

Republic of Nauru – 20th Parliament

Customs (Rates of Duty) (Amendment) Bill 2012

Second Reading Speech

H.E. Hon. Sprent Dabwido, M.P., President

23 February 2012

Mr Speaker,

The *Customs (Rates of Duty) (Amendment) Bill 2012* seeks to amend Schedule 2 to the *Customs (Rates of Duty) Act 2010* (the Act) to reduce the rate of customs duty on certain types of vehicle.

The key objective of the proposed amendments to the Act is to make transport more affordable for people in Nauru.

The Bill proposes to reduce the rate of customs duty from 25% of the value of the goods, down to 10% of the value of the goods, for the following types of vehicle:

- motor cycles with a cylinder capacity not exceeding 250cc
- motor vehicles with a cylinder capacity not exceeding 3000cc
- motor vehicles for the transport of ten or more persons, including the driver (minivans and buses).

The rate of customs duty on other vehicles (bikes over 250cc, cars over 3000cc, heavy machinery such as excavators, etc) and on parts and accessories for bikes, cars and other vehicles would remain at its present level of 25% of the value of the goods.

The proposed amendments have the benefit not only of making regular transport more affordable by reducing the rate of customs duty, but also of providing a tax incentive for people to import forms of transport that are relatively efficient in fuel consumption and therefore cheaper to run and more environmentally friendly. This is why the customs duty is being significantly reduced for vehicles with small engines, and for vehicles that can carry 10 or more persons, but is remaining the same for larger, more environmentally damaging vehicles.

Mr Speaker, this Bill is very short and straightforward. Although the HS codes make the Bill look very technical, the explanatory memorandum that

accompanies the Bill explains precisely what each of the HS codes that is being removed from the Schedule actually covers.

Mr Speaker, I commend this Bill to the House.

Thank-you.