

## **Minister of Finance**

### **Policy guidelines for the approval of goods in an approved business notice**

#### **CPC 4241 (*Goods for local commercial manufacturing of bread and baked goods*)**

These policy guidelines are issued by the Minister of Finance in exercise of his authority under CPC 4241.

#### ***Duty relief for goods for local commercial manufacturing of bread and baked goods***

Duty relief is available for goods for local commercial manufacturing of bread and baked goods under CPC 4241, subject to two conditions:

1. Goods must be imported for and used only in the local commercial manufacture of bread and baked goods by an approved business.
2. Goods must be incorporated in locally manufactured bread and baked goods.

In this CPC 4241 —

“approved business” means a business organization approved by the Minister by notice published in the Gazette (which shall not be subject to parliamentary scrutiny).

“commercial manufacture of bread and baked goods” means the conversion, by mechanical means or otherwise, of raw materials into bread and baked goods for sale for consideration.

#### ***Policy guidelines for the approval of goods for the purposes of CPC 4241***

The Minister will decide the description and quantity to be approved in any approved business notice made under CPC 4241 on a case by case basis in accordance with the following policy criteria:

1. The goods must be capable of being incorporated in locally manufactured bread and baked goods.
2. The goods must be raw ingredients that are classifiable to the following Headings in the First Schedule - Bermuda Nomenclature and Import Duties - of the Bermuda Customs Tariff:
  - (a) Products of the milling industry of Headings 11.01, 11.02, 11.03, 11.04, 11.05 and 11.06;
  - (b) Shortening of Tariff Code 1517.901;
  - (c) Sugars of Heading 17.01; and,
  - (d) Yeasts and prepared baking powders of Heading 21.02

3. The goods must be in a quantity appropriate to the scale or throughput of the manufacturing undertaking, taking account of normal wastage in process.
4. In deciding the scope of relief, the Minister may take account of —
  - a) other available or granted drawbacks, exemptions, reliefs, remissions and concessions.
  - b) other assistance received from Government or other organizations— grants, duty deferments, Bermuda Economic Development Corporation (BEDC) loans
  - c) the need for relief in any particular case, bearing in mind the existing level of capitalization of any particular manufacturing undertaking.
  - d) the uniqueness of the manufacturing undertaking, with a view to encouraging appropriate diversification of local manufacturing.
5. The Minister may tailor the scope of relief to address a particular mischief such as the unwanted or unintended effect of any special duty rate.
6. The Minister will only approve businesses and goods where he is satisfied the manufacturing undertaking in question is of sufficient benefit to the general economy of Bermuda or the balance of payments (exports of locally manufactured goods).
7. The Minister will treat similar undertakings equitably, subject nevertheless to the foregoing criteria.

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