

REPUBLIC OF NAURU
CUSTOMS TARIFF (AMENDMENT) BILL 2023

SECOND READING SPEECH

Honourable Martin Hunt, MP

6 June 2023

Mr Speaker Sir,

I have the privilege of introducing to the House today the *Customs Tariff (Amendment) Bill 2023*.

Mr Speaker, the *Customs Tariff Act 2014* ('Act') sets out in Schedule 1 the tariff rates for duty imposed on goods imported into the Republic, entered for home consumption or entered for delivery to a manufacturing area.

The Bill aims to amend Schedule 1 of the Act by deleting the entire tariff schedule and substituting it with a new a new tariff schedule. The new tariff schedule consists of the Working Tariff Document which has previously been certified by the Cabinet and maintained by the Chief Collector of Customs in accordance with Section 13 of the Act.

The new tariff schedule also contains the budgetary changes for the next financial year.

Mr Speaker, Customs revenue has declined due to a decrease in trade volume. The annual tariff adjustments will assist in recovering some of that revenue. All SIN goods will shift to excise. The Bill is for Customs to also introduce Import Excise Duty at the border.

Excise at the border has become more prevalent in Pacific Island Countries. Its implementation can both modernise and secure our revenue platform. Excise is commonly placed against luxury items or SIN goods and in this case cigarettes,

alcohol, sugar products and motor vehicles will shift from Import Duty to Import Excise Duty.

The adoption of an excise regime offers the opportunity to deliver small scale manufacturing centres within the Republic in the future therefore attracting investment to the nation for more employment and also encouraging future foreign investment.

Mr Speaker, the new tariff schedule is recommended by the Cabinet to the House for approval in accordance with Article 60 of the Constitution. This provision requires any imposition of tax or an increase in tax to be recommended by the Cabinet to the Parliament in the form of a Bill for an Act of Parliament.

Mr Speaker, the explanatory memorandum details the provisions of the Bill. Sir, I request that the explanatory memorandum be read and recorded in the Hansard Reports.

I commend the Bill to the House.