

Impact Summary: Customs' Infringement Notice Scheme

Section 1: General information

Purpose

This Regulatory Impact Assessment details the impacts of a proposed set of regulatory changes to create an Infringement Notice Scheme (INS) under the Customs and Excise Bill (the Bill). The preferred option is to create a suite of infringement offences covering a wide variety of low-level, non-compliant behaviour. The INS will replace the current petty offences regime.

Infringements will form an integral part of Customs' wider enforcement policy. The INS will ensure there is a proportionate, timely and appropriate response to low-level offending. As an infringement scheme, the general legislation and guidelines covering infringements would apply to the INS.

Customs estimates that it will issue 1,800 offences each year, across 51 proposed infringement offences. These 51 proposed infringements are all offences that can be turned into infringements, to ensure the breadth of coverage is as similar to the petty offences coverage as possible. The majority of the infringements will be issued to international passengers, travelling through ports.

The proposed infringement fee would be \$400. For a subset of 28 (of the 51) offences, a higher fee of \$800 would be imposed on corporations, reflecting the higher maximum penalty applicable to corporations for those 28 offences.

New Zealand Customs is solely responsible for the analysis and advice set out in this Regulatory Impact Assessment, except as otherwise explicitly indicated. This analysis and advice has been produced for the purpose of informing policy decisions to be taken by Cabinet.

Key Limitations or Constraints on Analysis

Constraint: Regulation required

The Bill creates a large number of offences. The Bill enables the creation of the INS by specifying, via legislative instrument or regulations, which offences which will become infringement offences. The INS requires a set of empowering regulations that will:

- specify all offences that will become infringement offences
- set the relevant fees for each of those infringement offences
- prescribe an infringement notice form.

Constraint: Proposed INS is replacement for petty offence regime

A number of options as to coverage and fees were considered during the policy development process for the INS. The options were assessed against three criteria:

- There should be a proportionate, timely and appropriate response to all low-level offending
- The INS, as a replacement for the petty offence regime, should cover the same breadth of offending
- The INS should be effective and efficient at encouraging compliant behaviour – compliance should be easy to do and hard to avoid.

The preferred option proposes an INS that will be the best way to meet these three criteria.

The recommended option would result in 51 infringement offences being created, applying to most low-level offending in the Bill. There would be a subset of 28 of those where the infringement fee for corporations would be higher (reflecting that the maximum penalty for corporations committing those offences is higher). The INS will be simpler and more cost effective to operate than the petty offences regime.

Limitation: Level of non-compliance affects all aspects of the INS

Some data as to the size of the non-compliance level is collected, but it provides a very incomplete picture (as not each instance of non-compliance results in a Customs action or record). To provide a robust estimate of the level of non-compliance, Customs surveyed a number of operational staff from across operational units. They provided an estimate of the expected level of non-compliance, over and above those where an action was taken (whether a warning, petty offence or other activity). These estimates were used to determine the likely number of infringements to be issued and will inform the implementation process.

However, the level of non-compliance could be much greater than anticipated. This would drive much more offending being detected, resulting in more infringement notices being issued than estimated. This issue is one part of the greater issue of measuring the change arising from the Bill as a whole. Many parts of the enforcement system are changing at the same time. Maximum penalties are increasing across the board, the infringement scheme is replacing the petty offence regime and Customs will be changing its enforcement approach, meaning measuring the effect of any individual part (such as the INS) will be difficult to separate out.

Limitation: Estimating the number of infringements issued

Estimating the impact of the preferred option is difficult. The current petty offences regime is used less than 100 times a year. This will not be indicative of the likely number of infringements for two main reasons:

- Customs is strengthening its enforcement approach, making the issuing of an infringement much more likely to occur
- Issuing an infringement will be easier, simpler and quicker than a petty offence (for all parties involved), making it far more practical for Customs to issue an infringement where non-compliance is observed.

Based on those two factors, Customs estimates that there will be 1,800 infringements each year (range likely between 1,500 and 2,100 infringements). This estimate of 1,800 could be a low estimate though, as:

- the most common likely infringement (not declaring or under-declaring goods) has known significant volumes of non-compliance already (estimated at between 20,000 and 30,000 instances each year)
- the number of instances will grow, reflecting the high rate of growth in passenger numbers/travellers.

These factors could lead to larger numbers of infringements being issued. For comparison, the infringement regime under the Biosecurity Act 1993 generates roughly 12,000 infringements each year from only two offences. A large proportion of those 12,000 notices are for similar behaviour to some of the proposed INS offences. While Customs are estimating significant numbers for those INS offences, the estimate could be much lower than observed offending once the INS is in place. Though there will be some marginal costs that increase as numbers of infringements rise, the cost impact of increasing infringements are not significant.

Limitation: Estimating size of downstream impacts

For the same reasons, estimating the downstream impacts is difficult. In section 4, we estimate the impacts on the Court system where disputes are referred to Court, or where unpaid infringements are filed into Court for collection. We have based these on the behaviour observed under the Biosecurity Act infringement regime. However, these estimates could be low if either or both of the following situations occur:

- the INS issues significantly more infringements than estimated (as outlined earlier)
- the behaviour of those issued infringements is different to those issued Biosecurity infringements (that is, if there was a higher rate of dispute or a higher non-payment rate).

Responsible Manager (signature and date):

Michael Papesch
Group Manager, Policy, Legal and Governance
New Zealand Customs

Section 2: Problem definition and objectives

2.1 What is the policy problem or opportunity?

The proposed INS is part of the suite of enforcement tools provided for in the Bill. It fits with a number of other enforcement actions, ranging from warnings, through forfeiture of goods and licences suspension, to prosecutions.

The INS will address low-level offending where warnings have been tried and have not worked, or where warnings are not appropriate. Infringements will target low-level behaviours that people consistently and persistently fail to do, to encourage compliant behaviour. A common example of the type of offending where an infringement may be appropriate is where goods (such as tobacco or alcohol) are not declared, or are under-declared, on passenger arrival cards.

These persistent low-level offences create three different types of risks to New Zealand:

- they generate an underlying erosion of confidence that the border is secure, leading to people questioning the ability of Customs to address larger offending (such as preventing the import of illicit materials, drugs or preventing terrorism)
- as a corollary to item one, high levels of successful low-level offending encourage some people to move up the criminality scale and move to importing more (and more illicit) goods
- as the government derives significant revenue from duties imposed on certain types of goods, persistent non-compliance erodes the voluntary compliance levels, reducing the potential revenue to be obtained.

If the proposed INS is not put into place, Customs would face an enforcement 'gap' between very minor offending (which would normally result in no follow-up or a warning) and very high level offending (which would normally result in an investigation and prosecution). As Customs does fewer than 100 prosecutions a year, such an enforcement 'gap' would be expected to erode the incentive for compliance over time.

While some of proposed infringement offences can result in other sanctions (such as forfeiture of goods), the vast majority of non-compliant behaviour would result in no penalty to the person responsible for the non-compliance. The alternative would be greatly expanding the investigation and prosecutions undertaken, which would have significant resource costs for the targeted individuals, for Customs and for the courts.

2.2 Who is affected and how?

Whose behaviour is Customs seeking to change?

There are three groups whose behaviour Customs seeks to change via the imposition (or the threat of potential imposition) of infringements. These three groups, and some indicative examples of the types of offences proposed to be made into infringements for them, are outlined below.

Group One: Travellers/Passengers/People interacting with Customs

This group covers passengers arriving and departing New Zealand, and to a lesser extent, the people in control of the craft (whether air or water) bringing them. This group has the largest number of individuals (and likely levels of observable non-compliance) with 6.1 million passenger arrivals/departures in 2017 (and numbers are growing strongly). This group of offences and offenders is expected to generate the bulk of infringement offences/warnings, solely based on the number of people interacting with Customs or travelling across New Zealand's border.

These proposed infringement offences include a number of more general offences that apply to everyone interacting with Customs (not just passengers/travellers) as well, though these are estimated to generate relatively small numbers of infringements.

Examples of the type of offence that may attract an infringement for this group include:

- Failing to make a declaration where one is required
- Making a false or incomplete declaration
- Failing to state name and details on demand
- Continuing to use an electronic communication device where ordered not to
- Failing to produce evidence of identity or entitlement to travel on demand.

Group two: Importers, exporters, and those that handle, transport and store goods on their behalf

This group includes the people who hold the licences for, and the people working in, Customs Controlled Areas (CCAs) used for the storage and processing of goods for import, export and transit. While the target group is a fairly small number of entities (roughly 300 CCAs of this type exist), dealing with these entities and their facilities is a significant part of Customs' work. Some licence-holders and/or their staff consistently violate the rules on goods handling, storage or release. Maintaining control over goods is important to maintain the integrity of New Zealand's border, for both detection of illicit goods and ensuring duties are paid. While other sanctions and enforcement tools exist, they may be considered too harsh for some of the low-level offences observed.

Examples of offences that may attract an infringement in this category are:

- Unloading goods without permission, or where safety not threatened
- Person transports imported goods, other than as allowed by Customs
- Person removes goods without permission or without clearance
- Interfering with or accessing goods before Customs has released them

Group three: Manufacturers of excisable items

This group includes the people who hold the licences for, and people working in, Customs Controlled Areas that are used for the manufacture and storage of excisable goods (tobacco, fuel, or alcohol). There are roughly 1,000 CCAs which generates a significant volume of Customs work. The focus of these offences is more on the protection of excise revenue derived from the duties on these goods, than dealing with illicit or controlled substances. Without an effective tool to discourage low-level offending, Customs may see decreases in ongoing compliance over time, eroding the fairness of the revenue collected.

Main offence types:

- Not keeping required records
- Failing to make records available and/or answer questions about them

- Manufacturing goods without licence
- Failing to comply with other requirements for goods or people in Customs-controlled areas

What do these groups think about the proposal?

[To be filled in with a summary of the submissions made during circulation of this RIA for consultation purposes]

2.3 Are there any constraints on the scope for decision making?

The INS fits within the general approaches and rules governing infringements, such as the Summary Proceedings Act 1957. The proposed set of infringement offences complies with the Legislation Advisory Committee Guidelines on creating infringement offences (published in 2014). All proposed offences are strict liability offences, and none have the possibility of imprisonment as a penalty.

The proposed infringement fees are set a level lower than that specified in the Bill (\$1,000), and this level also meets the Legislation Advisory Committee Guidelines.

The Ministry of Justice recommends that there is relativity between the proposed infringement fee and the maximum penalty levels specified for those offences. The Ministry recommends that the infringement fee should be somewhere between one third and one half of the maximum penalty. Only nine (9) of the individual fees meet this guideline (42 do not). None of the corporate infringement fees meet the guideline – the \$800 fee proposed is less than one-third of the maximum penalty in all cases.

Customs has proposed fees that do not fit within this guideline. We have set the individual fee at \$400 as this is consistent with the infringement regime under the Biosecurity Act 1993. Both are enforceable at the border and the main infringement offence under that Act covers similar behaviour to some of the proposed offences in the INS. Maintaining relativity for both infringement systems operating at the border is important.

Section 3: Options identification

3.1 What options have been considered?

There are two options outlined in detail in this assessment:

Option one: Comprehensive Infringement System (preferred)

Option one proposes to make all offences, that meet the legislative rules and that comply with Legislation Advisory Committee Guidelines, into infringement offences. This gives the INS the widest coverage possible. It excludes four offences, which could technically have been made into infringement offences. An infringement is not considered an appropriate enforcement action for:

- Clauses 329 and 330 which specify three offences relating to the powers of the Customs Appeal Authority to order people to comply with its directions and requirements. As the Authority is acting judicially, it would be unusual for it (as a judicial body) to issue non-compliant people with an infringement.
- Clause 358 specifies an offence make, possess and/or use counterfeit seals or documents that resemble Customs' equivalents. This type of offending is excluded as financial penalty is unlikely to dissuade or punish someone for doing these acts, and issuing an infringement would be an unlikely choice of enforcement action to use when encountering such offences.

This option would make a regulation that would result in 51 infringement offences being created applying to all persons (individuals and corporations). There would be a subset of 28 of those 51 offences where the infringement fee for corporations would be higher (reflecting that the maximum penalty for corporations for those offences is higher)

Option two: No infringement system (not recommended)

The alternative is to define no infringement offences under the new Act, which would create an 'enforcement gap' under the new Act.

Other options considered

A number of sub-options were considered. Customs considered only specifying a subset of the possible infringement offences (rather than all of the qualifying ones). This option was not progressed as, no matter which subset is chosen, you lose comprehensive coverage. As the petty offences regime's coverage was very wide, having comprehensive coverage is highly desirable.

Customs also considered whether the infringement fees should be differentiated. Under such differentiation, some infringement fees would attract a lower fee than others. However, the coverage of the INS is all low-level offending, so the addition of differentiated fees adds significant complexity to the INS, without any strong basis for a difference between offences.

3.2 Which of these options is the proposed approach?

Option one is the recommended option. Option one:

- makes all appropriate offences into infringement offences, ensuring the infringement scheme is complete and comprehensive within itself. No 'gap' is created for some offences where an infringement notice cannot be considered/used as an enforcement tool where a particular offence is observed.
- proposes an infringement fee of \$400 for individuals, and a \$800 corporate infringement fee where a higher maximum penalty exists for corporations. These infringement fee levels are considered sufficient to provide an incentive for compliance, without being unaffordable to those who have to pay them. Having only one fee makes implementation simpler - the offence and the nature of the offender is all it takes to determine the penalty and issue the infringement.

Having a comprehensive infringement scheme will be an important tool to address the risks created by persistent, low-level offending:

- Infringements and the public awareness generated by them will generate an underlying confidence that the border is being effectively policed, leading to people becoming more likely to voluntarily comply with the rules for importing and exporting
- Generating high levels of voluntary compliance makes it easier to detect those higher up the criminality scale, and allows Customs to focus its resources on more serious offending
- Greater voluntary compliance also protects the revenue stream generated by duties.

Creating 51 infringement offences will generate some additional implementation costs compared to a lesser number. The complexity of the chosen tools to issue and manage infringements will expand with each additional offence. There will also be some more work to prepare guidelines, training and support materials for each additional offence. The additional costs are not significant though and having a comprehensive infringement scheme is a desirable outcome.

To aid transparency and enhance compliance across the board, Customs will be creating a set of intervention guidelines. These guidelines will outline how the infringement regime sequences into, and works with the other penalties and sanctions available across the Customs and Excise Act.

Section 4: Impact Analysis (Proposed approach)

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4.1 Summary table of costs and benefits

| Affected parties (<i>identify</i>) | Comment: nature of cost or benefit (eg ongoing, one-off), evidence and assumption (eg compliance rates), risks | Impact <i>\$m present value, for monetised impacts; high, medium or low for non-monetised impacts</i> |
|---|--|--|
|---|--|--|

Additional costs of proposed approach, compared to taking no action

| | | |
|-----------------------------|---|------------------------------|
| Regulated parties | Payment of issued infringement notices (predicted non-compliant behaviours will mostly be observed at airports, and thus these costs will fall on passengers using international airports) <ul style="list-style-type: none"> Estimated on 1,800 infringements each year, mainly targeted at individuals | \$0.7 million each year |
| Regulators | Additional funding to Customs for the INS | \$0.21 million |
| Wider government | Some adjudication and fines enforcement costs (District Court) <ul style="list-style-type: none"> Estimate 100 disputes or submission submitted each year Estimate 100 unpaid infringements submitted each year to become fines for collection [Estimates based on Biosecurity Act infringement regime] | To be confirmed with Justice |
| Other parties | - | \$0 |
| Total Monetised Cost | | \$0.910 million |
| Non-monetised costs | - | <i>(High, medium or low)</i> |

Expected benefits of proposed approach, compared to taking no action

| | | |
|-------------------|---|--|
| Regulated parties | - | |
|-------------------|---|--|

| | | |
|--------------------------------|--|-----------------|
| Regulators | - | |
| Wider government | Infringement fee/fine revenue | \$0.715 million |
| Other parties | - | |
| Total Monetised Benefit | | \$0.715 million |
| Non-monetised benefits | More compliance with border and revenue requirements | <i>High</i> |
| | Level playing field for industry (non-compliant methods removed; some additional costs imposed on non-compliant actors) | <i>Medium</i> |
| | All entities issued infringements avoid the costs of more costly actions such as prosecutions. Costs avoided include the preparation time, appearance time and any lawyer costs. | <i>Medium</i> |

4.2 What other impacts is this approach likely to have?

Scope of some infringement offences could change number of infringements

As previously outlined, estimating the precise number of infringements that will be issued is difficult. The infringement offence estimated to generate the largest number of infringements (clause 365 – importation of prohibited goods) also has the ability to have prohibitions generated by other Acts and regulations. If infringements applied to these, the number of infringements would increase dramatically. The current estimate does not include non-Customs and Excise prohibitions.

Proposed delay for six months from commencement of the Act

The INS will come into force up to six months after commencement of the Act. During this period, Customs will warn and otherwise encourage people to comply before moving fully into the issuing of infringements.

Infringement notices issued to short-term visitors

Customs plans to collect payment wherever possible at time of issue. While this will not always be possible, we estimate that a large proportion infringement notices will be issued to New Zealanders. This will make post-issue collection more feasible.

However, some of the infringements will be issued against people only in New Zealand for a short time and may not be collected from them before they depart. While Customs will do its best to collect payment at the point of imposition (where possible), people may then leave New Zealand without paying meaning the infringement is essentially uncollectible (this issue already exists with other infringement regimes).

Potential higher impacts on the justice system

As noted in section 4.1, some portion of the infringement notices issued in the INS will enter the District Court as either:

- (a) disputes, as to liability or penalty, to be adjudicated
- (b) unpaid infringements, to be collected by the fines enforcement system in the District Court.

Customs has estimated the numbers of people going to the District Court based on the observed outcomes for the infringement regime under the Biosecurity Act. If the behaviour of entities receiving INS infringements is different, then these figures could be very different. For example, if more people dispute INS infringement notices compared to the Biosecurity infringements, there will be more work for the District Court.

Section 5: Stakeholder views

5.1 What do stakeholders think about the problem and the proposed solution?

Previous consultation outcomes

Amongst the majority of industry groups that expressed a preference, there is wide acceptance of the need for an intervention which potentially persistent yet low-level offending. Industry participants want a clear set of rules, applied consistently to ensure a level playing field. To aid transparency, Customs is preparing a set of intervention guidelines (which will include guidance on the use of infringement offences) which will make the enforcement decisions and processes more transparent. A key part of the intervention guidelines is to communicate them, so people will be encouraged to comply with the rules.

To avoid any perception of revenue gathering, the fees and fines collected will be returned to the government, and will not form part of Customs budget or operational funding.

Feb 2018 Consultation Outcomes (on detailed proposal)

[To come]

Section 6: Implementation and operation

6.1 How will the new arrangements be given effect?

As previously noted, the infringement offences and fees must be specified in a legislative instrument (regulation). These regulations are intended to come into force along with the Bill.

In terms of ongoing operation, the infringement notice system will become part of Customs ongoing enforcement regime. It will be built into Customs' intervention guidelines, and will guide Customs' enforcement approach. It will cover how the INS fits with the other enforcement and compliance options that Customs can use.

For it to operate, the INS will have the necessary supporting systems and processes put into place. The final design for some of these has yet to be finalised but some of the broad decisions have been made and these are listed below:

- All Customs Officers will have the power to issue infringements
- There will be a review prior to the issue of the infringement (by a peer/supervisor). The times and places where infringements will be issued make this practical to do, without this adding significant costs or time requirements to the issuing process.
- Because there will be a review prior to issue, there are no plans to have a review post-issue (which is what happens to infringements issued under the Biosecurity Act). The person receiving the infringement notice will be able to seek to dispute either liability or make a submission as to the penalty in the District Court under the Summary Proceedings Act (which applies to all infringement notices).
- Once issued, all subsequent actions and transactions will be managed centrally (not at operational areas), as there is no further local input or management required.

Customs will be the only agency whose officers are empowered to issue infringements under the INS. No other agency will be directly involved in issuing infringements in the INS.

Customs has an implementation programme, which has made plans to implement the new infringement regime (as part of the overall suite of changes made by the new legislation). It is anticipated that the INS will come into force up to six months after the commencement of the Act. During this period, Customs will be engaging with and undertaking a process of educating and encouraging compliance prior to the INS going live.

This phase will also allow Customs to ensure the systems, tools and processes for the INS are in place and operating correctly.

Section 7: Monitoring, evaluation and review

7.1 How will the impact of the new arrangements be monitored?

As noted in the limitations section, measuring the success of the INS will be difficult as many parts of the broader enforcement system are changing at the same time. There are no specific measures that can be put in place to separate out the effects of the INS from other changes in the enforcement system.

Some partial indicators of impact will exist. Customs will record actions taken for the INS as we do with all enforcement activities. Customs' systems will continue to record warnings issued (as they do now). Customs Officers will use warnings to determine when to issue infringement notices. Customs will also record infringements issued as well. These will be collated and reported on.

However, measures of activity are limited in their capacity to determine impact, as there are usually too many confounding factors. For example, the number of infringements issued over time may increase over time. As the bulk of infringements will be issued to travellers, separating out changes in non-compliance, detection rates or intervention rates from a simple growth in the number of travellers is very difficult.

7.2 When and how will the new arrangements be reviewed?

A review of the implementation and functioning of the infringement scheme will be conducted after two years of operation of The INS. During the policy development phase, Customs committed to such a review after one year. One year is considered too short for any effective measure of the impact to be determined, so we propose to review after two years of operation.

The review is likely to cover the following matters:

- the effectiveness of the scheme from the perspective of Customs officers, and other operational staff
- areas of improvement, in terms of the fair and consistent application of infringement notices
- numbers of reviews, appeals and levels of non-payment (to ensure these are not excessive)
- an assessment of the benefits compared to the actual cost of administering the scheme
- the success of the scheme as a deterrent for non-compliance.

Appendix: List of proposed infringement offences

The table lists the clause in the Bill before Parliament. “Summary of offence provision” is not a precise outline of the offence, but is intended to indicate the general nature of the offence. Only offences being proposed to become infringement offences are included in the table.

“Expected no. of infringements” has been estimated using our current knowledge and understanding of patterns of non-compliance. It is an estimate, and is indicative only. The table is sorted with the offences with the highest estimates first.

Those proposed infringement that will have a separate higher infringement fee (\$800) for corporations have a ‘Y’ in column 4, and are highlighted in green (there are 28 of these proposed infringements). While technically a corporation would be eligible for the first five proposed infringements, these will mainly be issued to individual travellers.

| Clause | Summary of offence provision | Expected no. of infringements each year | Separate corporation infringement? |
|--------|---|---|------------------------------------|
| 365 | Person imports or exports prohibited goods, transports with intent to export, or fails to comply with conditions | 450 | Y |
| 340 | Person fails to make entry, return or assessment as to value of goods in required manner | 265 | Y |
| 341 | Person makes erroneous or defective entry, return or assessment | 265 | Y |
| 343 | Person makes declarations or produces documents that are erroneous in a material particular | 265 | Y |
| 344 | Person produces or delivers documents that are not genuine | 265 | Y |
| 196 | Person ordered to stop using electronic communication device (where sign prohibits) fails to do so. | 120 | N |
| 86 | Person removes goods (other than tobacco) without permission from Customs-controlled areas | 12 | Y |
| 333 | Specified person must retain records for prescribed period in the specified place | 12 | Y |
| 333 | Specified person must make records available and answer questions about them | 12 | Y |
| 360 | Person required to answer question fails or refuses to do so, or gives incorrect answer | 12 | Y |
| 181 | Person fails to state name and details, or to produce evidence of identity entitlement to travel | 12 | N |
| 207 | Person fails to provide knowledge/information to customs officer when required to, when needed to access to electronic device | 12 | N |
| 69 | Person fails to comply with term, condition, or restriction of licence in Customs-controlled area | 6 | Y |
| 71 | Licensee fails to comply with requirement to provide Customs facilities or store goods in Customs-controlled area | 6 | Y |
| 23 | Person in charge of craft allows unloading of goods or allows passengers to leave vicinity of craft | 6 | N |

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| Clause | Summary of offence provision | Expected no. of infringements each year | Separate corporation infringement? |
|--------|--|---|------------------------------------|
| 23 | Person unloads goods or passengers leave vicinity of craft without permission | 6 | N |
| 79 | Person unloads goods without permission or where safety not threatened | 6 | N |
| 198 | Person fails to produce evidence of identity, entitlement to travel, or other matters on demand | 4 | N |
| 308 | Registered user fails to comply with conditions of chief executive for security of unique user identifiers | 4 | N |
| 308 | Person who is not registered user uses a unique user identifier to authenticate transmission of document | 4 | N |
| 308 | Registered user uses a unique user identifier that is not theirs to authenticate a transmission | 4 | N |
| 68 | Person manufactures Part A goods (non-tobacco) without licence in Customs-controlled area | 3 | Y |
| 68 | Person fails to comply with other requirements for goods or people in Customs-controlled areas | 3 | Y |
| 232 | Person fails to produce, prevents officer making extracts or copies, or does not answer questions about documents. | 3 | Y |
| 18 | Person leaves the craft without authorisation | 3 | N |
| 20 | Person leaving or boarding arriving craft before inward report made | 3 | N |
| 225 | Person with custody of detained goods fails to keep them safe | 3 | N |
| 84 | Person transports imported goods (other than tobacco), other than as allowed by the chief executive | 2 | Y |
| 338 | Person opens, alters, breaks or erases seals affixed to any goods or craft | 2 | Y |
| 338 | Person in charge of craft must ensure no one opens, alters, breaks or erases seals affixed to any goods or craft | 2 | Y |
| 339 | Person uses Customs seals, interferes with sealed packages, or adds other goods to sealed packages | 2 | Y |
| 396 | Person fails to make return or produce records they are ordered to provide | 2 | Y |
| 359 | Person enters Customs controlled area being or about to be used for the purposes for which it is licensed | 2 | N |
| 359 | Person fails to leave Customs controlled area after being directed to do so by Customs officer | 2 | N |
| 27 | Person fails to comply immediately with Customs Officer request to produce documents | 1 | Y |
| 133 | Purchaser does not retain or control goods as directed by chief executive pending dispute resolution [s.131(3)(b)] | 1 | Y |
| 213 | Person fails to produce or account for goods | 1 | Y |
| 215 | Person acts contrary to permission of chief executive where non-tobacco goods temporarily removed from Customs-controlled area | 1 | Y |
| 259 | Licensee of CASE fails to provide Customs facilities or store goods appropriately as required by the chief executive | 1 | Y |

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| Clause | Summary of offence provision | Expected no. of infringements each year | Separate corporation infringement? |
|---------------|--|---|------------------------------------|
| 335 | Specified person fails to provide access to records in the prescribed form and manner | 1 | Y |
| 336 | Person alters, interferes with, unpacks, repacks, or removes any goods subject to the control of Customs | 1 | Y |
| 346 | Person fails to update information supplied in advance where they ought reasonably to know it has become erroneous or misleading | 1 | Y |
| 396 | Person fails to keep or maintain records they are ordered to keep | 1 | Y |
| 25 | Owner/person in charge fails to file inward report | 1 | N |
| 25 | Person in charge fails to comply with Customs direction | 1 | N |
| 38 | Person in charge fails to provide advance notice of departure | 1 | N |
| 38 | Person in charge fails to provide documentation | 1 | N |
| 40 | Person in charge fails to produce certificate of clearance | 1 | N |
| 160 | Person with custody seized goods does not secure the goods or provide them to Customs officers | 1 | N |
| 363 | Person possesses or brings to New Zealand incomplete documents able to be used of Customs and Excise Act purposes | 1 | N |
| 370 | Person fails to export goods, delays them or re-lands them in New Zealand | 1 | N |
| Totals | | 1,796 | 28 |