EXPLANATORY STATEMENT

**Customs By-law No. 2200083**

***Customs Act 1901***

Section 271 of the *Customs Act 1901* (the Act) provides, in part, that where an item of a Customs Tariff is expressed to apply to goods, or to a class or kind of goods, as prescribed by by-law, the Comptroller-General of Customs may make by-laws for the purposes of that item.

A Customs Tariff is defined in section 4 of the Act to mean an Act imposing duties of customs. The *Customs Tariff Act 1995* (the Customs Tariff Act) is an Act imposing duties of customs, and is therefore a Customs Tariff for the purposes of the Act.

Section 18 of the Customs Tariff Act provides for calculation of concessional duty.

**Background**
For the purposes of item 57 to Schedule 4 to the Customs Tariff Act, goods, as prescribed by by-law, that are goods that are medical products or hygiene products or that are ingredients or containers for medicaments or other goods that if imported would be classified to Chapter 30 of Schedule 3 to the Customs Tariff Act, are dutiable at the rate of 'Free'.

**Instrument**
By-law No. 2200083 prescribes goods that are active ingredients for the manufacture of medicaments, vaccines and other goods classified to Chapter 30 to the Customs Tariff Act used in the treatment, prevention or to limit the severity of the disease known as COVID-19. For the purposes of this by-law active ingredients are those that give the final medicament, vaccine or other goods of Chapter 30 its therapeutic or prophylactic effect.

**Consultation**
The Department the Prime Minister and Cabinet and the Department of the Treasury were consulted on the development of this measure.

**Commencement**
By-law No. 2200083 commences on 1 July 2022.