

# Public Notice 17 – Supplemental 6

## **Bermuda Customs Declaration Guidelines:** BCD Type – TEMPORARY IMPORTS

04<sup>th</sup> March, 2011

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## 1 Introduction

#### 1.1. Definitions

In this public notice -

"BCD" means the Bermuda Customs Declaration;

"CAPS" means Customs Automated Processing System;

"CPC" means Customs Procedure Code;

"Customs Trader" means any person or company carrying on a trade or business which consists of or includes any of the following activities –

- a) importing or exporting any goods;
- b) handling, transporting or storing them;
- c) facilitating any activity mentioned in sub- subparagraphs a) or b);

"Declarant" means the person/company completing the BCD;

"DFD" means Duty From Deposit;

"HBL" means House Bill of Lading

"Importer" means the person/company actually bring in the goods; and,

"LIC" means a Local Inland Clearance warehouse;

#### 1.2. Who should read this Notice?

This notice is relevant to individual (non-commercial) importers as well as commercial and institutional importers and freight agents — in short, anyone involved in importing/exporting freight

#### 1.3. What is this Notice about?

This Public Notice 17 – Supplemental 6 should be read in conjunction with the main body of Public Notice 17. This Notice provides detailed guidelines for completing the BCD when dealing with a **BCD Type: Temporary Import**. Persons interested in this Notice should also read the associated Public Notice 17 – Supplemental 3 on **BCD Type: Deposit**, as well as, Public Notice 17 – Supplemental 4 on **BCD Type: Adjustment**.

Please see Public Notice 17 section 2 for guidance on the various BCD Types.

#### 1.4. What is the relevant law?

In general, the laws pertaining to the importation and export of goods are the Revenue Act 1898 and the Customs Tariff Act 1970. More specifically, the Collector of Customs has the authority to determine the form of entry (BCD) under the provisions of section 14 and 16 of the Revenue Act 1898.

The law requires the Collector to publish the form of entry (BCD) in the Official Gazette so that everyone knows what entry form they have to fill in order to import or export goods.

The BCD was Gazetted on July 21<sup>st</sup> 2000 (GN No.573).

You may gain access to the above legislation and other Bermuda laws by visiting the Bermuda Laws Online website. <u>www.bermudalaws.bm</u> or by clicking on the "Legislation" link on the Customs Department website <u>www.customs.gov.bm</u>

#### 1.5. How do I obtain further information?

If you require further details or assistance regarding the BCD, please contact the Customs Department at the following locations:

Hamilton Commercial Operations	Airport Commercial Operations
Custom House	L. F. Wade International Airport
40 Front Street	3 Cahow Way
Hamilton HM 12	St. George's DD 03
PO Box 2084	Telephone: (441) 293-2424

PO Box 2084 Hamilton HM HX Telephone: (441) 293-2424 Fax: (441) 293-1418

Telephone: (441) 295-4816 Fax: (441) 295-5392

You can access or download an electronic copy of this and other Customs Public Notices by visiting the Customs Department website, <u>www.customs.gov.bm</u>.

## 2 Completion of Required Fields for BCD Type: TEMPORARY IMPORT

#### 2.1. Allowable CPCs associated with BCD Type: Temporary Import

The following table provides a listing of CPCs that fall within BCD Type: Temporary Import:

CPC	DESCRIPTION	BCD TYPE CODE	ALLOWABLE TAX TYPE / TAX ID	DUTY RATE
5001	AIRCRAFT (EQUIPMENT, ENGINES AND PARTS) – EXPERIMENTAL OR SCIENTIFIC	Т	DEP / D	security may be required
5002	AIRCRAFT (EQUIPMENT, ENGINES AND PARTS) – NON-RESIDENTS	Т	DEP / D	security may be required
5003	MEDICAL EQUIPMENT AND MEDICAL INSTRUMENTS	Т	DEP / D	security may be required
5004	VESSELS (ARTICLES AND PARTS) – PASSENGERS AND CARGO	Т	DEP / D	security may be required
5005	VESSELS (ARTICLES AND PARTS) – NON-RESIDENTS	Т	DEP / D	security may be required
5006	VESSELS (ARTICLES AND PARTS) – RACING OR EXHIBITION	Т	DEP / D	security may be required
5007	PHOTOGRAPHIC GOODS AND EQUIPMENT (DEPARTMENT OF TOURISM)	Т	DEP / D	security may be required
5008	VESSELS OR AIRCRAFT (ARTICLES AND PARTS) - OTHER	Т	DEP / D	security may be required
5009	CONVENTION OR CONFERENCE GOODS	Ι	CUD / E WHA / E	security may be required
5010	CINEMATOGRAPHIC PROJECTORS	Т	DEP / D	security may be required
5011	CINEMATOGRAPHY FILMS AND EQUIPMENT	Т	DEP / D	security may be required
5012	COSTUMES AND THEATRICAL APPARATUS	Т	DEP / D	security may be required
5013	TECHNICIANS (EQUIPMENT AND TOOLS)	Т	DEP / D	security may be required
5014	AIRCRAFT TECHNICIANS (EQUIPMENT AND TOOLS)	Т	DEP / D	security may be

CPC	DESCRIPTION	BCD TYPE CODE	ALLOWABLE TAX TYPE / TAX ID	DUTY RATE
				required
5015	JEWELRY FOR REVIEW	Т	DEP / D	security may be required
5016	MUSICAL INSTRUMENTS	Т	DEP / D	security may be required
5017	SCIENTIFIC APPARATUS	Т	DEP / D	security may be required
5018	AIRCRAFT	Т	DEP / D	security may be required
5019	ENTERTAINERS' EQUIPMENT	Т	DEP / D	security may be required
5020	SPORTS EQUIPMENT FOR OLYMPIC TRAINING AND SIMILAR INTERNATIONAL AMATEUR ATHLETIC EVENTS	Т	DEP / D	security may be required
5021	TRANSPORT CONTAINERS (ARTICLES AND PARTS)	Т	DEP / D	security may be required
5022	SPORTING EVENTS SPONSORED BY DEPARTMENT OF TOURISM	Т	DEP / D	security may be required
5023	GOVERNMENT SPONSORED CONVENTION OR CONFERENCE GOODS	Т	DEP / D	security may be required
5024	CONVENTION OR CONFERENCE GOODS – LOCAL PARTICIPATION	Т	DEP / D	security may be required
5025	HUMANITARIAN AID	Т	DEP / D	security may be required
5026	GOODS FOR THE KEMH REDEVELOPMENT PROJECT	Т	DEP / D	security may be required
5501	COMMERCIAL TRAVELER'S SAMPLES	Т	DEP / D	security may be required

## 2.2. CPCs 5001 to 5008 and 5010 to 5501 - Temporary Import of goods directly from either the Port of Arrival or an LIC warehouse

This section deals with BCD Type: TEMPORARY IMPORT for all CPCs in the Sixth Schedule of the Bermuda Customs Tariff except for CPC 5009. This section is for the temporary importation of goods directly from either the Port of Arrival or an LIC warehouse. A sample BCD for illustrative purposes is provided.

In order for goods to benefit from a temporary import relief under the Sixth Schedule of the Bermuda Customs Tariff they must be entered for Customs purposes on a BCD Type: Temporary Import. The use of a BCD Type: Deposit in place of a BCD Type: Temporary Import is not acceptable and may result in the goods not being able to benefit from the temporary import relief. Further, a BCD Type: Deposit cannot be "adjusted" by the submission of a BCD Type: Temporary Import in CAPS.

If the goods are being removed from an LIC warehouse the BCD is to be submitted to Customs for processing no earlier than twenty-four hours after the presentation of the associated manifest and HBLs that were tendered for the LCL container from out of which the consignment arrived. Further, the BCD may be tendered by the LIC facility, the actual importer of the consignment or a third party agent acting on behalf of the importer.

All fields with M beside them are to be completed. Fields with O beside them are optional. Any fields that do not have a symbol next to them should be left blank. The following instructions provide for the proper minimum data requirements. If you feel it is necessary to provide further additional information on the BCD please do so – as long as the minimum requirements have been met. Immediately after the BCD sample you will find further details on individual BCD fields that may require specific data.

The BCD should be completed on the standard BCD (Customs Form No. 10 April 2000) and in accordance with the instructions for those fields that can be found in Public Notice 17 - Appendix A.

Bermuda Customs	
	TRADER REFERENCE TI-12345
SUPPLIER ID NO.	M 5 a. COUNTRY OF DIRECT SHIPMENT US
A NAME: XYZ COMPANY	O b. COUNTRY OF ORIGINAL SHIPMENT: US
5. STREET 1A FRONT STREET	WAREHOUSE IDENTIFICATION 3001
C. STATE/PROVINCE NEW HAVEN, CT	M 7 ADDITIONAL INFORMATION:
d. ZP CODE 012345	TXT = GOODS ARE BEING IMPORTED FOR 14 DAY ONLY
e. COUNTRY USA	
e. COUNTRY COR	BCD=123456789
2 IMPORTER ID NO.: 1 0	0 9 8 7
a. NAME: XYZ COMPANY	
b NUMBER / STREET, 40 ST JOHN'S ROAD	8 METHOD OF PAYMENT
PEMBROKE	(1) ACCOUNT ID NO :
d. POSTAL CODE HM 12	(2) ACCOUNT ID NO.
3 TRANSPORT DETAILS	
a VESSEL VOYAGE / AIRCRAFT FLIGHT NO. OLE	
	7 807 <u>640 500.0</u>
b. PORT OF ARRIVAL: HAM	8 2011
ARRIVAL / DEPARTURE DATE:	M 10 VALUATION METHOD: 01
4 MANIFEST DETAILS MANIFEST NO.	M II NO OF PACKAGES: 5
A MASTER BILL OF LADING / AWE NO .: NY5002	M 12 TOTAL NO OF RECORDS: 0 0 1
b. HOUSE BILL OF LADING / AWB NO: 12345	M IS TOTAL INVOICE AMOUNT 1,150.00
: CONTAINER ID NO: ICSU123456-9	M TOTAL PAYABLE AMOUNT 333.80
15 RECORD NO. 0 0 1	
16 CPC 5013	M 23 CURRENCY USD VALUE 1000.00
17 COUNTRY OF ORIGIN: US	24 EXCHANGE RATE 1.00
18 TARREF NO: 8 4 6 7 8 1 0	M 25 BOS VALUE 1000.00
19 DESCRIPTION	26 CHARGES / DEDUCTIONS % AMOUNT
CHAIN SAW	
	V
20 QUANTITY / UNITS 1: 1.00	M 27 TAX TYPE TAX ID. VALUE FOR TAX TAX RATE TAX AMOUNT DEP D 1000.00 33.38 333.80
21 QUANTITY / UNITS 2:	
22 SUPPLEMENTARY CODE:	TOTAL DUE 222 80
28 ADDITIONAL INFORMATION:	TOTAL DUE 333.80
TONY D. TRADER	ID. NO.: 1 0 0 9 8 7 Castures sor early

#### **BCD Control Field: BCD Type Code for Imports**

	<ul> <li>BCD Type Code must be "T".</li> </ul>
PAGE 1 OF 0 1 EXPORT EXPORT	
TRADER REFERENCE: USA 123456789	

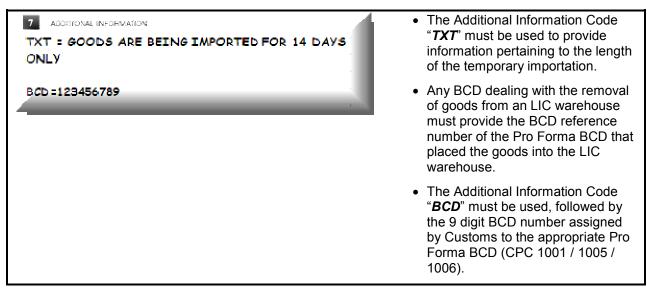
#### Field 4: Manifest Details

4 MAN-FEST GETAILS	MANIFESTINO	If the goods are being removed
a. MASTER BILL OF LADING / AINB NO .:	NY5002	from an LIC warehouse then Field 4b must be completed.
b. HOUSE BILL OF LADING / AWB NO.:	12345	
e. CONTAINER ID NO : ICSU	123456-9	

### Field 6: Warehouse Identification

6 WAREHOUSE IDENTIFICATION: 3 0 0 1	<ul> <li>If the goods are being removed from an LIC warehouse then Field 6 must be completed.</li> </ul>
	<ul> <li>"3xxx" – this references the assigned warehouse identification for the LIC warehouse from out of which the goods are being removed.</li> </ul>
	<ul> <li>All LIC warehouse identifications begin with the number "3".</li> </ul>
	The LIC operator will provide the warehouse identification number.

#### Field 7: Additional Information



**Field 16: Customs Procedure Code Information** 

15 RECORD NO. 0 0 1	• CPC must be in the <b>5xxx</b> series.
16 CPC 5 0 1 3	

#### Field 18: Tariff Number



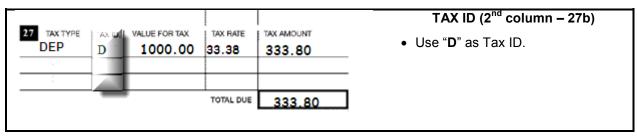
#### Field 27: Tax Calculation Information

27 TAX TYPE DEP	TAX ID.	TAX RATE 33.38	TAX AMOUNT 333.80	<ul> <li>Field 27 is where duty, wharfage or any other fees are calculated for each Record of the BCD.</li> </ul>
		TOTAL DUE	333.80	

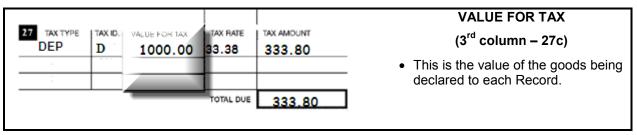
#### Field 27a: Tax Type Code

		TAX TYPE (1 <sup>st</sup> column – 27a)
27         TAX ID:         VALUE FOR TAX         TAX RATE           DEP         D         1000.00         33.38	TAX AMOUNT 333.80	• Use " <b>DEP</b> " as Tax Type.
TOTAL DUE	333.80	

#### Field 27b: Tax ID Code



#### Field 27c: Value For Tax



#### Field 27d: Tax Rate

_				TAX RATE (4 <sup>th</sup> column – 27d)
27 TAX TYPE DEP	LUE FOR TAX 1000.00	TAX FAILE TAX AMO 33.38 333. TOTAL DUE 333	30	• The applicable Tax Rates for BCD Type: Deposits is 50% greater than the Tax Rate that would normally be charged on a BCD Type: Import. A table is provided in section 3 of this document to provide assistance in calculating the appropriate Tax Rate.
				<ul> <li>If the rate is a percentage (i.e. 50.25%) enter the figure "22.25".</li> <li>Do not state percentages as a decimal figure (i.e. "0.5025").</li> </ul>
				<ul> <li>If the rate is a specific rate (i.e. \$2.50 per litre) enter the figure "2.50".</li> </ul>

	TAX AMOUNT
TAX RATE   1AX AMOUNT 33.38   333.80	(5 <sup>th</sup> column – 27e)
333.80	<ul> <li>Enter the calculated amount to be collected.</li> </ul>
TOTAL DUE 333.80	<ul> <li>The TAX AMOUNT is calculated by multiplying the VALUE FOR TAX (27c) by the TAX RATE (27d).</li> </ul>
	<ul> <li>Round TAX AMOUNT to two (2) decimal places.</li> </ul>

#### Field 27: Total Due

					TOTAL DUE
27 TAX TYPE DEP	D	VALUE FOR TAX 1000.00	TAX RATE 33.38	TAX AMOUNT 333.80	<ul> <li>TOTAL DUE must be the exact sum of the TAX AMOUNT values for the Record. No rounding is</li> </ul>
:			TOTAL DUE	333.80	allowed for the TOTAL DUE.

#### 2.3. CPC 5009 - Temporary Import of goods directly from either the Port of Arrival or an LIC warehouse

This section deals with BCD Type: TEMPORARY IMPORT for CPC 5009 only. This section is for the temporary importation of goods directly from either the Port of Arrival or an LIC warehouse. A sample BCD for illustrative purposes is provided.

This section does not deal with the temporary importation of goods under CPC 5009 that are imported as passenger's baggage.

If the goods are being removed from an LIC warehouse the BCD is to be submitted to Customs for processing no earlier than twenty-four hours after the presentation of the associated manifest and HBLs that were tendered for the LCL container from out of which the consignment arrived. Further, the BCD may be tendered by the LIC facility, the actual importer of the consignment or a third party agent acting on behalf of the importer.

All fields with M beside them are to be completed. Fields with O beside them are optional. Any fields that do not have a symbol next to them should be left blank. The following instructions provide for the proper minimum data requirements. If you feel it is necessary to provide further additional information on the BCD please do so – as long as the minimum requirements have been met. Immediately after the BCD sample you will find further details on individual BCD fields that may require specific data.

The BCD should be completed on the standard BCD (Customs Form No. 10 April 2000) and in accordance with the instructions for those fields that can be found in Public Notice 17 - Appendix A.

Bermuda Customs Dec	lara	ation N	1	PAGE 1 OF 0 1	I IMPO	DRT EXPORT
	1411			TRADER REFERENCE	TI-1234	5
SUPPLIER ID NO.	м	5 a. COUNTRY	OF DIR		5	
A NAME. XYZ COMPANY	0	5. COUNTRO	OF OR	GINAL SHIPMENT. US	5	
b. STREET. 1A FRONT STREET	0	6 WAREHOUS	EIDENT	FICATION 3001		
. STATE/PROVINCE NEW HAVEN, CT	Μ	7 ADDITIONAL				
d. ZP CODE. 012345				OR COMPANY		ENTION AT
e COUNTRY USA						
		BCD=12345	6789			
2 IMPORTER ID NO.: 1 0 0 9 8 7	7					
A NAME. XYZ COMPANY						
NUMBER / STREET. 40 ST JOHN'S ROAD		8 METHOD OF	PAYME	NT:		
		(1)	ACCOU	NT ID NO :		
A POSTAL CODE HM 12		(2)	ACCOU	NT ID NO.:		
TRANSPORT DETAILS	м	9 CHARGES /	DEDUCT	IONS	1%	AMOUNT (BDS)
A VESSEL VOYAGE / AIRCRAFT FLIGHT NO. OLE / 807		640				500.0
C ARRIVAL / DEPARTURE DATE 12 08 2011						
	Μ	10 VALUATION	METHOD	01		
MANIFEST DETAILS MANIFEST NO.	Μ	11 NO. OF PAC	KAGES	5		
A MASTER BILL OF LADING / AWB NO .: NY5002	Μ	12 TOTAL NO 0	OF RECO	RDS: 0 0 1		
b. HOUSE BILL OF LADING / AWB NO. 12345	Μ	13 TOTAL INVO	ICE AMO	NUNT 1,150.0	00	
CONTAINER ID NO: ICSU123456-9	Μ	14 TOTAL PAYA	BLE ANK	DUNT: 333.80		
15 RECORD NO. 0 0 1						
1 16 CPC: 5 0 0 9	Μ	23 CURRENCY:	USD	VALUE: 100	0.00	
COUNTRY OF ORIGIN: US	м	24 EXCHANGE	RATE 1	.00		
1 18 TAREF NO: 4911.910	Μ	25 BD\$ VALUE:	1	000.00		
19 DESCRIPTION.		26 CHARGES /	DEDUCT	IONS	1%	AMOUNT
PAMPHLETS FOR CONVENTION						
	м	17	1.0040-00			
1 20 QUANTITY / UNITS 1: 15	IVI	27 TAX TYPE	TAX ID.	1000.00	TAX RATE	TAX AMOUNT
21 QUANTITY / UNITS 2:		WHA	E	1000.00	0	0.00
22 SUPPLEMENTARY CODE:					TOTAL DUE	0.00
28 ADDITIONAL INFORMATION:					TO THE DOE	0.00
TONY D: TRADER	NO.: 1	0 0 9 8 7	6	iatuma soe auty		
DECLARE THE PARTICULARS OF THIS DOCUMENT TO BE TRUE, A	CCURAT	E AND COMPLET	E.			
DATE 13 08 2005 SIGNATURE TONY D Trade	r CAPA	CITY AGT				
CUSTOM NO. 10 APRIL 2000						

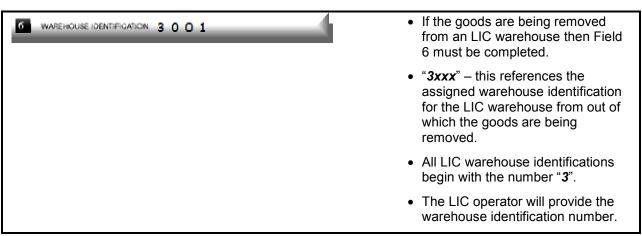
#### **BCD Control Field: BCD Type Code for Imports**

PAGE 1 OF 0 1 I MPORT EXPORT	<ul> <li>BCD Type Code must be "I".</li> </ul>
TRADER REFERENCE TI-12345	<ul> <li>While the goods fall under the scope of CPC 5009 of the Sixth Schedule of the Bermuda Customs Tariff the processing of the BCD is to be as a BCD Type: IMPORT.</li> </ul>

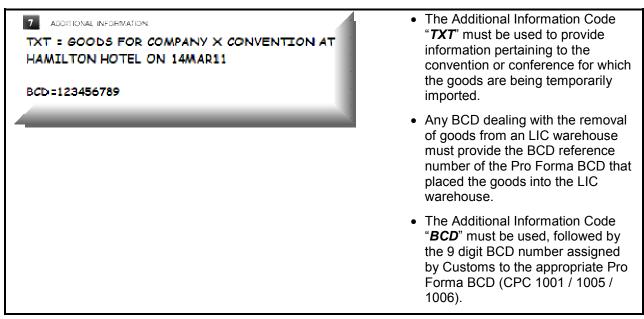
#### Field 4: Manifest Details

4 MANIFEST DETAILS MANIFEST NO	• If the goods are being removed
a MASTER BILL OF LADING / AWB NO.: NY5002	from an LIC warehouse then Field 4b must be completed.
b, HOUSE BILL OF LADING / AWB NO.: 12345	
c. CONTAINER ID NO.: ICSU123456-9	

#### Field 6: Warehouse Identification



#### **Field 7: Additional Information**



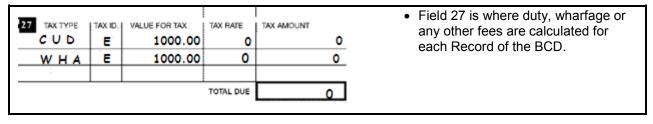
#### **Field 16: Customs Procedure Code Information**

15 RECORD NO. 0 0 1	CPC must be in the 5009.
16 CPC: 5 0 0 9	

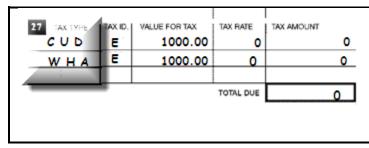
#### Field 18: Tariff Number



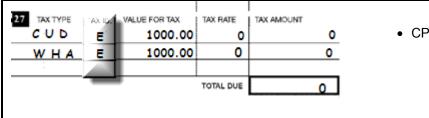
#### Field 27: Tax Calculation Information



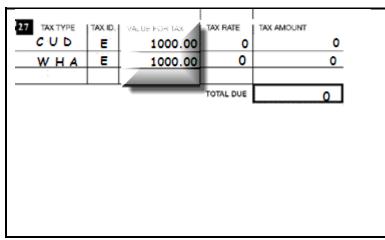
#### Field 27a: Tax Type Code



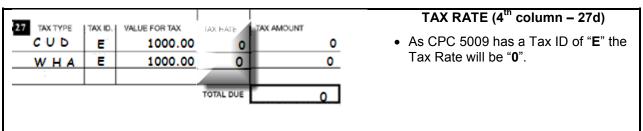
#### Field 27b: Tax ID Code



#### Field 27c: Value For Tax



#### Field 27d: Tax Rate



#### TAX TYPE (1<sup>st</sup> column – 27a)

- In the three grey boxes on each row, enter the code for the TAX TYPE that is applicable to the CPC being declared.
- CPC 5009 requires the Tax Types "CUD" and "WHA".
  - TAX ID (2<sup>nd</sup> column 27b)
- CPC 5009 requires the Tax ID "E".

VALUE FOR TAX

(3<sup>rd</sup> column – 27c)

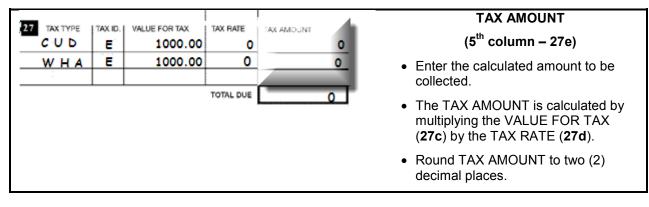
• On each row, enter the value (either monetary amount or quantity) on

which the relevant duty, tax or fee

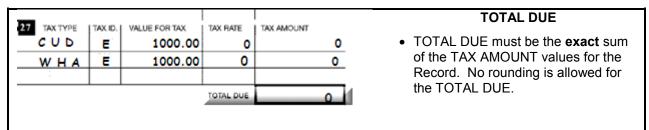
• VALUE FOR TAX is driven by the Unit for Duty in the Bermuda Customs Tariff for the Tariff code that you are declaring in Field 18. Round VALUE FOR TAX to two (2)

will be assessed.

decimal places.



#### Field 27: Total Due



## 3 Calculation of Tax Amount for BCD Type: TEMPORARY IMPORT

The amount of the monetary deposit which must accompany a temporary import BCD is normally the amount of the estimated duty plus 50%. Examples are given below of how to calculate the deposit amount for goods that attract ad *valorem* duty rates and specific duty rates.

#### 3.1. Ad Valorem Duty Rate Calculation

To calculate the deposit amount where the unit for duty is based on the value of the goods and the rate of duty is expressed as a percentage of the value, multiply the applicable rate of duty by 150% and enter the product in the Tax Rate field 27d of the BCD.

#### Example

A casual importer has imported a dishwasher worth approximately \$500.00 and wishes to place a deposit because they are experiencing delays in obtaining an invoice from the on-line supplier.

#### Step 1 - determine the unit for duty

Look up dishwashers in the 1<sup>st</sup> schedule of the Tariff and refer to the fifth column for the appropriate unit for duty, e.g. = value.

#### Step 2 - determine the estimated customs value

Get estimated cost of goods from catalogue, order documents or pro forma invoice, e.g. = \$500.00.

#### Step 3 - determine the deposit rate

Rate of duty  $\times$  150% = deposit rate 22.25  $\times$  150% = 33.38%

#### Step 4 - calculate the deposit amount

Estimated value  $\times$  deposit rate = deposit amount  $500.00 \times 33.38\% = 166.90$ 

#### 3.2. Ad Valorem Duty Rate Table for Temporary Import and Deposit BCDs

As a short-cut, all applicable deposit rates have been specified in the second column of the table below.

To use the table, find the rate of duty applicable to your goods in the first column of the table. Then use the corresponding deposit rate in the second column and calculate the deposit amount by reference to the customs value of the goods.

Where the rate of duty is:	Use the deposit rate below:
0.00%	1.67%
5.00%	7.50%
6.50%	9.75%
8.50%	12.75%
10.00%	15.00%
15.00%	22.25%
22.25%	33.38%
33.50%	50.25%
75.00%	112.50%
150.00%	225.00%

#### 3.3. Specific Duty Rate Calculation

To calculate the amount of the deposit where the unit for duty is a specific rate (E.g. *litres* or *litres of alcohol*) instead of a percentage, multiply the specific rate of duty by 150% to get the deposit rate and then multiply that deposit rate by the number of units for duty.

#### Example

A customs trader has imported has a case ( $12 \times 75$ cl bottles) of wine and wishes to place a deposit because they are experiencing delays in obtaining an invoice from the supplier.

#### Step 1 - determine the unit for duty

Look up wine in the  $1^{st}$  schedule of the Tariff and refer to the fifth column for the appropriate unit for duty, e.g. = I (*litres*).

#### Step 2 - determine the number of units for duty

Number of bottles  $\times$  bottle capacity = units for duty  $12 \times 0.75 = 9$  litres

#### Step 3 - determine the deposit rate

Rate of duty  $\times$  150% = deposit rate \$2.63  $\times$  150% = 3.95 (round up product to two decimal places)

#### Step 4 - calculate the deposit amount

Units for duty  $\times$  deposit rate = deposit/security amount  $9 \times $3.95 = $35.55$ 

## 4 Time Period for BCD Type: TEMPORARY IMPORT

Unlike a BCD Type: Deposit, there is no standard time period within which a BCD Type: Adjustment must be submitted to Customs for a BCD Type: Temporary Import. Each CPC of the Sixth Schedule of the Bermuda Customs Tariff can have varying time periods. Please liaise with Customs if you are unsure of the allowable time period for the temporary import CPC that you are using.

However, one of the general provisions of the Sixth Schedule of the Bermuda Customs Tariff stipulates that the maximum time period will usually be six (6) months, unless the Collector of Customs grants a longer period.

### 5 General Provisions for using a BCD Type: TEMPORARY IMPORT

Anyone considering using a temporary import CPC should carefully read the General Provisions of the the Sixth Schedule of the Bermuda Customs Tariff. The general provisions provide guidance on, among other things, who can benefit from a temporary import relief, the transfer of temporarily imported goods, and the time period for exportation.

The following is an extract from the Bermuda Customs Tariff and is provided for informational purposes only and should not be relied upon as the authoritative text.

#### Authorization of temporary importation relief

- 1. (1) A person within the description of an eligible beneficiary in the Table of Temporary Importation Reliefs with respect to any specific temporary importation relief may apply for authorisation to import goods which qualify for that temporary importation relief, by completing a customs declaration form and by specifying the customs procedure code relating to the specific temporary importation relief.
  - (2) The Collector of Customs may grant an application and issue an authorization or he may refuse it, but he shall not issue an authorization unless he is satisfied that the goods—
    - (a) are intended for re-exportation within a given time;
    - (b) would not have undergone any change (except for normal depreciation and use) while in Bermuda; and
    - (c) would be identifiable and traceable after their importation to ensure their exportation.
  - (3) It shall be a condition of every authorisation that the holder shall comply with the conditions of temporary importation and observe the restrictions and specific controls and diversion provisions applicable to the goods set out in the Table of Temporary Importation Reliefs.

#### **Standing authorization**

2. The Collector of Customs may issue standing authorizations that permit temporary importation without the need to apply for and receive authorization for every importation, and may impose such conditions on the standing authorization as he considers appropriate for protecting the revenue (including conditions enabling the Collector to identify and trace the goods after their importation and to establish that they have been re-exported).

#### Time limit for re-exportation

3. Except where otherwise provided in the Table of Temporary Importation Reliefs, the maximum period of time for which temporary importation relief may be granted shall be 6 months or such longer period as the Collector of Customs may in any particular case specify.

#### Export

4. The importer may discharge his responsibility for the re-exportation of goods for which temporary importation relief has been granted under this Schedule by providing evidence of re-exportation in the form of a customs export declaration.

#### Security

5. The Collector of Customs may, as a condition of authorization of temporary importation relief, require such security as he considers necessary for protecting the revenue.

#### Transfers between authorised holders of goods of same item permitted

6 (1) Notwithstanding section 13, the rate of duty specified in the First Schedule shall not apply to any transfer of goods between beneficiaries of the same temporary importation relief where such transfer is approved by the Collector of Customs.

(2) The holder of an authorisation may apply to the Collector of Customs for the approval of a transfer.

(3) The Collector of Customs may require the holder of an authorisation who has applied for the approval of a transfer under subparagraph (2) or the transferee to make a customs declaration.

(4) Section 16(2) and (3) of the Revenue Act 1898 shall apply to a customs declaration made under subparagraph (3).

(5) The Collector of Customs may approve an application for a transfer made under subparagraph (2), subject to a condition that the transferee shall be bound by all the conditions of the prescribed temporary importation relief specified under paragraph 2 and to such other conditions as he considers appropriate for protecting the revenue or may refuse the application.

#### Interpretation

7 The descriptions of goods in the Table of Temporary Importation Reliefs are included for reference purposes only and do not have the force of law.

## 6 Diversion of Goods that were Temporarily Imported

If you wish to keep any temporarily imported goods in Bermuda instead of exporting them; or, to use them for a purpose outside the scope of the CPC to which the goods were declared upon their temporary importation into Bermuda, please contact Customs first so that we can advise you on the necessary steps that must be taken so as to avoid any infractions against the Revenue Act 1898.

Temporarily imported goods may be lawfully diverted into free circulation upon prior approval from the Collector of Customs and payment of any outstanding duty.

## 7 Processing and Payment for BCD Type: TEMPORARY IMPORT in CAPS

#### 7.1. Conditions on Processing a BCD Type: TEMPORARY IMPORT

In order to process Temporary Import BCDs in CAPS an importer must be aware of the following conditions and decide upon the manner in which the duty at risk is to be secured:

- The Importer must have a Customs Trader ID number;
- A Temporary Import BCD in CAPS must declare the estimated duty at risk for the shipment for which the BCD is being submitted;
- A Temporary Import BCD will only pass validation in CAPS if there is sufficient credit in the Importer's "Deposit" CAPS account. This is as a result of the Tax Type "**DEP**" and Tax ID "**D**" for Temporary Import BCDs;
- In order for goods to benefit from a temporary import relief under the Sixth Schedule of the Bermuda Customs Tariff they must be entered for Customs purposes on a BCD Type: Temporary

Import. The use of a BCD Type: Deposit in place of a BCD Type: Temporary Import is not acceptable and may result in the goods not being able to benefit from the temporary import relief. Further, a BCD Type: Deposit cannot be "adjusted" by the submission of a BCD Type: Temporary Import in CAPS;

- When a Temporary Import BCD is validated in CAPS the amount of estimated duty at risk will be secured from the available balance in the Importer's "Deposit" CAPS account;
- Upon adjustment of a Temporary Import BCD in CAPS the amount of estimated duty at risk, that
  was previously secured, is returned to the Importer's "Deposit" CAPS account and made available
  to be used again; and,
- A separate payment must be made to settle the duty and wharfage, if any, on the Adjustment BCD. The settlement of the duty and wharfage amount from the original deposit amount is no longer allowed within CAPS.

#### 7.2. Payment Options for a BCD Type: TEMPORARY IMPORT

An Importer may fund their "Deposit" CAPS account by one of the following methods:

• Deposit funds on an individual basis whenever there is a need to submit a Deposit BCD in order to secure the duty at risk.

When adjustment is made the funds are returned to the Importer's "Deposit" CAPS account.

The Importer may choose to leave the funds in the "Deposit" CAPS account for use against future Temporary Import or Deposit BCDs; or, after adjustment, may make a written reclaim application to Customs for the funds.

This type of account is referred to as a T-C Account, or Trader Guarantee Cash Account.

• The Importer determines the likely amount of duty at risk for the number of Temporary Import or Deposit BCDs that would be submitted for a thirty (30) day time period and makes a lump sum deposit (either cash or cheque) to Customs in that amount, which will be left on account for the long term. This option is identical to the traditional Standing Deposit regime.

When adjustment is made the funds are returned to the Importer's "Deposit" CAPS account; therefore, if all adjustments have been made, the balance in the Importer's "Deposit" CAPS account will be the original lump sum payment. Should the Importer process multiple Temporary Import or Deposit BCDs and exceed the balance of their "Deposit" CAPS account then more funds will need to be deposited with Customs before anymore Temporary Import or Deposit BCDs can be validated.

If the Importer wishes to reclaim their lump sum amount they will first need to undertake a reconciliation exercise with Customs to ensure that all proper adjustments have been completed. Customs will not normally allow for only a portion of the original lump sum to be reclaimed.

This type of account is referred to also as a *T-C Account*, or *Trader Guarantee Cash Account*.

• The Importer determines the likely amount of duty at risk for the number of Temporary Import or Deposit BCDs that would be submitted for a thirty (30) day time period. However, in lieu of payment to Customs, the Importer will put in place a Letter of Credit, or other such suitable financial instrument, to secure the predetermined amount of duty at risk. This option is identical to the traditional Standing Deposit regime but does not require actual monetary funds to be deposited with Customs. The Importer will only be required to finance the financial instrument that has been put in place.

Based on the established financial instrument, Customs will extend a line of credit to the Importer's "Deposit" CAPS account.

When adjustment is made the funds are returned to the Importer's "Deposit" CAPS account; therefore, if all adjustments have been made, the balance in the Importer's "Deposit" CAPS

account will be the original established line of credit. Should the Importer process multiple Temporary Import or Deposit BCDs and exceed the balance of their "Deposit" CAPS account then arrangements will need to made in order to increase the line of credit available in the Importer's "Deposit" CAPS account.

If the Importer wishes to eventually cancel their financial instrument they will first need to undertake a reconciliation exercise with Customs to ensure that all proper adjustments have been completed.

This type of account is referred to as a T-O Account, or Trader Guarantee Other Account.

In the event that an Importer has an existing *T-C Account* in CAPS, the establishment of a *T-O Account* would require Customs assigning a new Trader ID number for the Importer.

 An Adjustment BCD in CAPS must have the duty and wharfage paid in full from the Importer's "Duty" CAPS Account - this type of account is referred to as a *T-U Account*, or *Trader Current Account*. The settlement of the duty and wharfage amount from the original deposit amount is no longer allowed within CAPS.

Do you have any comments? We would be pleased to receive any comments or suggestions you may have about this notice. Please write to:

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