

Revised Tariff from 1 January 2017^{4/11/2016}

Every five years the World Customs Organization (WCO) revises the Harmonized System (HS) to improve it and accommodate advances in technology and changes in the patterns of world trade. The latest edition of the HS, which is due to take effect from 1 January 2017 has been released.

As a signatory to the HS Convention, New Zealand is obliged to incorporate the Amendments in the Tariff of New Zealand. A project team, drawn from Customs and Statistics New Zealand, has been working to incorporate the amendments and draft legislation to ensure that the 2017 Tariff will be ready for use on 1 January 2017.

It is important to note that the changes to the Tariff are structural only and do not change the rates of duty.

A reprint of the Tariff of New Zealand is expected to be available in December 2016. [The Correlation Key correlating the 2012 Tariff with the 2017 Tariff is available here.](#)

The following are few of the more important changes:

- Chapter 3: New subheadings under heading 03.05 “Fish, dried, salted or in brine; etc.” to account for shark fins.
- Chapter 4: “Dairy products etc., new Legal Note 4(b) excludes “Products obtained from milk by replacing one or more of its natural constituents (e.g., butyric fats) by another substance (e.g., oleic fats) (heading 19.01 or 21.06)”.
- Chapter 12 and Chapter 13: New subheadings to account for certain narcotic substances i.e., “ephedra” at the behest of the United Nations International Narcotics Control Board.
- Chapter 29: A number of changes to the Tariff to put into effect recommendations under the Chemical Weapons Convention, Rotterdam Convention products and Stockholm Convention products.
- Chapter 30: Subheading 3003.40, creation of new subheadings to specifically provide for certain narcotic substances on the basis of a proposal by the United Nations International Narcotics Control Board.
- Chapter 39: creation of new subheadings to account for Ethylene-alpha-olefins copolymers, having a specific gravity of less than 0.94; for linear low density polyethylene; for Poly(ethylene terephthalate) having a viscosity number of 78 ml/g or higher; for crude MDI, polymeric MDI.
- Chapter 44: new Subheading Note 2 covering the definition of “Tropical wood”
- Chapters 54 and 55: Amendments to reflect the development of polypropylene fibres which represent the biggest share of fibre production.
- Chapter 57: Amendments to separately provide for carpet tiles of specific dimensions.
- Chapter 69: Headings 69.07 and 69.08 are amalgamated.
- Chapter 84: New Subheading Notes to define machining centres; to clarify the classification of olehydraulic or pneumatic transmissions; to clarify the classification of certain ceiling or floor types of air conditioning machines.
- Chapter 85: New Legal Note 3 to clarify the classification of “battery packs”.
- Chapter 85: Amendments to Legal Note 8 to expand the scope of heading 85.42 to cover multi-component integrated circuits (MCOs).
- Chapter 85: Heading 85.39, amendments to expand the scope of heading 85.39 to cover light-emitting diodes (LED) lamps.
- Chapter 87: Headings 87.02 and 87.03, amendments to reflect technological changes in the automotive industry i.e., provision for eclectic and hybrid vehicles.
- Chapter 95: Amendment to clarify the classification of sports clothing incorporating certain protective components.
- Chapter 96: New heading 96.20 to specifically provide for monopods, bipods, tripods and similar articles.

A full list of the changes to the HS Nomenclature is available from the WCO Website:

<http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition.aspx>

Consequential amendments to the Excise and Excise-equivalent Duty Table

As a result of the changes to the Tariff, the Excise and Excise-equivalent Duties Table (the Table) is amended (on 1 January 2017) as follows:

1. Amendments to tariff items for grape wine to account for the new Tariff subheading for grape wine in containers holdings more than 2L but not more than 10L
2. Adding of ‘saké’ to the Excise and Tariff headings that cover ‘other fermented beverages’
3. Amendments to tariff items for methanol and ethyl alcohol used as a fuel to account for changes to the Tariff to put into effect recommendations under the international Chemical Weapons Convention.

These amendments will be incorporated in the Table that will be reprinted in the Working Tariff Document of New Zealand.

The changes to the Table are structural only and do not change the rates of excise duties.