariff table is the table in Part 2 of Schedule 1 to the ANZCERTA regulations (reproduced at Appendix 3 to these Instructions and Guidelines). Schedule 1 incorporates the product-specific rules. The product-specific rules specify the CTC requirement, RVC and any other requirements for the purpose of determining whether a good is a New Zealand originating good. Column 1 of the Schedule 1 tariff table rules sets out the Chapter reference of goods in the HS. Column 2 lists tariff classifications at the heading or subheading level, and Column 4 sets out the product-specific rule relevant to the tariff classification in Column 2.

(4) Some examples to illustrate the different types of rules appearing in the Schedule 1 tariff table are:

SINGLE RULE

- **Simple rule = change of tariff classification only**

  The rule may be at the heading level or at the subheading level and it may specify a change to a chapter, heading or subheading.

Tariff classification		**Description of products**	**Product-specific Rule**
Column 1	**Column 2**	**Column 3**	**Column 4**
0101		**Live horses, asses, mules and hinnies.**	A change to heading 0101 from any other chapter.

- **Simple rule = RVC only**

Tariff classification		Description of products	Product-specific Rule
Column 1	**Column 2**	**Column 3**	**Column 4**
8706		**Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705.**	A regional value content of not less than 40 percent based on the build-down method, whether or not there is a change in tariff classification

- **Simple rule with exceptions = change of tariff classification except from certain classifications**

Tariff classification		Description of products	Product-specific Rule
Column 1	**Column 2**	**Column 3**	**Column 4**
7608		**Aluminium tubes and pipes.**	Change to heading 7608 from any other heading except from heading 7609

- **Simple rule with provisions = change of tariff classification provided certain requirements have been met**

Tariff classification		Description of products	Product-specific Rule
Column 1	**Column 2**	**Column 3**	**Column 4**
6102		**Women's or girl's overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading 6104.**	Change to heading 6102 from any other chapter, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties

CHOICE OF RULE

- **Choice of rule = change of tariff classification rule or a simple change of tariff classification rule with provisions**

Tariff classification		Description of products	Product-specific Rule
Column 1	**Column 2**	**Column 3**	**Column 4**
8207	820713	- Rock drilling or earth boring tools, and parts thereof; with working part of cermets	Change to subheading 820713 from any other chapter; or Change to subheading 820713 from heading 8209 or subheading 820719 provided that there is a regional value content of not less than 35 percent based on the build-up method or 45 percent based on the build-down method

- **Choice of rule = change of tariff classification rule or a RVC only**

Tariff classification		Description of products	Product-specific Rule
Column 1	**Column 2**	**Column 3**	**Column 4**
8486	848690	- Parts and accessories	Change to subheading 848690 from any other heading; or No change in tariff classification provided that there is a regional value content of not less than 35 percent based on the build-up method or 45 percent based on the build-down method

- **Choice of rule = change of tariff classification rule or a simple change of tariff classification rule with RVC**

Tariff classification		Description of products	Product-specific Rule
Column 1	**Column 2**	**Column 3**	**Column 4**
8504	850431	- Other transformers: having a power handling capacity not exceeding 1 kVA	Change to subheading 850431 from any other heading; or Change to subheading 850431 from subheading 850490, whether or not there is also a change from any other heading, provided that there is a regional value content of not less than 35 percent based on the build-up method or 45 percent based on the build-down method

MULTIPLE RULE

- **Multiple rule = simple change of tariff classification rule with the addition of a RVC requirement**

Tariff classification		Description of products	Product-specific Rule
Column 1	**Column 2**	**Column 3**	**Column 4**
5908		**Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefore, whether or not impregnated.**	Change to heading 5908 from any other heading, provided that there is a regional value content of not less than 35 percent based on the build-up method or 45 percent based on the build-down method

3. The requirements

(1) As stated in paragraph 2.4 of this Division, Column 4 of the Schedule 1 tariff table sets out the product-specific rule relevant to the tariff classification in Column 2.

(2) The product-specific rule will specify one or more requirements and each requirement specified must be satisfied for the good to be a New Zealand originating good. If the ROO provides a choice of rule, only the requirements of that choice selected have to be satisfied.

(3) If any requirement is not satisfied, the good is a non-originating good.

(4) Provided the criteria specified in paragraph 153ZIE(1)(a), 153ZIE(1)(b), and 153ZIE(1)(c) is satisfied, the good will be a New Zealand originating good and be afforded appropriate tariff treatment (provided all the other relevant requirements of Division 1E are satisfied).

Section 2: Change in Tariff Classification Requirement (CTC)

1. CTC requirement

(1) Subsection 153ZIE(2) of the Customs Act states that the regulations may specify that each non-originating material used or consumed in the production of goods is required to satisfy a specified CTC. This requirement is set out in Part 2 of the ANZCERTA Regulations.

(2) The concept of CTC applies only to non-originating materials. It means that non-originating materials that are sourced from outside or within New Zealand or Australia which are used to produce another good, must not have the same classification under the HS as the final good into which they are incorporated. This means that the tariff classification of the final good (after the production process) must be different to the tariff classification of each non-originating material (before the production process). This approach ensures that sufficient transformation of the materials has occurred within New Zealand, or within New Zealand and Australia, to justify the claim that the goods are the produce of New Zealand.

Example: CTC Requirement

Frozen pork (HS 0203) is imported into New Zealand from Hungary and combined with spices from the Caribbean (HS 0907-0910) and cereals produced in New Zealand to make pork sausages (HS 1601).

The applicable CTC (or product-specific) rule for a good of 1601 is:

A change to heading 1601 from any other chapter.

As the frozen meat is classified to Chapter 2 and the spices to Chapter 9, these non-originating materials meet the transformation (CTC) requirement (the cereal is the produce of New Zealand and is therefore an originating material and is not required to change in classification). The pork sausages are therefore New Zealand originating.

2. CTC requirement – transformation test

(1) Subsections 153ZIE(2) and (3) directly address the transformation test.

(2) Non-originating materials used directly in producing a good will satisfy the transformation test if they satisfy the CTC requirement that is specified in Column 3 of the Schedule 1 tariff table opposite the final classification for the goods.

Example: CTC Requirement – transformation test

An example on page 33 addressed the production of pork sausages in New Zealand from imported frozen pork (HS 0203) which is combined with imported spices (HS 0907-0910) and cereals produced in New Zealand to make pork sausages (HS 1601).

The applicable product-specific rule for a good of 1601 is:

A change to heading 1601 from any other chapter.

The non-originating materials meet the transformation test and the pork sausages are therefore considered to be New Zealand originating.

3. CTC requirement - accumulation

(1) Subsection 153ZIE(3) states that the regulations may also specify when a non-originating material used or consumed in the production of the goods is taken to satisfy the CTC requirement.

(2) If non-originating materials do not satisfy the specified CTC requirement for the final good, it is still possible for that requirement to be satisfied. This can only occur if the material was produced entirely in New Zealand, or entirely in the New Zealand and Australia, from other non-originating materials and each of those materials satisfies the same transformation test for the final good (This requirement is also set out in Part 2 of the ANZCERTA Regulations).

(3) Paragraph 153ZIE(4) gives effect to the accumulation provisions and applies when the non-originating materials that are used directly in the production of the final good do not satisfy the required CTC requirement.

(4) In producing the final good that is to be imported into Australia, a New Zealand producer may use materials that have been produced in New Zealand by another producer. The components of these materials may have been produced by yet another producer in New Zealand or imported into New Zealand.

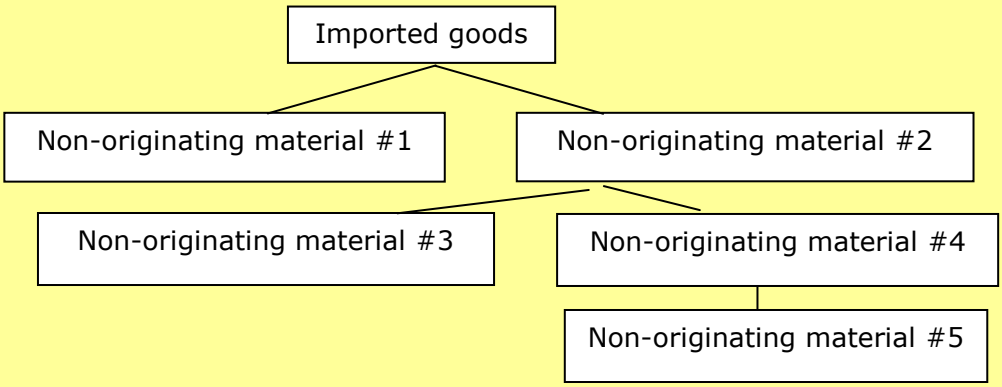
(5) In such circumstances, it is necessary to examine each step in the production process of each non-originating material that occurred in New Zealand or Australia in order to determine whether a step satisfied the required CTC rule for the final good directly from that step to the final good. If this does occur, the material will be an originating material and the final good may be a New Zealand originating good (subject to satisfying all other requirements).

(6) It is possible that the required CTC may not be satisfied at any step in the production process from the imported materials to the final good, which will mean that the final good is non-originating.

(7) The example below illustrates the concept where the non-originating material does not satisfy the transformation test but the materials from which it is produced do.

Example: CTC Requirement – Transformation Test - Accumulation

The following diagram relates to the production of particular goods that occurred entirely in New Zealand. The diagram and the accompanying text illustrate the application of the phrase "produced entirely in New Zealand, or entirely in New Zealand and Australia, from non-originating materials" [ss.153ZIE(1)(b) of the *Customs Act*.



The goods are produced from non-originating materials #1 and #2.

First Application of subregulation 2.1(2) of Customs (New Zealand Rules of Origin) Regulations 2006

Non-originating materials #1 and #2 must satisfy the CTC requirement of subsection 153ZIE(2) of the Customs Act for non-originating materials. In this example, non-originating material #1 does meet the requirement specified in the ANZCERTA Regulations.

Non-originating material #2 does not in its own right satisfy the CTC requirement specified for the imported good. Therefore, in ordinary circumstances the imported good would not be New Zealand originating.

If it were not for the provisions of subparagraph 2.1(2)(b)(ii) of the ANZCERTA Regulations the imported good in this example would not be able to qualify as an originating good. The application of this provision is explained below.

Second Application of subregulation 2.1(2)

As non-originating material #2 does not satisfy the CTC requirement specified for the (imported) good, the good is not eligible to claim preference.

We can now look to see if non-originating materials #3 and #4 (which are used to produce non-originating material #2) undergo the CTC requirement of the good that they are used in the production of.

Assuming non-originating material #3 does meet the CTC requirement specified for the imported good, and non-originating material #4 does not meet the CTC requirement, the imported good still cannot be categorised as an originating good and we must look at what is used to manufacture non-originating material #4.

Third Application of Subregulation 2.1(2)

As only one non-originating material is used to produce non-originating material #4, we can determine whether the non-originating material (#5) meets the CTC requirement specified for the imported good. If that requirement is met, then the imported good is an originating good.

Final Result

The result of the 3 applications of subregulation 2.1(2) is that non-originating material #2 does satisfy the CTC requirement.

4. De minimis

(1) The CTC requirement under paragraph 153ZIE(2) is also taken to be satisfied if the good meets the requirement of paragraph 153ZIE(4). This is termed the *de minimis* rule, set out in Article 3(4) of the Agreement.

(2) Although the requirement of a CTC is a very simple principle, it necessitates that all non-originating materials undergo the required change. A very low percentage of the materials used to produce a good may not undergo the required CTC, thus preventing the goods from being a New Zealand originating good. Therefore, the Agreement incorporates a *de minimis* provision that allows a good to qualify as a New Zealand originating good provided the total value of all non-originating materials that do not satisfy the CTC requirement, used to produce the good does not exceed 10% of the customs value of the final good.

Example: *De Minimis* rule.

A New Zealand company produces wristwatches (HS 9102) for export to Australia. It produces the watches from textile watch straps made in China (HS 9113) combined with New Zealand watch movements of HS 9108 and New Zealand originating cases of HS 9111 which are both made in New Zealand and are originating materials. The value of a strap is $6 while the customs value of the finished watch is $100.

The product-specific rule for tariff heading 9102 states:

A change to heading 9102 from any other chapter; or

A change to heading 9102 from heading 9114, whether or not there is also a change from any other chapter, provided that there is a regional value content of not less than 35 percent based on the build-up method or 45 percent based on the build-down method.

Only the non-originating materials need to satisfy the CTC requirement – in this case, the textile watch straps. The straps do not satisfy either of the indicated changes in tariff classification. The value of all non-originating materials used to produce the watches is $6, and this represents 6% of the customs value of the finished good. Therefore the *de minimis* rule can be applied to the non-originating watch straps and they are taken to have satisfied the CTC requirement.

The result is that the watches are now considered to be New Zealand originating goods.

Section 3: Regional Value Content (RVC) requirement

1. Statutory Provisions

153ZIB Regional value content of goods

Regional value content of goods

(2) The ***regional value content*** of goods for the purposes of this Division is to be worked out in accordance with the regulations. The regulations may prescribe different regional value content rules for different kinds of goods.

(1) In calculating the RVC of goods, the definition of value in subsection 153ZIB(1) of the Customs Act is relevant. This provision states:

Value of goods

(3) The ***value*** of goods for the purposes of this Division is to be worked out in accordance with the regulations. The regulations may prescribe different valuation rules for different kinds of goods.

(2) Part 5 of the ANZCERTA Regulations sets out how that value of goods is to be worked out.

(3) The definition of customs value in section 153ZIB(1) provides:

customs value of goods has the meaning given by section 159.

(4) Parts 3 and 4 of the ANZCERTA Regulations prescribes the different RVC rules for the purposes of the Schedule 1 tariff table as follows:

3.2 Build-down method

(1) The build-down method is the formula:

$$RVC = \frac{\text{adjusted value} - \text{value of non-originating materials}}{\text{adjusted value}} \times 100$$

where:

adjusted value means the customs value of the goods, as worked out under Division 2 of Part VIII of the Act.

value of non-originating materials means the value of non-originating materials that are acquired and used or consumed by the producer in the production of the goods, but does not include the value of a material that is self-produced.

(2) RVC is to be expressed as a percentage.

3.3 Build-up method

(1) The build-up method is the formula:

$$RVC = \frac{\text{value of originating materials}}{\text{adjusted value}} \times 100$$

where:

adjusted value means the customs value of the goods, as worked out under Division 2 of Part VIII of the Act.

value of originating materials means the value of originating materials that are acquired, or self-produced, and used or consumed by the producer in the production of the goods.

(2) RVC is to be expressed as a percentage.

Part 4 Factory cost

4.1 Factory cost and qualifying expenditure

(1) For subsection 153ZII (5) of the Act, the ***factory cost*** of goods is the sum of:

(a) the total expenditure on originating and non-originating materials; and

(b) the allowable expenditure on labour; and

(c) the allowable expenditure on factory overheads; and

(d) the cost of inner containers.

(2) For subsection 153ZII (5) of the Act, the ***qualifying expenditure*** on goods is:

(a) the total expenditure on originating materials; and

(b) the allowable expenditure on labour incurred in New Zealand or in New Zealand and Australia; and

(c) the allowable expenditure on factory overheads incurred in New Zealand or in New Zealand and Australia; and

(d) the cost of inner containers that originate in New Zealand or in New Zealand and Australia.

4.2 Working out regional content value by the factory cost method

(1) For the purposes of the table in Schedule 1, regional value content based on the factory cost method is worked out using the formula:

$$RVC = \frac{\text{qualifying expenditure on goods}}{\text{factory cost of goods}} X \ 100$$

where:

factory cost of goods has the meaning given by subregulation 4.1 (1).

qualifying expenditure on goods has the meaning given by subregulation 4.1 (2).

(2) RVC is to be expressed as a percentage.

4.3 Allowable expenditure on labour

(1) For regulation 4.1, the ***allowable expenditure on labour*** means the sum of the part of each of the costs mentioned in subregulation (2) that:

(a) is incurred by, or on behalf of, the principal manufacturer; and

(b) relates directly or indirectly and wholly or partly to the processing of the goods in New Zealand; and

(c) can reasonably be allocated to the processing of the goods in New Zealand.

(2) The allowable expenditure on labour includes the following labour costs:

(a) wages and employee benefits;

(b) supervision and training;

(c) management of the process of manufacture;

(d) receipt and storage of materials;

(e) quality control;

(f) packing of goods into inner containers;

(g) handling and storage of goods within the place or places in which a process is performed that is operated by the principal manufacturer in New Zealand.

4.4 Allowable expenditure on factory overheads

(1) For regulation 4.1, the ***allowable expenditure on factory overheads*** means the sum of the part of each of the costs mentioned in subregulation (2) that:

(a) is incurred by, or on behalf of, the principal manufacturer; and

(b) relates directly or indirectly and wholly or partly to the processing of the goods in New Zealand; and

(c) can reasonably be allocated to the processing of the goods in New Zealand;

excluding the costs mentioned in subregulation (3).

(2) The allowable expenditure on factory overheads includes the cost of the following:

(a) inspection and testing of materials and goods;

(b) insurance of the following kinds:
  (i) insurance of plant, equipment and materials used in the production of the goods;
  (ii) insurance of work in progress and finished goods;
  (iii) liability insurance;
  (iv) accident compensation insurance;
  (v) insurance against consequential loss from accident to plant and equipment;

(c) dies, moulds and tooling;

(d) depreciation, maintenance and repair of plant and equipment;

(e) interest payments for plant and equipment;

(f) research, development, design and engineering;

(g) the following items in respect of real property in New Zealand used for the manufacture of goods:
  (i) insurance;
  (ii) rent and lease payments;
  (iii) mortgage interest;
  (iv) depreciation on buildings;
  (v) maintenance and repair;
  (vi) rates and taxes;

(h) leasing plant and equipment;

(i) energy, fuel, water, lighting, lubricants, rags and other materials and supplies not directly incorporated in goods manufactured in New Zealand;

(j) storage of goods within the place or places in which a process is performed that is operated by the principal manufacturer in New Zealand;

(k) royalties or licences for patented machines or processes used in the manufacture of the goods or for the right to manufacture the goods;

(l) subscriptions to standards institutions, industry organisations and research organisations;

(m) provision of medical care, cleaning services, cleaning materials and equipment, training materials, protective clothing and safety equipment;

(n) disposal of non-recyclable waste;

(o) subsidisation of a cafeteria in the place or places, in which a process is performed, operated by the principal manufacturer in New Zealand, to the extent not recovered by returns;

(p) security within the place or places in which a process is performed that is operated by the principal manufacturer in New Zealand;

(q) computer facilities allocated to the process of manufacture of the goods;

(r) contracting out part of the manufacturing process within New Zealand, including any associated transport and storage costs;

(s) employee transport;

(t) vehicle expenses;

(u) tax in the nature of a fringe benefits tax;

(v) transporting goods between places in New Zealand in which 1 or more processes are performed by, or on behalf of, the principal manufacturer.

(3) The allowable expenditure on overheads does not include the following:

(a) a cost or expense that is a general expense of doing business, including, but not limited to, any of the following costs:

(i) insurance;

(ii) executive services;

(iii) financial services;

(iv) sales;

(v) advertising and marketing services;

(vi) accounting services;

(vii) legal services;

(b) the cost of telephone, mail and other means of communication;

(c) the cost of international travel expenses, including fares and accommodation;

(d) the cost of the following items in respect of real property used by persons carrying out administrative functions:

(i) insurance;

(ii) rent and lease payments;

(iii) mortgage interest;

(iv) depreciation on buildings;

(v) maintenance and repair;

(vi) rates and taxes;

(e) the cost of conveying, insuring or shipping the goods after manufacture;

(f) the cost of shipping containers or packing the goods into shipping containers;

(g) the cost of a royalty payment relating to a licensing agreement to distribute or sell the goods;

(h) the profit of the principal manufacturer and the profit or remuneration of a trader, agent, broker or other person dealing in the goods after manufacture;

(i) any other cost incurred after the completion of all processes performed by, or on behalf of, the principal manufacturer;

(j) the cost of processing goods in a country other than New Zealand or Australia.

4.5 Interpretation

(1) In this Part:

principal manufacturer means the person in New Zealand who performs, or has had performed on its behalf, the last process of manufacture of the goods.

(2) For this Part, a cost can reasonably be allocated to the processing of the goods in New Zealand if it can be apportioned to the processing of the goods in New Zealand, in an appropriate manner under accounting principles that are generally accepted in New Zealand.

Part 5 Determination of value

5.1 Definition for Part 5

In this Part:

materials means originating materials and non-originating materials.

5.2 Value

(3) For Division 1E of Part VIII of the Act, and these Regulations, the value of materials is to be worked out using the principles set out in the following table.

Item	Materials	Principles
1	Materials imported into New Zealand by the producer of goods that are produced using the materials	The value is the value (the ***New Zealand adjusted value***) worked out under the Customs and Excise (Rules of origin for Australian Goods) Amendment Regulations 2006 (New Zealand)
2	Materials: (a) acquired in New Zealand and used or consumed in the production of the goods in New Zealand; and (b) not imported into New Zealand by the producer of the goods	The value is the cost of acquisition and the cost of transporting the material to the producer of the good where that cost is not included in the acquisition.
3	Materials that are self-produced	The value is the sum of all costs incurred by the producer of the materials in producing the materials, including: (a) the producer's general expenses; and (b) an amount for profit that is the equivalent of the amount of profit that the producer would make in respect of the materials in the ordinary course of trade

(4) If the materials are originating materials, the value of the originating materials may include the costs of the following matters, to the extent that they have not been taken into account under subregulation (1):

(a) freight, insurance, packing, shipping and any other transportation of the materials to the producer:

(i) in New Zealand; or

(ii) between Australia and New Zealand;

(b) duties, taxes and customs brokerage fees on the materials that:

(i) have been paid in either of both of Australia and New Zealand; and

(ii) have not been waived or refunded; and

(iii) are not refundable or otherwise recoverable;

including any credit against duties or taxes that have been paid or that are payable;

(c) waste and spoilage resulting from the use of the materials in the production of goods, reduced by the value of renewable scrap or by-products.

(5) If the materials are non-originating materials, the value of the non-originating materials must exclude the costs of the following matters, to the extent that they have been taken into account under subregulation (1):

(a) freight, insurance, packing, shipping and any other transportation of the materials to the producer:

(i) in New Zealand; or

(ii) between Australia and New Zealand;

(b) duties, taxes and customs brokerage fees on the materials that:

(i) have been paid in either or both of Australia and New Zealand; and

(ii) have not been waived or refunded; and

(iii) are not refundable or otherwise recoverable;

including any credit against duties or taxes that have been paid or that are payable;

(c) waste and spoilage resulting from the use of the materials in the production of goods, reduced by the value of renewable scrap or by-products;

(d) originating materials that are used or consumed in the production of non-originating materials in New Zealand;

(e) other costs incurred in Australia or New Zealand in the production of the non-originating materials, reduced by the cost of materials used in their production.

2. Policy and practice - RVC requirement

(1) For a number of goods, the product-specific ROO found in the Schedule 1 tariff table may specify a RVC as:

- a requirement additional to the CTC requirement;
- an optional alternative to a CTC requirement; or
- the solitary requirement.

(2) In cases where a RVC requirement is specified as additional to a CTC requirement, goods need to satisfy both the CTC requirement and the specified RVC requirement to qualify as New Zealand originating goods.

Example: RVC requirement - <u>additional</u> to the CTC requirement

The product-specific ROO for machinery of 8477 in the Schedule 1 tariff table is:

> **A change to heading 8477 from any other heading, provided that there is a regional value content of not less than 35 percent based on the build-up method or 45 percent based on the build-down method; or**
>
> **A change to subheading 847710 through 847780 from subheading 847790, provided that there is a regional value content of not less than 35 percent based on the build-up method or 45 percent based on the build-down method**

For goods falling to subheading 847790 to be New Zealand originating goods they must satisfy either of the above two requirements.

(3) In cases where the product-specific rule provides for options to determine origin, all the requirements of the option selected (e.g. the CTC requirement only or a combination of RVC and CTC) must be met for the good to qualify as a New Zealand originating good.

Example: optional rules

The product-specific ROO for pressure-reducing valves (HS classification 848110) in the Schedule 1 tariff table is:

> **Change to subheading 848110 from any other heading; or**
>
> **Change to subheading 848110 from subheading 848190 whether or not there is also a change from another heading, provided that there is a regional value content of not less than 35 percent based on the build-up method or 45 percent based on the build-down method**

For goods falling within subheading 848110, inclusive, to be New Zealand originating goods they must satisfy either of the alternative ROO, namely:

(1) A change to 848110 from any other heading; or

(2) either:

(a) change to 848110 from subheading 848190, plus an RVC of not less than 35% under the Build-Up Method; or

(b) a change to 848110 from subheading 848190, plus an RVC of not less than 45% under the Build-down Method.

(4) In some instances the product-specific ROO may specify that the only requirement for a good to qualify as a New Zealand originating good is the RVC requirement.

Example: product-specific rule requiring RVC only

The product-specific ROO for parts for aircraft engines falling within 8409 in the Schedule 1 tariff table is:

A regional value content of not less than 35 percent based on the build-up method or 45 percent based on the build-down method, whether or not there is a change in tariff classification

(5) Subsection 153ZIE(6) of the Customs Act specifies how the regional value content is to be calculated in relation to standard accessories, standard spare parts or standard tools. This is further discussed under Division 7.

Build-down method

Under the build-down method, the RVC calculation determines the percentage of non-originating materials which are used in the production of goods.

$$RVC = \frac{AV - VNM}{AV} \times 100$$

Where:

RVC is the regional value content, expressed as a percentage
AV is the adjusted value (value for customs purposes)
VNM is the value of non-originating materials that are acquired and used by the New Zealand producer in the production of the good. VNM does not include the value of a material that is self-produced.

Example: build-down method

A New Zealand producer sells a good to an Australian importer for $200 in an arm's-length sale. The value of non-originating materials used in the good is $60. Using the build-down method, the producer calculates the RVC as follows:

$$\frac{\text{adjusted value – value of non-originating materials}}{\text{adjusted value}} \times 100 = RVC$$

$$\frac{\$200 - \$60}{\$200} \times 100 = 70\%$$

Therefore, using the build-down method, the RVC of the good is 70%.

Build-up method

Under the build-up method, the RVC calculation determines percentage of New Zealand originating materials which are used in the production of goods.

$$RVC = \frac{VOM}{AV} \times 100$$

Where:

RVC is the regional value content, expressed as a percentage
AV is the adjusted value (value for customs purposes)
VOM is the value of originating materials that are acquired or self-produced, and are used by the New Zealand producer in the production of the goods.

Example: build-up method

A New Zealand producer sells a good to an Australian importer for $200 in an arm's-length sale. The value of New Zealand originating materials used in the good is $120. Using the build-up method, the producer calculates the RVC as follows:

$$\frac{\text{value of originating materials}}{\text{adjusted value}} \times 100 = RVC$$

$$\frac{\$120}{\$200} \times 100 = 60\%$$

Therefore, using the build-up method, the RVC of the good is 60%.

Option of RVC calculation methods

(1) The majority of the product-specific ROO in the Schedule 1 tariff table provide a choice of RVC methods, namely the build-up method or the build-down method.

(2) If a product-specific ROO contains such an option, only one of the RVC requirements needs to be met, together with any other requirement specified in the product-specific rule, for the good to be a New Zealand originating good.

(3) Having an option of two RVC methods offers a producer, whose good is non-originating because it has failed to meet the specified RVC percentage under one method, a second chance of having the good determined as New Zealand originating by meeting the specified RVC for the second method.

Example: Build-down vs. build-up method

The product-specific rule for golf clubs of 950631 in the Schedule 1 tariff table is:

> **Change to subheading 950631 from any other subheading except from subheading 950639; or**
>
> **Change to subheading 950631 from subheading 950639, whether or not there is a change from any other subheading, provided that there is a regional value content of 35 percent based on the build-up method or 45 percent based on the build-down method.**

In this example, the non-originating materials used to produce the golf clubs are golf club heads (HS 950639) imported from Japan.

The golf club heads do not meet the CTC requirement required under paragraph (a) because they are specifically excluded.

The golf club heads do meet the CTC requirement of (b) because they have been transformed from 950639 (parts for golf clubs) to 950631 (complete golf clubs).

Under paragraph (b), in addition to meeting the CTC requirement, the golf club must also satisfy a RVC requirement.

The golf clubs were sold for $100, the value of the golf club heads was $40 and the value of originating materials used was $30.

The calculation of the RVC using the build-up method is:

$$\frac{\text{value of originating materials}}{\text{adjusted value}} \times 100 = \text{RVC}$$

$$\frac{\$30}{\$100} \times 100 = 30\%$$

The RVC, using this method, is 30%. Therefore the golf clubs ARE NOT New Zealand originating goods as the product-specific rule requires a RVC of 35% using the build-up method.

However, as stated above, the producer has, under this product-specific rule, the choice of using either the Build-Up Method OR the Build-Down Method.

Calculating the RVC using the build-down method would provide the following result:

$$\frac{\text{adjusted value} - \text{value of non-originating materials}}{\text{adjusted value}} \times 100 = \text{RVC}$$

$$\frac{\$100 - \$40}{\$100} \times 100 = 60\%$$

The RVC, using this method, is 60% and the golf clubs ARE New Zealand originating goods as the product-specific rule of a change to subheading 9506.31 from subheading 9506.39 has been met and the requirement of a RVC of at least 45% using the build-down method has also been met.

Factory cost method

(1) The Factory Cost Method is used to determine whether the qualifying expenditure on goods, where the last process in their manufacture occurred in New Zealand, is at least 50% of the factory cost of the goods (Section 153ZII of the Customs Act). The ANZCERTA Regulations Part 4 ("Factory Cost Method), and the formula, is repeated earlier in this Section.

(2) This method is also used in a number of product-specific rules to determine regional value content, for example in some of the clothing lines.

Section 4: Goods that are chemicals, plastics or rubber

1. Policy and practice – process rules

(1) Preceding the product-specific rules for Chapter 28 (covering Chapters 28 to 38) and Chapter 39 (covering Chapters 39 and 40) in the ANZCERTA Regulations are rules relating to all goods within these and other Chapters. These rules are termed "process rules" as they require the materials to undergo a certain process to obtain New Zealand origin.

(2) These process rules, if met, take precedence over the product-specific rules for goods within these chapters. In other words, if the requirement of a particular process rule is met, then the goods are considered to be New Zealand originating goods and the product-specific rule is not required to be met.

(3) Each of the six process rules for goods classified within Chapters 28 to 38 and Chapters 39 and 40 of the HS is cited below, as they apply to Section VI and Section VII of the HS:

(A) At the beginning of Chapter 28 (Section VI) in Column 4 in the product-specific rules, the following rules are specified:

Section VI Products of the chemical industry or allied industries (Chapters 28-38)

1. Chemical Reaction Origin Rule

Any good of Chapters 28 through 38, except a good of heading 3823, that is the product of a chemical reaction shall be considered to be a New Zealand originating good if the chemical reaction occurred in Australia or New Zealand. Notwithstanding any of the line-by-line rules, the "chemical reaction" rule may be applied to any good classified in the above chapters.

Note: For purposes of this section, a "chemical reaction" is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of the molecule. The following are not considered to be chemical reactions for the purposes of determining whether a product is an originating good:

(a) dissolving in water or other solvents;

(b) the elimination of solvents including solvent water; or

(c) the addition or elimination of water of crystallization.

2. Purification Origin Rule

For the purposes of Chapters 28 through 35 and Chapter 38, purification is considered to be origin-conferring provided that one of the following criteria is satisfied:

(a) purification of a good resulting in the elimination of 80 percent based on the content of existing impurities; or

(b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:

(i) pharmaceutical, medicinal, cosmetic, veterinary, or food grade substances;

(ii) chemical products and reagents for analytical, diagnostic or laboratory uses;

(iii) elements and components for use in micro-elements;

(iv) specialized optical uses;

(v) non toxic uses for health and safety;

(vi) biotechnical use;

(vii) carriers used in a separation process; or

(viii) nuclear grade uses.

3. Mixtures and Blends Origin Rule

For the purposes of Chapters 30 and 31, heading 3302, subheading 3502.20, headings 3506 through 3507 and heading 3707, the deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is considered to be origin-conferring.

4. Change in Particle Size Origin Rule

For the purposes of Chapters 30 and 31:

(a) the deliberate and controlled reduction in particle size of a good, other than by merely crushing (or pressing) resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin-conferring; or

(b) the deliberate and controlled modification in particle size of a good, other than by merely pressing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin-conferring.

5. Standards Materials Origin Rule

   For the purposes of Chapters 28 through 32, Chapter 35 and Chapter 38, the production of standards materials is considered to be origin-conferring. For the purposes of this rule standards materials (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses having precise degrees of purity or proportions which are certified by the manufacturer.

6. Isomer Separation Origin Rule

   For the purposes of Chapters 28 through 32 and Chapter 35, the isolation or separation of isomers from mixtures of isomers is to be considered origin-conferring.

7. Separation prohibition

   A non-originating material or component will not be deemed to have satisfied all applicable requirements of these rules by reason of change from one classification to another merely as the result of the separation of one or more individual materials or components from a man-made mixture unless the isolated material or component, itself also underwent a chemical reaction.

(B) At the beginning of Chapter 39 (Section VII) in Column 4 in the product-specific rules, the following rules are specified:

Section VII Plastics and articles thereof; rubber and articles thereof (Chapters 39-40)

1. Chemical Reaction Origin Rule

   Any good of Chapters 39 through 40 that is the product of a chemical reaction shall be considered to be an originating good if the chemical reaction occurred in New Zealand or Australia.

   Notwithstanding any of the line-by-line rules, the "chemical reaction" rule may be applied to any good classified in Chapters 39 through 40.

   Note: For the purposes of this section, a "chemical reaction" is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule. The following are not considered to be chemical reactions for the purposes of determining whether a product is an originating good:

   (a) dissolving in water or other solvents;

   (b) the elimination of solvents including solvent water; or

   (c) the addition or elimination of water of crystallization.

2. Mixtures and Blends Origin Rule

For the purposes of Chapters 39 through 40, the deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is considered to be origin-conferring.

3. Purification Origin Rule

For the purposes of Chapter 39, purification is considered to be origin-conferring, provided that one of the following criteria is satisfied:

(a) purification of a good resulting in the elimination of 80 percent based of the content of existing impurities; or

(b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:

(i) pharmaceutical, medicinal, cosmetic, veterinary, or food grade substances;

(ii) chemical products and reagents for analytical, diagnostic or laboratory uses;

(iii) elements and components for use in micro-elements;

(iv) specialized optical uses;

(v) non toxic uses for health and safety;

(vi) biotechnical use;

(vii) carriers used in a separation process; or

(viii) nuclear grade uses.

4. Change in Particle Size Origin Rule

For the purposes of Chapter 39:

(a) the deliberate and controlled reduction in particle size of a good, other than by merely crushing or pressing resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin-conferring; or

(b) the deliberate and controlled modification in particle size of a good, other than by merely pressing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin-conferring.

5. Isomer Separation Origin Rule

For the purposes of Chapter 39, the isolation or separation of isomers from mixtures of isomers is considered to be origin conferring.

Division 10: Other New Zealand originating goods

Section 1: Standard accessories, spare parts and tools

1. Statutory provisions

(1) Section 153ZIG of the Customs Act sets out the requirements that apply in respect of standard accessories, spare parts or tools imported into Australia with the goods to which they are accessories, spare parts and tools. That provision states:

> **153ZIG Goods that are standard accessories, spare parts or tools**
>
> Goods are ***New Zealand originating goods*** if:
>
> (a) they are standard accessories, standard spare parts or standard tools in relation to the other goods; and
>
> (b) the other goods are imported into Australia with the accessories, spare parts or tools; and
>
> (c) the accessories, spare parts or tools are not imported solely for the purpose of artificially raising the regional value content of the other goods; and
>
> (d) the other goods are New Zealand originating goods; and
>
> (e) the accessories, spare parts or tools are not invoiced separately from the other goods; and
>
> (f) the quantities and value of the accessories, spare parts or tools are customary for the goods.

(2) Also relevant is subsection 153ZIE(6) which states:

> (6) If:
>
> (a) the goods are required to have a regional value content of at least a particular percentage; and
>
> (b) the goods are imported into Australia with standard accessories, standard spare parts or standard tools; and
>
> (c) the accessories, spare parts or tools are not invoiced separately from the goods; and
>
> (d) the quantities and value of the accessories, spare parts or tools are customary for the goods;
>
> then the regulations must require the value of the accessories, spare parts or tools to be taken into account as originating materials or non-originating materials, as the case may be, for the purposes of working out the regional value content of the goods.

Note: The value of the accessories, spare parts or tools is to be worked out in accordance with the regulations: see subsection 153ZIB(3).

(c) For the purposes of ss 219ZIE(6), the ANZCERTA Regulations state:

5.3 Value of accessories, spare parts or tools

For subsection 153ZIE (6) of the Act, if goods imported into Australia with standard accessories, spare parts or tools in the circumstances mentioned in that subsection, are required to have a regional value content under Subdivision D of Division 1E of Part VIII of the Act:

(a) in working out the regional value content of the goods:

(i) the value of accessories, spare parts or tools that are imported with the goods and are New Zealand originating goods must be included in the value of originating materials used in the production of the goods; and

(ii) the value of accessories, spare parts or tools that are imported with the goods and are not New Zealand originating goods must be included in the value of non-originating materials used in the production of the goods.

(b) the value of the accessories, spare parts of tools is to be worked out under regulation 5.2 as if the accessories, spare parts or tools were materials used in the production of the goods.

2. Policy and practice - general

(1) Section 153ZIG provides that if an originating good is imported into Australia with standard accessories, standard spare parts or standard tools, then the accessories, spare parts or tools are also New Zealand originating goods if:

- they are standard for the goods;
- they are imported with the goods and those goods are originating goods;
- they are not imported merely to artificially raise the RVC of the originating good;
- the accessories, spare parts or tools have not been invoiced separately from the originating goods; and
- the quantities and value of the accessories, spare parts or tools is customary for the goods.

(2) If the above requirements have been met, then the accessories spare parts or tools do not have to undergo the CTC requirement that the originating goods had to undergo, or any other CTC requirement.

(3) Subsection 153ZIE(6) provides, that when working out if the good is a New Zealand originating good, if the product-specific ROO requires that a good must satisfy a RVC, the value of accessories, spare parts and tools must be taken into account for the purposes of that requirement. The value of the accessories, spare parts and tools taken into account will be as originating or non-originating materials, as the case may be.

(4) However, subsection 153ZIE(8) provides that subsection (6) does not apply if the accessories, spare parts or tools are imported solely for the purpose of artificially raising the regional value content of the goods.

(5) Detailed information regarding RVC is to be found in Division 9 of these Instructions and Guidelines.

(6) Subsection 153ZIE(8) is required to ensure that accessories, spare parts or tools that are of a kind normally provided with the imported goods are not simply added to ensure one or both of the goods are originating by artificially raising the RVC of the imported goods.

Section 2: Packaging materials and containers

1. Statutory provisions

(1) Section 153ZIF of the Customs Act sets out the requirements that apply in respect of packaging materials and containers when New Zealand originating goods are imported into Australia. That provision states:

> **153ZIF Packaging materials and containers**
>
> (1) If:
>
> (a) goods are packaged for retail sale in packaging material or a container; and
>
> (b) the packaging material or container is classified with the goods in accordance with Rule 5 of the General Rules for the Interpretation of the Harmonized System provided for by the Convention;
>
> then the packaging material or container is to be disregarded for the purposes of this Division (with 1 exception).
>
> *Exception*
>
> (2) If the goods are required to have a regional value content of at least a particular percentage, the regulations must require the value of the packaging material or container to be taken into account as originating materials or non-originating materials, as the case may be, for the purposes of working out the regional value content of goods.
>
> Note: The value of the packaging material or container is to be worked out in accordance with the regulations: see subsection 153ZIB(3).

(2) Also relevant is the ANZCERTA Regulation 3.4, which states:

> **5.4 Value of packaging materials and containers**
>
> For subsection 153ZIF of the Act, if goods mentioned in subsection 153ZIF (1) of the Act are required to have a regional value content under Subdivision D of Division 1E of Part VIII of the Act:
>
> (a) in working out the regional value content of the goods:
>
> (i) the value of the packaging material or container in which the goods are packaged, and that is a New Zealand originating good must be included in the value of originating materials used in the production of the goods; and
>
> (ii) the value of the packaging material or container in which the goods are packaged and that is not a New Zealand originating good, must be included in the value of non-originating materials used in the production of the goods; and

(b) the value of the packaging material or container in which the goods are packaged is to be worked out under regulation 5.2 as if the packaging material or container were a material used in the production of the goods.

2. Policy and practice – general

(1) Determination of whether packaging materials and containers in which a good is packaged for retail sale, are originating or non-originating is not required. Such packaging materials and containers are not to be the subject of the CTC requirement.

(2) However, if a good that is packaged for retail sale in packaging material or a container is subject to a RVC, the value of the packaging materials and containers must be taken into account as being originating or non-originating, as the case may be, in calculating the RVC of the good.

Example: Packaging materials and containers

Ski-boots (640312) are made in New Zealand. The boots are wrapped in tissue paper and packed in cardboard boxes described with the brand logo for retail sale. Both the tissue paper and the cardboard box are of China origin.

The product-specific rule for 6403.12 is:

Change to heading 6403 from any other heading, except from heading 6401 through 6405, uppers of subheading 640610 that could be worn without an outer sole of subheadings 640620 or 640699, and non-originating uppers of subheading 640610 when used in conjunction with non-originating outer soles of subheadings 640620 or 640699.

The tissue paper and cardboard box are disregarded for purposes of the CTC requirement; their value though must be counted as non-originating when calculating the RVC.

Section 3: Consignment provisions

1. Statutory provisions

(1) Section 153ZIK of the Customs Act sets out the consignment provisions which apply to New Zealand originating goods imported into Australia, and states:

153ZIK Consignment

(1) Goods are not New Zealand originating goods under this Division if:

(a) they are transported through a country or place other than New Zealand or Australia; and

(b) they undergo subsequent production or other operation in that country or place (other than unloading, reloading, storing, repacking, relabelling, or any operation that is necessary to preserve them in good condition or to transport them to Australia).

(2) This section applies despite any other provision of this Division.

2. Policy and practice – general

(1) The consignment provision is not a mandatory direct shipment provision. The provision seeks to ensure that the benefits of the Agreement go to the seller in the exporting country. This may not be so if the goods are further processed in another country before importation into Australia.

(2) A good will lose its status as a New Zealand originating good if it undergoes any process of production en route from New Zealand to Australia, other than necessary unloading, reloading, storing, repacking, relabelling, or any operation that is necessary to preserve them in good condition or to transport them to Australia. In other words, a partially completed product could not be completed in a third country following export from New Zealand to Australia.

Example #1: Consignment provisions

Surgical instruments, cotton gowns and bandages, made in New Zealand from New Zealand originating materials, are sent to Singapore where they are packaged together in a set and then sterilized for use in operating rooms. They are then sent to Australia.

Upon their arrival in Australia, the medical sets are not eligible for preferential treatment because they underwent operations in Singapore that are not covered by the exceptions in section 153ZIK.

Example #2: Consignment Provisions

Motor homes manufactured in New Zealand are sent by ship to Australia. Before departure, they are coated with a protective veneer to inhibit damage to painted surfaces during transit on the vessel.

Due to severe weather conditions encountered during the voyage, the ship is required to detour to and stop in Fiji so that the protective veneer can be reapplied to ensure that the vehicles are preserved in good condition for the remainder of the voyage to Australia.

This process would not affect the origin status of the vehicles as it fits within the exceptions to section 153ZIK.

Division 11: Origin Advice Rulings

Section 1: Provision of binding Origin Advice Rulings

1. Provisions

(1) The Agreement does not require either Australia or New Zealand to provide Origin Advice Rulings.

2. Policy and practice – general

(1) Notwithstanding the above, Australian Customs, on request, will provide written advice on origin matters through the provision of a Ruling. The Ruling exists to advise importers, producers and exporters on specific issues relating to the origin of their goods for the purposes of determining eligibility for preferential duty rates for goods imported into Australia.

(2) Assessments of the origin of a good will be issued as soon as possible but no later than 30 days after a request for such advice provided that all necessary documentation has been submitted.

(3) Requests for a Ruling will be accepted before trade in the good concerned begins.

3. Adequate applications

(1) A Ruling will only be given where:

- evidence is presented of a commitment or firm intent to import or export;
- the application contains adequate and correct information; and
- evidence supporting the facts of the application.

(2) Inadequate applications will be rejected.

4. How to lodge an application

(1) Applications (with supporting documentation) should be forwarded to:

Valuation and Origin Section
Trade Services Branch
Australian Customs Service
5 Constitution Avenue
CANBERRA ACT 2600

(2) At the time an application is made for a Ruling, Customs will register the application with a unique origin advice number and the applicant will be advised of this number.

5. Applications with more than one origin issue

(1) Each application must be for a single origin issue. Where there is more than one issue, separate applications must be lodged for each.

6. Supporting information and documentation

(1) It is unrealistic to expect a correct and binding origin advice if inadequate or incomplete information is provided to Customs. The essential principle to be followed is that all information that is relevant to the request for advice should be supplied with the application.

(2) Section 3 of this Division sets out a guide to the minimum supporting documentation required to accompany an application for New Zealand origin rulings. The list is not exhaustive; if there are any other relevant documents and information, it must also be supplied with the application.

7. Advice conditional on data provided

(1) The Customs decision will be made only on the basis of the statements and supporting documentation provided, and accordingly, the validity of the advice is conditional upon correct and complete information being provided.

(2) In the course of processing an application, Customs may request, at any time, additional information necessary to evaluate the application.

8. Penalty action – false or misleading statements

(1) From the time of registering an application until the decision of Customs, the applicant may still be subject to penalty provisions under subsection 243T(1) in respect of any duty short paid on any import declaration.

(2) If an applicant is uncertain about a claim of preference made on any import declaration, and considers that including that information may be false or misleading, then that person should lodge that declaration "amberline".

(3) Subsection 243T(1) may not apply where, in lodging the declaration "amberline", a person specifies the information included in the import declaration that might be false or misleading in a particular. Further, that person must also set out the reasons why there is uncertainty about the information.

(4) Whilst quoting an origin advice number on an import declaration is optional, if there is any doubt about a claim for preference a person should follow the above guidelines.

9. Withdrawal of application

(1) An owner may withdraw an application by advising Customs at any time between registration of the application and the decision by Customs on the application. Withdrawal of the application has the effect of cancelling the application.

10. Payment of duty following ruling

(1) When Customs has finalised an application and notified the applicant of the Ruling and the reasons for that decision, any duty or GST short paid on entries becomes payable.

11. Validity of advice

(1) Rulings are valid for all ports in Australia for five (5) years from the date of notification of the advice. After that time the Ruling will be cancelled. If a Ruling is still required a new application must be made.

(2) Customs may cancel or amend a Ruling within its five-year life, where particular circumstances warrant. Such circumstances include, but are not limited to situations in which:

- an amendment is made to the legislation which has relevance to the advice;
- incorrect information was provided to Customs or relevant information was withheld;
- Customs' decision is changed as a result of legal precedent;
- the facts and conditions of the origin application have changed;
- Customs has issued conflicting advices.

12. Cancelled or amended advice

(1) Where Customs cancels or amends a Ruling, in-transit provisions may be applied at the discretion of Customs.

13. In-transit provisions

(1) Where in-transit provisions apply, the cancelled or amended Ruling continues to apply in relation to goods that:

- were imported into Australia on or before the date on which the cancellation or amendment came into effect and were entered for home consumption before, on, or within 30 days after that date; or
- had left the place of export on or after that date and were entered for home consumption before, on, or within 30 days after the date on which they were imported into Australia.

14. Customs to honour advice

(1) A Ruling is not legally binding on Customs. However, Customs will honour a Ruling unless it was provided on the basis of false or misleading information or where the applicant failed to provide all the relevant information and documentation that was available.

15. Conflicting rulings

(1) Should an applicant hold or be aware of any conflicting Rulings from Customs for an origin issue, they are to be treated as being void and Customs is to be notified immediately.

16. Appeals against Customs rulings

(1) Where a Customs decision in a Ruling is disputed, it should first be discussed with the decision maker. If the advice is still disputed, a further appeal to the Director Valuation and Origin, Trade Services Branch, Canberra may be requested.

(2) This appeal mechanism does not preclude the right to external review – for example, to the Administrative Appeals Tribunal (AAT), after there has been a payment under protest. It should be noted that a Ruling in itself is not a decision which is reviewable by the AAT or the Federal Court.

Section 2: Origin Advice Rulings – information requirements

1. Application

(1) An Origin Advice Ruling will be issued to importers, exporters or any other person who requires a Ruling on goods imported into Australia under the ANZCERTA ROO provisions. Section 1 of this Division sets out the procedures for lodging a Ruling.

2. Subject matter of rulings

(1) Rulings may be sought on various ANZCERTA issues including, but not limited to:

- whether a good qualifies as an originating good being wholly obtained or produced in the New Zealand;
- whether a good qualifies as an originating good produced entirely in the New Zealand or in New Zealand and Australia;
- whether non-originating materials used in the production of a good imported into Australia undergo the applicable CTC;
- whether a good satisfies a RVC requirement under the build-down, build-up or factory cost method;
- the appropriate basis for determining the value of originating and non-originating materials;
- the application of *de minimis* provisions.

3. Content of application - general

(1) The following relevant information should be included in the application:

- the specific subject matter to which the request relates;
- a complete statement of all relevant facts relating to the ANZCERTA transaction which must state that the information presented is accurate and complete;
- the names, addresses and other identifying information of all interested parties; and
- copies of any other origin advice, tariff classification advice or valuation advice that has been issued in relation to the imported good.

4. Content of application – specific

(1) Where a good has been wholly obtained or produced entirely in New Zealand a complete description of the good shall be supplied, including:

- a description of how the good was obtained;
- details of all processing operations employed in the production of the good;

- the location where each operation was undertaken;
- the sequence in which the operations occurred;
- a list of all materials used in the production of the good; and
- evidence of the origin of materials used in the production of the good.

(2) Where the request for a Ruling involves the application of a ROO that requires an assessment of whether the materials used in the production of the imported good undergo an applicable CTC, the advice must list each material used in the production of the good and must:

- identify each material which is claimed to be an originating material, providing a complete description of each such material including the basis for claiming origin status;
- identify each material which is a non-originating material, or for which the origin is unknown, providing a complete description of each such material, including its tariff classification; and
- describe all processing operations employed in the production of the good, the location of each operation and the sequence in which the operations occur.

(3) Where the origin advice involves the issue of whether a good satisfies a RVC the advice must:

- provide information sufficient to determine the customs value of the goods in accordance with Division 2 of Part VIII of the Customs Act. This information is of the type outlined in Division 7 of Customs Instructions and Guidelines - Valuation;
- provide information which is sufficient to identify and calculate the value of each non-originating material, or material the origin of which is unknown, used in production of the good.

(4) If a *de minimis* exception to a HS classification is claimed, the advice must:

- provide information sufficient to determine the customs value of the goods in accordance with Division 2 of Part VIII of the Customs Act. This information is of the type outlined in Division 7 of Customs Instructions and Guidelines - Valuation;
- identify each material which is claimed to be an originating material and provide a complete description of each such material, including the basis for the claim as to originating status;
- identify each material which is a non-originating material, or for which the origin is unknown, and provide a complete description of each such material, including its tariff classification and value.

(5) Where no tariff ruling has been made by Customs in relation to the goods, sufficient information must be supplied to enable tariff classification of the goods. Such information includes a full description of the good, including, where relevant, the composition of the good, a description of the process by which the good is manufactured, a description of the packaging in which the good is contained, the anticipated use of the good and its commercial, common or technical designation. Where product literature, drawings, photographs or other material are available they should accompany the application.

Division 12: Fungible goods and materials

1. Provisions

(1) There is no Australian legislation in regard to fungible goods and materials.

(2) Fungible goods are generally considered as those goods and materials that are interchangeable for commercial purposes and whose properties are essentially identical.

(3) The treatment of fungible goods and materials is covered by Article 3, Section A to the Agreement, which states:

> ……
> ……
> 11. **Fungible Goods and Materials:** Each Member State shall provide that the determination of whether fungible goods or materials are originating goods shall be made either by physical segregation of each good or material or through the use of any inventory management method, such as averaging, last-in first-out, recognized in the generally accepted accounting principles of the Member State in which the production is performed or otherwise accepted by the Member State in which the production is performed.
>
> 12. Each Member State shall provide that an inventory management method selected under paragraph 11 for particular fungible goods or materials shall continue to be used for those fungible goods or materials throughout the fiscal year that the inventory management method was selected.

2. Policy and practice - general

(1) Many goods and materials involved in production processes are interchangeable for commercial purposes, in that they have essentially identical properties (e.g. ball bearings, nuts, bolts, screws etc). These goods are considered to be fungible goods or materials.

(2) A producer may choose to physically separate in different containers the fungible goods obtained from different countries. In many cases this may not be practical and the producer stores all the fungible goods in one container.

(2) When a producer mixes originating and non-originating fungible goods, so that physical identification of the actual goods used is impossible, the producer may determine the origin of the goods used based on one of the standard inventory accounting methods (e.g. last-in first-out, or first-in first-out) allowed under generally accepted accounting principles.

(3) These provisions apply equally to fungible materials that are used in the production of a good.

(4) It is important to note that once a party has decided on an inventory management method for a particular fungible good or material, that method must continue to be used throughout the whole of the financial year.

Example #1: Fungible goods and materials

Amongst the materials used by a New Zealand producer of machinery parts are ball bearings. Depending on pricing and supply availability, it may source the ball bearings from within New Zealand, from Malaysia, or from China. All of the ball bearings are of identical size and construction.

On 1 January, the producer buys 1 tonne of ball bearings of New Zealand origin, and on 17 January buys 1 tonne of ball bearings of Chinese origin.

The ball bearings have been stored in the one container at the producer's factory. The form of storage of the intermingled ball bearings makes those of New Zealand origin indistinguishable from those sourced from China.

An Australian company places an order on New Zealand producer for machinery parts which require the use of 800kgs of ball bearings.

If the producer elects "first-in-first-out" inventory procedures, the 800kgs of ball bearings used to fill the Australian order are considered to be New Zealand originating, regardless of their actual origin.

Example #2: Fungible goods and materials

Continuing the above scenario, a second Australian company places an order on the same New Zealand producer for machinery parts which requires the use of 500kgs of the same ball bearings.

The producer, as stated above, has elected to adopt a "first-in-first-out" inventory procedure.

In this example, the first 200kgs of ball bearings used are considered to be New Zealand originating materials. The remaining quantity of ball bearings used (300kgs) are considered to be non-originating materials and the ball bearings must undergo the CTC requirement specified in the product-specific rule for the final good.

(5) In considering the origin of fungible goods, if the producer determines that they are New Zealand originating goods, they do not need to undergo any CTC.

(6) Alternately, if the origin of fungible goods used in a production process is non-originating, those fungible goods must undergo the CTC requirement appropriate for the goods being produced.

Division 13: Manufacturer's declarations

1. Procedures

(1) Article 3.16 of the ANZCERTA states that an importer may make a claim for preferential treatment under ANZCERTA based on a declaration by the exporter/manufacturer.

(2) The Agreement does not require a Certificate of Origin or a Declaration of Origin.

(3) Notwithstanding the above, long standing practice for goods imported from New Zealand under ANZCERTA has been that a manufacturer's declaration is required when claiming New Zealand preference.

(4) An example of an acceptable Manufacturer's Declaration is found at Appendix 2 to these Instructions and Guidelines.

(5) Declarations made by the overseas manufacturer of goods imported into Australia may be used to support a preference claim, provided:

- the declaration clearly identifies the goods to which it applies; and
- the declaration specifies the particular provisions in Division 1E of Part VIII of the Customs Act that the goods meet; and
- there is no reason to doubt the veracity or reliability of the declaration.

(6) Customs may seek further evidence of preference entitlement for any specific reason or a simple intuitive selection, irrespective of the existence of a declaration. Where there is insufficient evidence to establish that preference applies, the general rate of duty is payable.

(7) Where a customs entry states that a preference rate of duty applies, this will be taken to indicate that the owner of the goods possesses evidence that the stated facts are correct. The criteria for eligibility for New Zealand preference rates of duty are set out in Division 1E of Part VIII of the Customs Act.

(8) Each shipment should be accompanied by a declaration. An importer may be required to produce this either at the time of importation, or at some later date.

(9) More information is contained in the document "Supporting A Claim Of Origin" which is found on the Customs website at www.customs.gov.au/site/page.cfm?u=5339.

(10) If Customs finds that preference is inapplicable or that there is insufficient evidence to justify the claim for preferential rates of duty, there will be a liability for the payment of any Customs duty and GST that has been short paid. In these circumstances, an offence may be committed against subsections 243T(1) or 243U(1) of the Customs Act and an administrative penalty under the Taxation Administration Act 1953 (Taxation Administration Act) may apply where there is a shortfall amount of GST. It should be noted that an infringement notice may be served in lieu of prosecution for an offence against subsections 243T(1) or 243U(1) of the Customs Act.

(11) If, after the time of entry, evidence becomes available to the owner that the goods are ineligible for preferential rates of duty, the owner should, as soon as practicable after becoming aware of the error, amend the import declaration and tender to Customs any short paid Customs duty and GST. This action may protect a person against any liability for an offence under subsections 243T(1) or 243U(1) of the Customs Act if the amendment is considered a voluntary disclosure as explained in ACN 2004/05. Furthermore, this action may result in the reduction or remission of an administrative penalty that may apply under the Taxation Administration Act.

(12) There is no prescribed form for a declaration by the manufacturer. A declaration should, however, describe the goods and refer to the particular provision in Division 1E of Part VIII of the Customs Act that the goods meet. Also, the name of the person signing the certificate or declaration, together with their position and the company or entity represented, should be clearly stated. The declaration may be on the commercial documents or form a separate document. Examples of acceptable declarations are set out in **Appendix 2**.

(13) It should be noted that where shipments to Australia are arranged by freight forwarders (such as occurs with New Zealand trade), the requirement remains that declarations held by the importer must be signed by the overseas manufacturer.

(14) Where a duty or GST short payment results from incorrectly claimed preferential duty rates, a person may be protected from liability for an offence against subsection 243T(1) or 243U(1) of the Customs Act, or an administrative penalty under the Taxation Administration Act, if, at the time of entry of the goods, the person had:

- a declaration from the overseas manufacturer that stated that a particular preference criterion of Division 1E of Part VIII of the Customs Act had been met; or
- evidence of the relevant factory processes and costs of the overseas manufacturer that indicated that the goods in question were eligible for preferential rates of duty.

(15) The protection may not apply, however, where:

- other information available to the person indicated that the statement on the declaration from the manufacturer was incorrect or unreliable;
- the party signing the declaration was not the 'overseas manufacturer' - for instance, Customs may give no weight to a declaration that is from a supplier who was not the manufacturer of the goods; or
- the declaration could not be clearly related to the goods in question.

Division 14: Verification power - exportation of goods to New Zealand

1. Statutory provisions

(1) Section 126AJA defines the meanings of manufacture, New Zealand customs official, principal manufacturer, and producer for the purpose of new Division 4D - Exportation of goods to New Zealand.

(2) Section 126AJB of the Customs Act sets out the record keeping obligations that apply in respect of goods that are exported from Australia to New Zealand and that are claimed to be Australian originating goods for the purpose of obtaining a preferential tariff in New Zealand.

> **126AJB Record keeping obligations**
>
> *Regulations may prescribe record keeping obligations*
>
> (1) The regulations may prescribe record keeping obligations that apply in relation to goods that:
>
> (a) are exported to New Zealand; and
>
> (b) are claimed to be Australian originating goods for the purpose of obtaining a preferential tariff in New Zealand.
>
> *On whom obligations may be imposed*
>
> (2) Regulations made for the purposes of subsection (1) may impose such obligations on the exporter, the principal manufacturer, or a producer of goods.

(3) Customs regulation 105F prescribes the types of records required to be kept by an exporter who is not also the producer or principal manufacturer of goods mentioned in subsection 126AJB(1) of the Customs Act. Regulation 105G similarly prescribes the types of records required to be kept by an exporter who is the producer or principal manufacturer.

(4) Section 126AJC of the Customs Act imposes a power to require records to be produced to an authorised officer.

> **126AJC Power to require records**
>
> *Requirement to produce records*
>
> (1) An authorised officer may require a person who is subject to record keeping obligations under regulations made for the purposes of section 126AJB to produce to the officer such of those records as the officer requires.

Note: Failing to produce a record when required to do so by an officer may be an offence: see section 243SB. However, a person does not have to produce a record if doing so would tend to incriminate the person: see section 243SC.

Disclosing records to New Zealand customs official

(2) An authorised officer may, for the purpose of verifying a claim for a preferential tariff in New Zealand, disclose any records so produced to a New Zealand customs official.

(5) Section 126AJD of the Customs Act gives an authorised officer power to ask questions.

126AJD Power to ask questions

Power to ask questions

(1) An authorised officer may require a person who is the exporter, the principal manufacturer or a producer of goods that:

(a) are exported to New Zealand; and

(b) are claimed to be Australian originating goods for the purpose of obtaining a preferential tariff in New Zealand;

to answer questions in order to verify the origin of the goods.

Note: Failing to answer a question when required to do so by an officer may be an offence: see section 243SA. However, a person does not have to answer a question if doing so would tend to incriminate the person: see section 243SC.

Disclosing answers to New Zealand customs officials

(2) An authorised officer may, for the purpose of verifying a claim for a preferential tariff in New Zealand, disclose any answers to such questions to a New Zealand customs official.

2. Policy and practice – general

(1) In order to bolster compliance with the ROO, requirements must be met by exporters, producers, or principal manufacturers, who wish to export goods under ANZCERTA.

(2) An Australian exporter, producer or principal manufacturer who exports goods to New Zealand and wishes to claim preferential treatment, will be required to keep certain records. Section 126AJB imposes those obligations. Customs regulations 105F and 105G prescribe what records are obliged to be kept.

(3) Under article 3(22) of the Agreement, Australia or New Zealand may take action to verify the eligibility of goods for preferential treatment, including requesting the supply of records relating production, manufacture or export of the goods. New section 128AJC gives effect to this article in respect of goods exported to New Zealand, and are claimed to be Australian originating goods for the purpose of obtaining preferential tariff treatment in New Zealand.

(4) Section 126AJD provides that an authorised officer (which is defined in section 4 of the Customs Act) may require a person who is an exporter, producer or principal manufacturer to answer questions in order to verify the origin of goods.

(5) The power to ask questions in the circumstances set out in this section is a necessary adjunct to the power to require records in new section 126AJC.

(6) Subsection 126AJD(2) provides that an authorised officer may disclose any answers to such questions to a New Zealand customs official for the purposes of verifying a claim for a preferential tariff in New Zealand.

(7) Answers to questions obtained by an authorised officer under new section 126AJD would also be protected information within the meaning of section 16 of the *Customs Administration Act 1985*.

(8) Such information therefore cannot be disclosed to New Zealand except as allowed by section 16. By including an express provision in the Customs Act allowing for this information to be disclosed to a New Zealand customs official, the disclosure is required or authorised by any other law for the purposes of paragraph 16(2)(d) of the *Customs Administration Act 1985*.

(9) Under existing section 243SA of the Customs Act, it shall be an offence to fail to answer a question in accordance with section 126AJD. The offence is not a strict liability offence. Similarly under section 243SB of the Customs Act it shall be an offence to fail to produce documents or records.

Appendix 1: Determination

CUSTOMS ACT 1901

DETERMINATION UNDER SUBSECTION 153ZII(2) MODIFYING SUBSECTION 153ZII(1)

I, (*state full name of delegate*), delegate of the Chief Executive Officer under subsection 153ZII(2) of the *Customs Act 1901* ('the Act'), being satisfied that:

(a) the qualifying expenditure on preference claim goods namely, (*specify the goods*) ('the goods') is (*specify percentage - must be at least 48% but not 50%*) of the factory cost of the goods; and
(b) the qualifying expenditure on the goods would be at least 50% of the factory cost of the goods if (*specify unforeseen circumstance which has occurred) ('the unforeseen circumstance'*) had not occurred; and
(c) the unforeseen circumstance is unlikely to continue.

hereby determine pursuant to subsection 153ZII(2) of the Act that subsection 153ZII(1) of the Act has effect:

(i) for the purpose of that shipment of the goods which is affected by the unforeseen circumstance; and
(ii) for the purposes of any later shipment of similar goods which is so affected by the unforseen circumstance during (*specify a period*),

as if the reference in subsection 153ZII(1) of the Act to 50% is a reference to 48%.

Dated this day of 20

.....

Delegate of the Chief Executive Officer

Appendix 2: Manufacturer's Declarations

NEW ZEALAND ORIGINATING GOODS MANUFACTURER DECLARATIONS (TICK AS APPROPRIATE)

❒ **Preference Rule Type WO**

"I declare that:

the goods described below are New Zealand originating goods as defined in Section 153ZIC of the *Customs Act 1901* as they are wholly obtained in New Zealand, or New Zealand and Australia."

❒ **Preference Rule Type POM**

"I declare that:

the goods described below are New Zealand originating goods as defined in Section 153ZID of the *Customs Act 1901* as they are produced entirely in New Zealand, or entirely in New Zealand and Australia, from originating materials only."

❒ **Preference Rule Type PS**

"I declare that:

the goods described below are New Zealand originating goods as defined in Section 153ZIE of the *Customs Act 1901* as they are produced in New Zealand, or New Zealand and Australia, from non- originating materials. Where the non-originating materials have not met the product-specific rules of origin as contained in the Customs (New Zealand Rules Of Origin) Regulations 2006, the total value of those materials does not exceed 10% of the customs value of the goods."

❒ **Preference Rule Type URP**

"I declare that:

the goods described below are New Zealand originating goods as defined in Section 153ZIH of the *Customs Act 1901* as they are wholly manufactured in New Zealand from unmanufactured raw products."

❒ Preference Rule Type WMD

"I declare that:

the goods described below are New Zealand originating goods as described in Section 153ZIH of the *Customs Act 1901* as they are wholly manufactured from materials wholly manufactured in Australia, or Australia and New Zealand, and also contain determined manufactured raw materials."

❒ Preference Rule Type WMN

"I declare that:

the goods described below are New Zealand originating goods as described in Section 153ZIH of the *Customs Act 1901* as they are wholly manufactured from materials wholly manufactured in Australia, or Australia and New Zealand, and do not contain determined manufactured raw materials."

❒ Preference Rule Type P50

(To be repealed on 1 January 2012)

"I declare that:

the goods described below are New Zealand originating goods as described in Section 153ZII of the *Customs Act 1901* as:

(a) the last process in their manufacture was performed in New Zealand; and
(b) the qualifying expenditure on the goods is at least 50% of the factory cost of the goods; or
(c) the CEO has determined the qualifying expenditure is 48% in accordance with subsection 153ZII(2) of the *Customs Act 1901*."

Description of goods:

Item Nos	Marks and Numbers of Packages	Quantity	Description of goods	Number and date of invoices

Signature:
Name:
Position in manufacturing company:
Name of manufacturing company:
Date:

Appendix 3

DETERMINED MANUFACTURED RAW MATERIALS FOR PREFERENCE PURPOSES IN RELATION TO NEW ZEALAND

	A	
NZ	**Acetate, Vinyl**	93/00492
NZ	**Acid, Ascorbic**, British Pharmacopoeia 1980 or United States Pharmaocopoeia XX grade, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Acid, Chlorosulphonic**, (also known as Chlorosulphuric Acid)	93/02389
NZ	**Acid, Citric**	90/06433
NZ	**Acid, Methacrylic**, for use other than in the manufacture of paints and lacquers, sold or prepared for use or sale as household or architectural paints	79/00915
NZ	**Acrylic Knitting Yarn**, single 72's, high bulk, 100% spun. 72/dyed metric count, weighing less than 150 grams per 9000 metres	79/06715
NZ	**Aminobenzoic Acid**, British Pharmacopoeia 1980 addendum 1982 or United States Pharmacopoeia XX grade, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Activated Clay**	87/00361
NZ	**Alcohol,** fatty (n. decanol)	79/00934 91/04913
NZ	**Alcohol, Polyvinyl**	93/00492
NZ	**Alcohols,** Mixed or Single, Fatty, C13 or greater	93/00491
NZ	**Alkyl Xylenes** of Mid Range Distillates	93/04191
NZ	**Alkylbenzene, Linear** (CAS Number 68442-69-3) [3817.00.11]	94/08494
NZ	**Alkylbenzene, Linear** (CAS Number 68442-69-3) [3817.00.19]	94/08494
NZ	**Allopurinol** BP	91/00118
NZ	**Aluminium Oxide Grain**, grit size 16-600	83/02723 94/03298

NZ	**Aluminium Pigment**, leafing type, in powder form (Aluminium Powder GGT) Bronze powder Blue 29 Carbon black Chromium oxide green Iron oxide, brown, synthetic Iron oxide, red, synthetic Iron oxide, yellow, synthetic Nickel titanate yellow Red 122 Violet 15 Violet 19 Violet 23 Yellow 110	87/04403
NZ	**Amino Trimethoxy Silane**	87/00361
NZ	**Aminobenzoic Acid**, British Pharmacopoeia 1980 addendum 1982 or United States Pharmacopoeia XX grade, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Ammonium Persulphate**	79/00915
NZ	**Amorphous Silica**	87/00361
NZ	**Anhydride, maleic**	87/03240
NZ	**Antioxidants, rubber**, being EITHER of the following: (a) amine type; (b) bis phenolic type	95/05424
NZ	**Ascorbic Acid**, British Pharmacopoeia 1980 or United States Pharmaocopoeia XX grade, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Atrazine Technical**	90/05401
NZ	**Azinphos Ethyl Technical**	79/00934 94/05876
NZ	**Azinphos Methyl Technical**	79/00934 91/04913

	B	
NZ	**Barium Sulphate**, natural	87/04403
NZ	**Barium Sulphate**, precipitated	87/04403
NZ	**Benzoin**	87/04403
NZ	**Benzyl Chloride**	90/06433
NZ	**Biotin**, Food Chemicals Codex Third Edition, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301

NZ	**Bis (Tri-N-Butyltin) Oxide**	**87/00361**
NZ	**Blanks, Blade**, low alloy, hand, of carbon silicon strip, for hacksaw blades	
NZ	**Blanks, Brass**, unfinished, assembled and polished, of a kind used for the manufacture of silver plated ware	94/05870
NZ	**Blanks, Hacksaw**, Bi-metal, 12" x 0.5" x 0.025", comprising high speed steel (M2 quality) cutting edge, electron beam welded to a spring steel back (EN 47 Quality), supplied in the annealed condition, with radiused ends and punched pin holes	
NZ	**Blanks, Hacksaw Blade**, low alloy, hand, of carbon silicon strip	
NZ	**Blanks, Knife**, nickel silver or copper alloy, not plated, for use in the manufacture of silver plated cutlery	94/05870
NZ	**Brass, Blanks**, unfinished, assembled and polished, of a kind used for the manufacture of silver plated ware	94/05870
NZ	**Bronze Powder Pigment**	87/04403
NZ	**Brown Iron Oxide Pigment**, synthetic	87/04403
NZ	**Butter**, Cocoa	88/02030
NZ	**Butyl Acrylate Monomer**, for use other than in the manufacture of paints and lacquers, sold or prepared for use or sale as household or architectural paints	79/00915
NZ	**Butyl Methacrylate, Normal**	93/02386

	C	
NZ	**Calcium Formate**	
NZ	**Calcium Lignosulphonate**	79/00934 91/04913
NZ	**Calcium Lignosulphonate** (Marasperse N22)	79/00934 91/04913
NZ	**Calcium Pantothenate**, United States Pharmacopoeia XX Grade, no article greater than 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Calcium Silicate**, synthetic (Microcel E)	79/00934 91/04913
NZ	**Captan Technical**	79/00934 91/04913
NZ	**Carbaryl Technical** (1-Naphtyl Methyl Carbamate)	79/00934 91/04913
NZ	**Silicon Carbide**, Grain, grit size 16-1200	83/02723 94/03298
NZ	**Carbon Black Pigment**	87/04403

NZ	**Cartridge Cases**, centrefire, primed	84/02563
NZ	**Cassettes**, unassembled or completely knocked down, being cassettes for ANY of the following: (a) word processor printer; (b) ADP printer (c) typewriter but NOT including cassettes having BOTH of the following; (a) distance between spool centres exceeding 70mm but less than 90mm; (b) distance between ribbon openings (measured in a straight line) exceeding 130mm but less than 160mm.	96/12599
NZ	**Castor Oil**, hydrogenated	87/04403
NZ	**Celite 209** (Diatomatious Earth)	79/00934 91/04913
NZ	**Centrefire Cartridge Cases**, primed	84/02563
NZ	**Centrefire projectiles**	84/02563
NZ	**Chinese Gum Resin**	
NZ	**Chlorophyll**, oil soluble, coppered, containing between 14.6% and 15.8% W/W Copper Phaeophytin	85/00229 85/00230 94/03301
NZ	**Chlorpyrifos Technical**	90/03392
NZ	**Chlorosulphonic Acid** (also known as Chlorosulphuric Acid)	93/02389
NZ	**Choline Bitartrate**, Food Chemicals Codex Third Edition, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Chromium Oxide Green Pigment**	87/04403
NZ	**Cigarette Lighter Parts**, disposable	
NZ	**Citric Acid**	90/06433
NZ	**Clay, Activated**	87/00361
NZ	**Clethodium**	03/09315
NZ	**Clopyralid Technical**	93/03179
NZ	**Cloth**, Japara, Oiled Cotton	77/03366 94/03053
NZ	**Cocoa Butter**	88/02030
NZ	**Cocoa Licor**	88/02030
NZ	**Cocoa Paste**, not defatted	88/02030
NZ	**Coconut Methyl Ester**, fractionated	93/12828
NZ	**Coconut Oil**, crude	85/05967

NZ	**Copper Nickel Alloy Strip**, annealed, in sizes: 0.46mm thick by 131mm wide; 0.56mm thick by 131mm wide; 0.61mm thick by 131mm wide; 0.71mm thick by 131mm wide	83/02096 94/03299
NZ	**Copper Powder**	87/04403
NZ	**Cotton Cloth**, Oiled, Japara	77/03366 94/03053
NZ	**Cotton Yarn**, 100%, 45/1 EEC, grey marl top dyed, being yarns other than wool carpet yarns or yarns put up for retail sale	92/05672
NZ	**Cultured Pearls**, jewellery standard	89/03701
NZ	**Cyanocobalamin**, British Pharmacopoeia 1980 grade, diluted to 1% with Mannitol, hydrolysed gelatin or vegetable gum, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301

	D	
NZ	**d-Alpha Tocopherol 67**%, meeting the following specification-contains not less than 670mg of d-Alpha Tocopherol per gram	85/00229 85/00230 94/03301
NZ	**d-Alpha-Tocopherol Acetate 80**%, meeting the following specification-contains from 80% W/W to 86% W/W of d-Alpha-Tocopherol Acetate	85/00229 85/00230 94/03301
NZ	**Di ethanolamine**	93/12828
NZ	**d1-Alpha-Tocopherol Acetate**, British Pharmacopoeia 1980 or United States Pharmaocopoeia XX grade	85/00229 85/00230 94/03301
NZ	**Di-iodomethyl-p-Tolysulfone**	87/00361
NZ	**Di-Methionine**, Food Chemicals Codex Third Edition, no particle being greater than 180 micron in diameter	85/00229 85/00230 94/03301
NZ	**DDT Technical**	79/00934 91/04913
NZ	**Diamonds**, cut, commercial grade and colour, for production of jewellery	89/03701
NZ	**Diatomatious Earth** (Celite 209)	79/00934 91/04913
NZ	**Diazinon Technical**	79/00934 91/04913
NZ	**Dibutyltin Diacetate**	87/00361
NZ	**Dibutyltin Dilurate**	87/00361
NZ	**Diethylene Glycol Monoethyl Ether**	93/04191

NZ	**Dimethylaminopropylamine**	90/06433
NZ	**Dinocap Technical**	79/00934 91/04913
NZ	**Diphenyl Oxide Alkyl Sulphonate Sodium Salt** (Dowfax 2A1)	79/00915
NZ	**Dodine Technical**	79/00934 91/04913
NZ	**Dowfax 2A1** (Sodium Salt of Diphenyl Oxide Alkyl Sulphonate)	79/00915
NZ	**Down-proof Fabric**, as used in the manufacture of sleeping bags, sleeping bags with inserts as a set and down blankets	76/01187

	E	
NZ	**Emeralds**, cut	89/03701
NZ	**Endosulfan Technical**	79/00934 91/04913
NZ	**Engines**, vertical shaft, reciprocating, four-stroke	04/02662
NZ	**Ethyl and Methyl Triacetoxy Silane Mixture**	87/00361
NZ	**2 Ethyl Hexyl Acrylate Monomer**, for use other than in the manufacture of paints and lacquers, sold or prepared for use or sale as household or architectural paints	79/00915
NZ	**Ethylene Diamine Tetra Acetic Acid Sodium Salt**	90/06433
NZ	**Ethylene-Methacrylic Acid Copolymers** or their salts	95/01217
NZ	**Ethylene-Methacrylic Acid Isobutyl Acrylate Terpolymers** or their salts	95/01217
NZ	**Extract, Garlic Powder**, odourless, (Oxoamiduin) meeting all of the following: (a) light yellowish-white, almost odourless powder with a slightly sweet taste; (b) loss of drying less than 7% W/W at 105oC for 4 hours; (c) soluble in water, almost insoluble in pure methanol and ethanol	85/00229 85/00230 94/03301

	F	
NZ	**Fabric , Down-proof**, as used in the manufacture of sleeping bags, sleeping bags with inserts as a set and down blankets	76/01187
NZ	**Fabric**, impression, woven man made fibre, provided with selvedges (woven, gummed or otherwise made) on both edges, designed for use in the manufacture of inked ribbons used with typewriters, word processors and ADP printers, having ALL of the following: (a) width 3mm or greater but NOT exceeding 300mm; (b) grammage 40 g/m2 or greater but NOT exceeding 75 g/m2; (c) length 320 metres or greater but NOT exceeding 980 metres.	97/00442
NZ	**Fabric, jute**, woven, unbleached, not impregnated, coated or laminated with any substance	07/14760

NZ	**Fabric**, non-woven, spunbonded, composed of 100% high density polyethylene fibres, having ALL of the following: (a) thickness NOT less than 80 micron and NOT exceeding 340 micron; (b) weight NOT less than 50gsm and NOT greater than 115 g/m2; (c) tensile strength NOT less than 100 N/2.54 cm machine direction (MD) and NOT less than 126 N/2.54 cm cross direction (XD); (d) elongation NOT less than 15% machine direction (MD) and NOT less than 17% cross direction (XD)	95/01219
NZ	**Fabric**, non-woven, spunbonded, composed of 100% high density polyethylene fibres, having ALL of the following: (a) thickness NOT less than 80 micron and NOT exceeding 340 micron; (b) weight NOT less than 50gsm and NOT greater than 115 g/m2; (c) tensile strength NOT less than 100 N/2.54 cm machine direction (MD) and NOT less than 126 N/2.54 cm cross direction (XD); (d) elongation NOT less than 15% machine direction (MD) and NOT less than 17% cross direction (XD); (e) thermal coating one side only	96/01319
NZ	**Fabric**, polyester satin woven, not printed, weighing less than 125 g/m^2, for use in the manufacture of clothing of Chapter 62, other than lining or pocketing	92/02424
NZ	**Fabric, silk**, pure	78/06127
NZ	**Fabric**, specially prepared or coated, for use in the manufacture of emery cloth	83/02723 94/03298
NZ	**Fabric**, woven from strip or the like of polypropylene, weighing between 90 and 120 grams per square metre, not impregnated, coated, covered or laminated with any substance	07/14760
NZ	**Fatty Alcohol** (n. decanol)	79/00934 91/04913
NZ	**Fatty Alcohols,** Mixed or Single, C13 or greater	93/00491
NZ	**Feedstock**, long residue	76/02726
NZ	**Fenarimol Technical**	03/12325
NZ	**Fenitrothion Technical**	79/00934 91/04913
NZ	**Fibreglass, woven**, impregnated with phenolic resin	94/05868

NZ	**Film, Polypropylene Homopolymer**, biaxially oriented, having ALL of the following properties: (a) maximum elongation at break NOT exceeding 180% machine direction as measured by ASTM D882; (b) corona treated one side to a minimum of 36 dynes as measured by ASTM D2578; (c) co efficient of friction of NOT less than 0.4 measured by ASTM D1894; (d) width NOT less than 740mm but NOT exceeding 1500mm; (e) thickness gauges NOT less than 25 micron but NOT exceeding 50 micron; but NOT including film which is: (i) pigmented or coloured; (ii) voided; (iii) printed; (iv) coated; (v) metallised or metalliseable; (vi) heat sealable; (vii) containing slip additives; (viii) containing anti static additives	95/05424
NZ	**Film, Polypropylene Homopolymer**, biaxially oriented, having ALL of the following properties: (a) maximum elongation at break NOT exceeding 180% machine direction as measured by ASTM D882; (b) corona treated one side to a minimum of 36 dynes as measured by ASTM D2578; (c) co efficient of friction of NOT less than 0.4 measured by ASTM D1894; (d) width NOT less than 740mm but NOT exceeding 1500mm; (e) thickness gauges NOT less than 25 micron but NOT exceeding 50 micron; but NOT including film which is: (i) voided; (ii) printed; (iii) coated; (iv) metallised or metalliseable; (v) heat sealable; (vi) containing slip additives; (vii) containing anti static additives	95/11286
NZ	**Flumetsulam Technical**	92/04786
NZ	**Fluroxypyr Technical**, as the methyl heptyl ester	94/00899
NZ	**Forks and Spoons**, nickel silver, unfinished not polished or plated, but not including unfinished forks or spoons of the souvenir or commemorative types, for use in the manufacture of silver plated cutlery	94/05870

G

NZ	**Galvanised Staple Wire**	89/00118
NZ	**Gamma-aminopropyl Triethoxysilane**	87/00361
NZ	**Garlic Powder Extract**, odourless, (Oxoamiduin) meeting all of the following: (a) light yellowish-white, almost odourless powder with a slightly sweet taste; (b) loss of drying less than 7% W/W at 105^{o}C for 4 hours; (c) soluble in water, almost insoluble in pure methanol and ethanol	85/00229 85/00230 94/03301

NZ	**Gelatin, BP**, alkaline extracted, ossein, 150 bloom with not more than 15 PPM sulphur dioxide, not more than 15 PPM iron and colour of 43%, mass does not exceed 8 using Lovibond No. 3 colour Comparitor with Gardner Disc	85/00229 85/00230 94/03301
NZ	**Gelatin, BP**, ossein acid, blended alkali extracted, Pigskin, 150 bloom with not more than 40 PPM sulphur dioxide, not more than 15 PPM iron and colour of 45% mass does not exceed 8 using Lovibond No.3 Colour Comparitor with Gardner Disc	85/00229 85/00230 94/03301
NZ	**Ginseng Root Powder (**the dried root of *Panax Ginseng*)	85/00229 85/00230 94/03301
NZ	**Ginseng, Siberian Extract**, 5:1 meeting all the following: (a) fine buff-coloured, hygroscopic powder; (b) loss on drying not more than 10% W/W at 1050C for two hours	85/00229 85/00230 94/03301
NZ	**Grain, Aluminium Oxide**, grit size 16-600	83/02723 94/03298
NZ	**Glass Stones**, imitation (minimum 24% Lead Oxide by weight)	84/00313
NZ	**Gum Resin, Chinese**	
NZ	**Glass Stones**, imitation (minimum 24% Lead Oxide by weight)	84/00313
NZ	**Golf club ferrules**, but not including plain black acetate ferrules	95/11042
NZ	**Golf club grips**	95/11042
NZ	**Golf Club Heads**, metal, for golf club irons, but not including putter heads	95/11041
NZ	**Golf Club Heads**, for golf club woods	95/11041
NZ	**Golf club shafts**, of steel, aluminium, carbon (graphite) or titanium without attachments of any kind	95/11042

	H	
NZ	**Hacksaw Blade Blanks**, low alloy, hand, of carbon silicon strip	
NZ	**Hacksaw Blanks**, Bi-metal, 12” x 0.5” x 0.025”, comprising high speed steel (M2 quality) cutting edge, electron beam welded to a spring steel back (EN 47 Quality), supplied in the annealed condition, with radiused ends and punched pin holes	
NZ	**Haloxyfop Technical**	92/04786
NZ	**Heads**, metal, for golf club irons, but not including putter heads	95/11041
NZ	**Heads**, metal, for golf club woods	95/11041
NZ	**Hexadecanol**	93/00491
NZ	**Hexamethyl Di-Siloxane**	87/00361
NZ	**Hexoxypropylamine**	93/04191

NZ	**Hydroxyalkyl Amide**	96/10129
NZ	**Hydroxy Ethyl Cellulose**	93/00492

	I	
NZ	**Incoloy 800 Strip**, (Nickel Iron Alloy)	72/08602
NZ	**Incoloy 825 Strip**, (Nickel Iron Alloy)	72/08602
NZ	**Inositol**, Food Chemicals Codex Third Edition Grade, with no particle having a diameter greater than 180 micron	85/00229 85/00230 94/03301
NZ	**Iron Nickel Alloy Strip**, (Incoloy 800)	72/08602
NZ	**Iron Nickel Alloy Strip**, (Incoloy 825)	72/08602
NZ	**Iron Oxide Pigment**, synthetic brown	
NZ	**Iron Oxide Pigment**, synthetic red	87/04403
NZ	**Iron Oxide Pigment**, synthetic yellow	87/04403

	J	
NZ	**Japara Cloth**, Oiled Cotton	77/03366 94/03053
NZ	**Jute Fabric**, woven, unbleached, not impregnated, coated or laminated with any substance	07/14760

	K	
NZ	**Knife Blanks**, nickel silver or copper alloy, not plated, for use in the manufacture of silver plated cutlery	94/05870
NZ	**Knitting Yarn**, **Acrylic,** single 72's, high bulk, 100% spun. 72/dyed metric count, weighing less than 150 grams per 9000 metres	79/06715
NZ	**Knitting Yarn, Polyester**, single 30's, 100% spun 30/ECC - raw white on cone, weighing more than 150 grams per 9000 metres	79/06715
NZ	**Knitting Yarn, Polyester**, single 50's, 100% spun 50/1 ECC - raw white on cone, weighing less than 150 grams per 9000 metres	79/06715

	L	
NZ	**Lambskins**, Spanish Entrifino or Merino, dyed or undyed, of a type used in the manufacture of apparel, having all of the following characteristics: (a) double faced; (b) tanned by a full chrome tanning process; (c) sueded pelt; (d) polished wool; (e) weight 650 gsm (+ or – 5%); (f) size–Entrifino NOT exceeding .61 m2 (+ or – 5%), - Merino NOT exceeding .46 m2 (+ or – 5%)	98/04842
NZ	**Lecithin**, Food Chemicals Codex Third Edition Grade with all of the added specifications: (a) acetone insoluble matter-not less than 60% W/W (b) hexane insoluble matter-not less than 0.05% (c) water content not more 0.75% W/W	85/00229 85/00230 94/03301
NZ	**Lauryldimethylamine**	90/06433
NZ	**Licor, Cocoa**	88/02030
NZ	**Lindane Technical**	79/00934 94/05876
NZ	**Linear Alkylbenzene** (CAS Number 68442-69-3) [3817.00.11]	94/08494
NZ	**Linear Alkylbenzene** (CAS Number 68442-69-3) [3817.00.19]	94/08494
NZ	**Long Residue Feedstock**	72/02726

	M	
NZ	**Maleic Anhydride**	87/03240
NZ	**Marasperse CBOS-3** (Sodium Lignosulphonate)	79/00934 91/04913
NZ	**Marasperse N22**, (Calcium Lignosulphonate)	79/00934 91/04913
NZ	**Matting Agent XG125**, (Ciba Geigy powder coating)	87/04403
NZ	**Methacrylic Acid**, for use other than in the manufacture of paints and lacquers, sold or prepared for use or sale as household or architectural paints	79/00915
NZ	**Methazole Technica**	92/02688
NZ	**Methyl Ester, Coconut**, fractionated	93/12828
NZ	**Methyl Acrylate Monomer**, for use other than in the manufacture of paints and lacquers, sold or prepared for use or sale as household or architectural paints	79/00915
NZ	**Methyl and Ethyl Triacetoxy Silane Mixture**	87/00361
NZ	**Methyl Ethyl Ketoxime** (Methyl Tris) Silane	87/00361

NZ	**Methyl Methacrylate Monomer**, for use other than in the manufacture of paints and lacquers, sold or prepared for use or sale as household or architectural paints	79/00915
NZ	**Methyl Tris (Methyl Ethyl Ketoxime) Silane**	87/00361
NZ	**Metosulam Technical**	93/05796
NZ	**Microcel E**, (Synthetic Calcium Silicate)	79/00934 91/04913
NZ	**Mixed or Single Fatty Alcohols**, C13 or greater	93/00491
NZ	**Mixture of Ethyl and Methyl Triacetoxy Silane**	87/00361
NZ	**Monoethanolamine**	93/03179
NZ	**Morwet D425**	90/05401
NZ	**Morwet EFW**	90/05401

	N	
NZ	**1-Naphtyl Methyl Carbamate** (Carbaryl Technical)	79/00934 91/04913
NZ	**n. Decanol** (Fatty Alcohol)	79/00934 91/04913
NZ	**Nickel Copper Alloy Strip**, annealed, in sizes: 0.46mm thick by 131mm wide; 0.56mm thick by 131mm wide; 0.61mm thick by 131mm wide; 0.71mm thick by 131mm wide	83/02096 94/03299
NZ	**Nickel Iron Alloy Strip**, (Incoloy 800)	72/08602
NZ	**Nickel Iron Alloy Strip**, (Incoloy 850)	72/08602
NZ	**Nickel Titanate Yellow Pigment**	87/0440
NZ	**Nicotinamide**, British Pharmacopoeia 1980 or United States Pharmacopoeia XX Grade, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Normal Butyl Methacrylate**	93/02386
NZ	**Nylon Yarn**, between 2700 and 4200 decitex, extruded, twisted, textured, dyed	07/14760
NZ	**Nylon Yarn**, high tenacity made from antistatic polymer	93/06625
NZ	**Nylon Yarn**, high tenacity, 22 Decitex or finer	93/06625
NZ	**Nylon 6 Yarn**, polyamide, continuous filament, untextured, yarn count NOT exceeding 167 decitex BUT excluding all synthetic and artificial monofilament yarn	97/11048

NZ	**Nylon 6.6 Polymer**	78/05034
NZ	**Nylon 6.6 Yarn**, polyamide continuous filament, untextured, yarn count NOT exceeding 167 decitex BUT excluding all synthetic and artificial monofilament yarn	97/11048

	O	
NZ	**Octadecanol**	93/00491
NZ	**Oil, Coconut**, crude	85/05967
NZ	**Oiled Cotton Cloth, japara**	77/03366 94/03053
NZ	**Oil, Wheat Germ**, British Pharmaceutical Codex 1954 Grade	85/00229 85/00230 94/03301
NZ	**Oleyl Amine**, primary	87/03240
NZ	**Oxoamiduin**, (odourless garlic powder extract), meeting all of the following: (a) light yellowish - white, almost odourless powder with a slightly sweet taste (b) loss of drying less than 7% W/W at 105^{o}C for 4 hours (c) soluble in water, almost insoluble in pure methanol and ethanol	85/00229 85/00230 94/03301

	P	
NZ	**Palm Kernel Methyl Ester**, fractionated	93/12828
NZ	**Paste, Cocoa**, not defatted	88/02030
NZ	**Pearls, Cultured**, jewellery standard	89/03701
NZ	**Pegasol R150**	93/02386
NZ	**Pentaerythritol**	
NZ	**Petroleum Hydrocarbon Resins**, having a softening point NOT greater than 145^{o}C by the ball and ring method	95/05424
NZ	**Petroleum Solvent, White Aliphatic**	95/05424
NZ	**Picloram Technical**	93/04191

NZ	**Pigment, Aluminium**, leafing type, in powder form (Aluminium Powder GGT) Bronze powder Blue 29 Carbon black Chromium oxide green Iron oxide, brown, synthetic Iron oxide, red, synthetic Iron oxide, yellow, synthetic Nickel titanate yellow Red 122 Violet 15 Violet 19 Violet 23 Yellow 110	87/04403
NZ	**Pigment, Carbon Black**	87/04403
NZ	**Pigment, Chromium Oxide, Green**	87/04403
NZ	**Pigment, Bronze Powder**	87/04403
NZ	**Pigment, Brown Iron Oxide**, synthetic	87/04403
NZ	**Pigment, Iron Oxide**, synthetic brown	
NZ	**Pigment, Iron Oxide**, synthetic red	87/04403
NZ	**Pigment, Iron Oxide**, synthetic yellow	87/04403
NZ	**Pigment, Nickel Titanate, Yellow**	87/0440
NZ	**Poly Cotton Yarn**, 45/1 EEC, grey marl top dyed, being yarns other than wool carpet yarns or yarns put up for retail sale	92/05672
NZ	**Poly/cotton Yarn**, 65/35 single 45/1 ECC, dyed on cone, other than wool carpet yarns or yarns put up for retail sale	93/09462
NZ	**Polydimethyl Siloxane Fluid**, having a viscosity of not more than 5 centistokes at 20^{o}C and an average of 4 dimethyl siloxane units	87/00361
NZ	**Polydimethyl Siloxane Hydrolysate**	87/00361
NZ	**Polyester Fabric, Satin**, woven, not printed, weighing less than 125 g/m^2, for use than in the manufacture of clothing of Chapter 62, other than lining or pocketing	92/02424
NZ	**Polyester Knitting Yarn**, single 30's, 100% spun 30/ECC - raw white on cone, weighing more than 150 grams per 9000 metres	79/06715
NZ	**Polyester Knitting Yarn**, single 50's, 100% spun 50/1 ECC - raw white on cone, weighing less than 150 grams per 9000 metres	79/06715
NZ	**Polyamide Yarn**, tactel	91/09074
NZ	**Polybutylene Resin**	91/09897
NZ	**Polyester Polymer**	78/05034
NZ	**Polyester Resin**, solid saturated carboxylated in powder or granular form	87/04403

NZ	**Polyester Satin Fabric**, woven, not printed, weighing less than 125 g/m^2, for use than in the manufacture of clothing of Chapter 62, other than lining or pocketing	92/02424
NZ	**Polyester Yarn**, high tenacity, made up of filaments each of which is less than 1 denier per filament	93/06625
NZ	**Polymethyl Methacrylate**, in granular form	84/05113
NZ	**Polyolefin Wax**, micronised	87/04403
NZ	**Polypropylene Homopolymer Film**, biaxially oriented, having ALL of the following properties: (a) maximum elongation at break NOT exceeding 180% machine direction as measured by ASTM D882; (b) corona treated one side to a minimum of 36 dynes as measured by ASTM D2578; (c) co efficient of friction of NOT less than 0.4 measured by ASTM D1894; (d) width NOT less than 740mm but NOT exceeding 1500mm; (e) thickness gauges NOT less than 25 micron but NOT exceeding 50 micron; but NOT including film which is: (i) pigmented or coloured; (ii) voided; (iii) printed; (iv) coated; (v) metallised or metalliseable; (vi) heat sealable; (vii) containing slip additives; (viii) containing anti static additives	95/05424
NZ	**Polypropylene Homopolymer Film**, biaxially oriented, having ALL of the following properties: (a) maximum elongation at break NOT exceeding 180% machine direction as measured by ASTM D882; (b) corona treated one side to a minimum of 36 dynes as measured by ASTM D2578; (c) co efficient of friction of NOT less than 0.4 measured by ASTM D1894; (d) width NOT less than 740mm but NOT exceeding 1500mm; (e) thickness gauges NOT less than 25 micron but NOT exceeding 50 micron; but NOT including film which is: (i) voided; (ii) printed; (iii) coated; (iv) metallised or metalliseable; (v) heat sealable; (vi) containing slip additives; (vii) containing anti static additives	95/11286
NZ	**Polypropylene Wax**, micronised	87/04403
NZ	**Polypropylene Yarn**, 100%, single, non-continuous, twisted, NM 50 dyed waxed on cones, MA150TC quality, for use other than in the further manufacture of yarns other than: (a) wool carpet yarns (b) yarns of fibrillated polypropylene classified under 5402.49.00 or 5402.59.00 (c) yarns put up for retail sale	93/03183
NZ	**Polyurethane Spandex Yarn**	85/05601

NZ	**Polyvinyl Alcohol**	93/00492
NZ	**Powder Coating Matting Agent XG125**, Ciba Geigy	87/04403
NZ	**Powder, Copper**	87/04403
NZ	**Powder, Ginseng Root (**the dried root of *Panax Ginseng*)	85/00229 85/00230 94/03301
NZ	**Precious Stones**, other than diamonds, sapphires, opals, jade and greenstone	89/03701
NZ	**Precious or Semi-Precious Stones**, synthetic or reconstructed	89/03701
NZ	**Projectiles, Centrefire**	84/02563
NZ	**Pyridoxine Hydrochloride**, British Pharmacopoeia 1980 or United States Pharmacopoeia XX Grade, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301

	R	
NZ	**Rails, rolled structural steel (S1021**), with tongue and groove rail ends	83/04876 94/05867
NZ	**Reconstructed or synthetic precious or semi precious stones**	89/03701
NZ	**Red Iron Oxide, Pigment, synthetic**	87/04403
NZ	**Resin, Chinese Gum**	
NZ	**Resins, Petroleum Hydrocarbon**, having a softening point NOT greater than 145^{o}C by the ball and ring method	95/05424
NZ	**Resin, Polybutylene**	91/09897
NZ	**Resin, Polyester**, solid saturated carboxylated in powder or granular form	87/04403
NZ	**Riboflavin**, British Pharmacopoeia 1980 or United States Pharmacopoeia XX Grade, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Rod, stainless steel**, hot rolled, in coil form, for use by continuous hot or cold drawing operations, other than in the manufacture of stainless steel bars, rods or wire, in cut lengths, having a diameter of 9mm or greater	
NZ	**Rod, stainless steel**, hot rolled, in coil form, having a diameter of 9mm or less	
NZ	**Rod, stainless steel**, hot rolled, in coiled form, having a diameter of less than 24mm	93/00493
NZ	**Royal Jelly**, lyophilized, in starch	85/00229 85/00230 94/03301
NZ	**Rubber, Synthetic, Thermoplastic**, being a block copolymer of styrene-isoprene-styrene	95/05424

NZ	**Rubies**, cut	89/03701
NZ	**Rutin**, United States National Formulary XI Grade, no particle greater than180 micron diameter	85/00229 85/00230 94/03301

	S	
NZ	**Salt, Sodium**, of Salt of Diphenyl Oxide Alkyl Sulphonate (Dowfax 2A1)	79/00915
NZ	**Sapphires**, cut	89/03701
NZ	**Satin Fabric, Polyester**, woven, not printed, weighing less than 125 g/m2, for use than in the manufacture of clothing of Chapter 62, other than lining or pocketing	92/02424
NZ	**Shafts, golf club**, of steel, aluminium, carbon (graphite) or titanium without attachments of any kind	95/11042
NZ	**Shellsol AB**	93/02386
NZ	**Silcasil 'S'** (Silicone Dioxide flow agent)	79/00934 91/04913
NZ	**Silica,** amorphous	87/00361
NZ	**Silicon Carbide**, Grain, grit size 16-1200	83/02723 94/03298
NZ	**Silicone Dioxide Flow Agent**, (Silcasil 'S')	79/00934 91/04913
NZ	**Silk Fabric**, pure	78/06127
NZ	**Simazine Technical**	90/05401
NZ	**Sodium Lignosulphonate** (Marasperse CBOS-3)	79/00934 91/04913
NZ	**Sodium Meta Bisulphide**	79/00915
NZ	**Sodium Methylate, 30% Solution**	93/12828
NZ	**Sodium Monochloro Acetate**	90/06433
NZ	**Sodium Salt , Diphenyl Oxide Alkyl Sulphonate** (Dowfax 2A1)	79/00915
NZ	**Sodium Salt** of Ethylene Diamine Tetra Acetic Acid	90/06433
NZ	**Sodium Sulphite**	87/03240
NZ	**Solvent, Petroleum, White Aliphatic**	95/05424
NZ	**Sorbitan Mono Oleate**, British Pharmacopoeia 1980 Grade	85/00229 85/00230 94/03301
NZ	**Soya Methyl Ester**	93/12828
NZ	**Spandex Yarn**, Polyurethane	85/05601

NZ	**Spinosad Technical**	98/05673
NZ	**Spoons and Forks**, nickel silver, unfinished not polished or plated, but not including unfinished forks or spoons of the souvenir or commemorative types, for use in the manufacture of silver plated cutlery	94/05870
NZ	**Stainless Steel Rod**, **Hot Rolled**, in coiled form, having a diameter of less than 24mm	93/00493
NZ	**Stainless Steel Rod, Hot Rolled**, in coil form, for use by continuous hot or cold drawing operations, other than in the manufacture of stainless steel bars, rods or wire, in cut lengths, having a diameter of 9mm or greater	
NZ	**Staple Wire, Galvanised**	89/00118
NZ	**Staves, straight rough oak**, *Quercus* species, either sawn or riven but not otherwise processed, machined or bent	83/07272 94/03300
NZ	**Steel Rod, Stainless, Hot Rolled**, in coil form, for use by continuous hot or cold drawing operations, other than in the manufacture of stainless steel bars, rods or wire, in cut lengths, having a diameter of 9mm or greater	
NZ	**Steel Strips, Hot Rolled**, black, annealed, high speed (M2 quality) in the as sheared condition, 12.625” x 0.515” x 0.025”, suitable for producing all finished hacksaw blades 12” x 0.5” x 0.025”	
NZ	**Steel, Stainless, Rod, Hot Rolled**, in coil form, for use by continuous hot or cold drawing operations, other than in the manufacture of stainless steel bars, rods or wire, in cut lengths, having a diameter of 9mm or greater	
NZ	**Steel, Stainless, Rod, Hot Rolled**, in coil form, having a diameter of 9mm or less	
NZ	**Steel, Stainless, Rod, Hot Rolled**, in coiled form, having a diameter of less than 24mm	93/00493
NZ	**Steel Strips, Hot Rolled**, black annealed, high speed (M2 quality) in the as sheared condition, suitable for producing all sizes of hacksaw blades	94/05866
NZ	**Steel Strips, Hot Rolled**, black, annealed, high speed (M2 quality) in the as sheared condition, 12.625” x 0.515” x 0.025”, suitable for producing all finished hacksaw blades 12” x 0.5” x 0.025”	94/05866
NZ	**Steel Wire, Galvinised**	89/00118
NZ	**Steel Wire, Stainless**	89/00118
NZ	**Stones, Glass**, imitation (minimum 24% Lead Oxide by weight)	84/00313
NZ	**Stones, Precious**, other than diamonds, sapphires, opals, jade and greenstone	89/03701
NZ	**Stones, Precious or Semi-Precious**, synthetic or reconstructed	89/03701
NZ	**Stones, reconstructed or synthetic precious or semi precious**	89/03701
NZ	**Strip, Copper Nickel Alloy**, annealed, in sizes: 0.46mm thick by 131mm wide; 0.56mm thick by 131mm wide; 0.61mm thick by 131mm wide; 0.71mm thick by 131mm wide	83/02096 94/03299

NZ	**Strip, Nickel Iron Alloy**, (Incoloy 800)	72/08602
NZ	**Strip, Nickel Iron Alloy**, (Incoloy 825)	72/08602
NZ	**Steel Strips, Hot Rolled**, black annealed, high speed (M2 quality) in the as sheared condition, suitable for producing all sizes of hacksaw blades	94/05866
NZ	**Steel Strips, Hot Rolled**, black, annealed, high speed (M2 quality) in the as sheared condition, 12.625" x 0.515" x 0.025", suitable for producing all finished hacksaw blades 12" x 0.5" x 0.025"	94/05866
NZ	**Strip, Nickel Copper Alloy**, annealed , in sizes: 0.46mm thick by 131mm wide 0.56mm thick by 131mm wide 0.61mm thick by 131mm wide 0.71mm thick by 131mm wide	83/02096 94/03299
NZ	**Sulphamethoxazole BP**	91/02603
NZ	**Synthetic Rubber**, Thermoplastic, being a block copolymer of styrene-isoprene-styrene	95/05424

T

NZ	**Tactel Polyamide Yarn**	91/09074
NZ	**Thermoplastic Synthetic Rubber**, being a block copolymer of styrene-isoprene-styrene	95/05424
NZ	**Thiamine Hydrochloride**, British Pharmacopoeia 1980 Grade. No particle greater then 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Thiamine Mononitrate**, United States Pharmacopoeia XX Grade, no particle greater than 180 micron diameter	85/00229 85/00230 94/03301
NZ	**Toluene**	95/05424
NZ	**Triacetate Yarns**, 64, 84 and 110 decitex	75/04769 94/03448
NZ	**Triclopyr Technical**	93/04191
NZ	**Triethoxysilane, Gamma-aminopropyl**	87/00361
NZ	**Tri-isopropanolamine**	93/03179
NZ	**Tri-N-Butyltin Oxide (Bis)**	87/00361
NZ	**Triglycidyl Isocyanurate**	87/04403
NZ	**Trimethoprim BP**	91/02603

V

NZ	**Vinyl Acetate**	93/00492
NZ	**Vinyl-Tris-Ethyl-Methyl Ketoximino Silane**	87/00361

NZ	**Vinyl Versatate**	93/00492

	W	
NZ	**Wax, Polyolefin**, micronised	87/04403
NZ	**Wax, Polypropylene**, micronised	87/04403
NZ	**Wheat Germ Oil**, British Pharmaceutical Codex 1954 Grade	85/00229 85/00230 94/03301
NZ	**White Aliphatic Petroleum Solvent**	95/05424
NZ	**Wire, Galvanised Staple**	89/00118
NZ	**Wire, Stainless Steel**	89/00118
NZ	**Woven Fibreglass**, impregnated with phenolic resin	94/05868

	X	
NZ	**Xylenes, Alkyl**, of Mid Range Distillates	93/04191

	Y	
NZ	**Yarn**, **Acrylic Knitting,** single 72's, high bulk, 100% spun. 72/dyed metric count, weighing less than 150 grams per 9000 metres	79/06715
NZ	**Yarn, Cotton**, 100%, 45/1 EEC, grey marl top dyed, being yarns other than wool carpet yarns or yarns put up for retail sale	92/05672
NZ	**Yarn, Knitting, Polyester**, single 30's, 100% spun 30/ECC - raw white on cone, weighing more than 150 grams per 9000 metres	79/06715
NZ	**Yarn, Knitting, Polyester**, single 50's, 100% spun 50/1 ECC - raw white on cone, weighing less than 150 grams per 9000 metres	79/06715
NZ	**Yarn, Nylon**, between 2700 and 4200 decitex, extruded, twisted, textured, dyed	07/14760
NZ	**Yarn, Nylon**, high tenacity made from antistatic polymer	93/06625
NZ	**Yarn, Nylon**, high tenacity, 22 Decitex or finer	93/06625
NZ	**Yarn, Nylon 6**, polyamide, continuous filament, untextured, yarn count NOT exceeding 167 decitex BUT excluding all synthetic and artificial monofilament yarn	97/11048
NZ	**Yarn, Nylon 6.6**, polyamide continuous filament, untextured, yarn count NOT exceeding 167 decitex BUT excluding all synthetic and artificial monofilament yarn	97/11048
NZ	**Yarn, Poly Cotton**, 45/1 EEC, grey marl top dyed, being yarns other than wool carpet yarns or yarns put up for retail sale	92/05672

NZ	**Yarn, Poly/cotton**, 65/35 single 45/1 ECC, dyed on cone, other than wool carpet yarns or yarns put up for retail sale	93/09462
NZ	**Yarn, Polyamide**, tactel	91/09074
NZ	**Yarn, Polyester**, high tenacity, made up of filaments each of which is less than 1 denier per filament	93/06625
NZ	**Yarn, Polyester, Knitting**, single 30's, 100% spun 30/ECC - raw white on cone, weighing more than 150 grams per 9000 metres	79/06715
NZ	**Yarn, Polyester Knitting**, single 50's, 100% spun 50/1 ECC - raw white on cone, weighing less than 150 grams per 9000 metres	79/06715
NZ	**Yarn, Polypropylene**, 100%, single, non-continuous, twisted, NM 50 dyed waxed on cones, MA150TC quality, for use other than in the further manufacture of yarns other than: (a) wool carpet yarns (b) yarns of fibrillated polypropylene classified under 5402.49.00 or 5402.59.00 (c) yarns put up for retail sale	93/03183
NZ	**Yarn, Spandex**, polyurethane	85/05601
NZ	**Yarns, Triacetate**, 64, 84 and 110 decitex	75/04769 94/03448

RELATED POLICIES AND REFERENCES

Practice Statement – Rules of Origin

Instructions and guidelines – AUSFTA

Instructions and guidelines – Preferential Rules of Origin (general)

Instructions and Guidelines – SAFTA

Instructions and Guidelines – TAFTA

KEY ROLES AND RESPONSIBILITIES

The policy owner of this practice statement is:

Director Valuation and Origin Section
Trade Services Branch
Australian Customs and Border Protection Service

CONSULTATION

Industry Consultation
Not required.

Internal Consultation
The following internal stakeholders have been consulted in the development of these Instructions and Guidelines:

- Customs Legal Unit
- Compliance Division

APPROVAL

Approved on 28 June 2009 by:

Sue Pitman
National Director Trade
Australian Customs and Border Protection Service