



DEFERRED PAYMENTS

Customs' deferred payment scheme allows approved importers to defer the payment of charges (including GST) on import entries

»» THE MAIN ADVANTAGES TO IMPORTERS ARE:

- » Deferral of the payment of Customs charges for up to seven weeks, with a minimum period of three weeks.
- » No requirement to pay cash on each import entry. Instead, importers have an account with Customs and settle one month's transactions with a single payment.

»» SOME CHARGES CAN BE DEFERRED

- » All charges on import entries can be deferred:
 - › Customs Duty
 - › GST
 - › HERA Levy
 - › HPA Levy
 - › Import Entry Transaction Fee
 - › Ministry for Primary Industries Biosecurity System Entry Levy

You cannot use this facility to defer payment for charges relating to:

- » Simplified Import Entries, unless an importer code is used
- » Assessment Notices
- » Temporary Import Entries
- » Sight Entries
- » Additional Duty Notices

»» HOW THE SCHEME WORKS

It operates on the basis of one accounting period. A statement is issued at the end of the month, with payment due by the 20th of the following month. The charges deferred during any one accounting period must be paid in full by the payment due date.

You can use your account at any Customs office. Deferred payment can be requested by recording your deferred payment client account number on your Customs import entry at the time of lodgement.

The debt will be raised and posted to your account at the time the entry is passed. Entries are passed automatically following satisfactory completion of the entry processing checks.



»» TO JOIN THE SCHEME

Send the following to New Zealand Customs Service, Revenue Management Team, PO Box 29, Auckland 1140:

- » Completed *Application for Deferred Payment Registration form (NZCS 614)*
- » Completed *Authority to Accept Direct Debit form (NZCS 615)*
- » A copy of the Certificate of Incorporation for a registered company
- » Personal identification of the person signing the application i.e. a copy of the applicant's birth certificate, New Zealand passport, or driver's licence
- » A copy of the company's current balance sheet signed by the company director if the desired credit limit is NZ\$50,000 or less
- » A copy of the latest full set of financial statements signed by the company director if the desired credit limit is more than NZ\$50,000.

If admission to the scheme is granted, you will receive written confirmation showing your client code, IRD number, bank account number, company registration number, contact details and credit limit.

Please check your details are correct and advise us of any errors. You must quote your client code on each import entry form and on any correspondence relating to the account.

»» ADDITIONAL INFORMATION IS REQUIRED FROM TRUSTS

- » A copy of the trust deed
- » The type of trust involved (qualifying, non-qualifying, foreign)
- » Its place of domicile
- » Its structure (including the nature of its directorate)
- » The worth of the trustee company

»» SECURITY

A security for payment is usually required for :

- » A company registered overseas pursuant to Part 18 of the Companies Act 1993
- » A New Zealand registered company where all of its directors reside outside New Zealand
- » A Trust
- » A company that is insolvent and/or a person who is, or has been, the subject of a bankruptcy administration

A bank guarantee must be executed on the Customs form *Guarantee for Payment of Sums Due to the New Zealand Customs Service (NZCS 608)*.

- » The guarantor must be a New Zealand based bank or finance company acceptable to Customs.
- » The guarantor must agree to cover each and every sum deferred, up to an overall maximum amount, which may be outstanding at any time. The maximum amount (the account credit limit) must be sufficient to cover all liabilities likely to occur at any one time.
- » The level of security required is usually a sum equivalent to the anticipated deferred charges for any two consecutive accounting periods (months). Note that any sum deferred in a month is not due for payment until the 20th day of the following month, by which time the total period of deferment could be up to seven weeks.



A cash deposit may be accepted as security and held in Customs' trust account. The deposit can be paid by cheque or direct credit (bank account details are available on request).

HOW TO PAY

Payment must be made by direct debit. You may make partial payments during your accounting cycle by arrangement with the Revenue Management Team.

If payment is not received in full by the due date:

- » an additional duty of 5 percent will be added to the unpaid account amount
- » Compounding additional duty of 2 percent will be charged for each successive month the debt remains unpaid
- » The deferred payment facility will be automatically withdrawn
- » Charges payable on any future imports must be paid in full before delivery
- » Security held may be used to pay the outstanding charge
- » Customs reserves its right to take possession of goods and sell them to pay the duty/charge, and undertake any further action it sees fit.

STATEMENTS

At the end of each month a statement will be posted or emailed to you. The statement will show:

- » your client code and credit limit
- » the period covered by the statement
- » the date each transaction was posted to your account
- » the reference number for the import entries.
- » the name of the customs broker who cleared the entry and the corresponding broker job number.
- » the amount of each debit or credit.
- » the total GST amount
- » the import transaction fee and Ministry for Primary Industries Biosecurity System Entry Levy.
- » the net amount payable and due date.

You can check your statement against the importer's copy of import entries lodged. If you employ a customs broker to transact your import clearances, you will need to arrange with the customs broker to supply you with the information.

To reconcile incorrect debits on your statement ask your customs broker to request cancellation of the relevant entry from your account and contact us to ensure the incorrect amount is not debited from your bank account.

Note: the close off time for statements is 6:00pm on the last day of the month.

Discrepancies may occur if your customs broker has requested an entry adjustment after a statement has been generated. The entry adjustment may raise a credit, which will appear on the next statement, and is taken into account in the direct debit run. Partial payments made to top up your account before the direct debit run will also reduce the amount that will be direct debited. Your customs broker can provide you with details of any entry adjustments.



>> CREDIT LIMIT

Applications to increase credit limits must be made in writing. Customs will contact you if evidence of your organisation's current financial position is required.

Import entries exceeding the credit limit by no more than 15 percent will be processed.

Rejected entries can be processed in three ways:

- » Upon re-lodgement, the payment status of the entry is changed to cash and processed. Delivery will not occur until payment is received and the charge will not appear on your statement.
- » A cheque is delivered to a Customs office to credit your account.
- » A top-up payment is made by direct credit into Customs' bank account 03-0049-0000706-20.

Please ensure you only enter the company's client code in the payee "reference" field and leave the payee "particular" and "code" fields blank. Remittance advice may be emailed to creditlimit@customs.govt.nz.

Please note direct credit payments will only be applied to your account once the funds are available in Customs' account.

>> REINSTATEMENT OF ACCOUNTS

Reinstatement of the deferred account will only be considered after the overdue invoice/statement is paid in full. Request for reinstatement should be made in writing to the Revenue Management Team.

>> CHANGE OF DETAILS

Please notify us immediately of any address or company name change. We require a copy of the company's certificate of incorporation and your client code to register the name change.

If you change bank accounts you must send a completed direct debit form (NZCS 615) at least 10 working days before the direct debit is due to run to:

Revenue Management Team, New Zealand Customs Service

- » By courier — Ground floor, Customhouse, 50 Anzac Avenue, Auckland 1010.
- » By post—PO Box 29, Shortland Street, Auckland 1140.

Please note we can only accept original direct debit forms bearing authorised signatures. Any completed emailed or faxed forms will be rejected.

FOR FURTHER INFORMATION

Contact your nearest office of the New Zealand Customs Service:

- @ WEBSITE:
www.customs.govt.nz
- f FACEBOOK:
www.facebook.com/NZCustoms
- t TWITTER:
[@NZ_Customs](https://twitter.com/NZ_Customs)

NATIONAL CONTACT CENTRE
Telephone: **0800 4 CUSTOMS** (0800 428 786)
Fax: 09 359 6730
Email: feedback@customs.govt.nz

REVENUE MANAGEMENT TEAM
Telephone: **09 927 8607**
Fax: 09 927 8017
Email: creditlimit@customs.govt.nz