

## **Minister of Finance**

### **Policy guidelines for the approval of goods in an approved business notice**

#### **CPC 4237 (Goods eligible for business end-use relief)**

These policy guidelines are issued by the Minister of Finance pursuant to the requirements of Customs Procedure Code (CPC) 4237 of the Fifth Schedule to the Customs Tariff Act 1970.

#### ***Duty relief for goods eligible for business end-use relief***

Duty relief is available for goods eligible for business end-use relief under CPC 4237 on condition that qualifying goods must be imported for and used wholly and exclusively for business purposes by an approved business.

In CPC 4237 —

“approved business ” means a business organization approved by the Minister by notice published in the Gazette (which shall not be subject to parliamentary scrutiny);

“business” means—

- (a) the supply of goods and services for consideration; and
- (b) not for profit supplies of goods and services as made otherwise than in a personal capacity.

#### ***Policy guidelines for the approval of goods for the purposes of CPC 4237***

The Minister will decide the description and quantity to be approved in any approved business notice made under CPC 4237 on a case by case basis, and in accordance with the following policy criteria:

1. The goods must be appropriate to the relevant approved business.
2. Approved goods may include—
  - a) raw materials
  - b) mixtures or combinations of materials or substances
  - c) finished goods (whether or not presented unassembled or disassembled)
  - d) incomplete or unfinished goods
  - e) composite goods consisting of different materials or made up of different components or modular parts
3. The quantity of approved goods may take account of normal wastage in processing, construction or installation; damage; natural deterioration; wear and tear; or obsolescence.
4. In deciding the grant or scope of relief, the Minister may take account of —

- a) other available or granted drawbacks, exemptions, reliefs, remissions and concessions.
  - b) other assistance received from Government or other organizations, such as grants, duty deferments or Bermuda Economic Development Corporation (BEDC) loans.
  - c) the need for relief in any particular case, bearing in mind the existing level of capitalization of any particular business.
  - d) the uniqueness of the approved business, with a view to encouraging appropriate diversification of local business undertakings.
  - e) the suitability of the business, with a view to encouraging undertakings that are not deleterious or harmful to Bermuda's reputation, culture and ethos.
5. The Minister may tailor the scope of relief to address any potential mischief such as the unwanted or unintended effect of any special duty rate.
  6. The Minister will only approve businesses and goods where he is satisfied the business undertaking in question is of sufficient benefit to the general economy of Bermuda or the balance of payments (exports of locally manufactured goods).
  7. The Minister will treat applications from similar businesses equitably, subject nevertheless to the foregoing criteria.

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