



NEW ZEALAND  
CUSTOMS SERVICE  
TE MANA ARAI O AOTEAROA

# Advice *on* Private Motor Vehicle Imports



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This booklet has been designed with the aim of ensuring that private importers, including immigrants, are able to understand the Customs and regulatory requirements entailed in bringing a vehicle to New Zealand. If, after reading the booklet, there are any matters requiring further clarification, please contact one of the Customs offices listed on page 12, or write to the Land Transport Safety Authority directly for advice on matters relating to Vehicle Standards and safety requirements.



**In general, motor vehicles and motor cycles are free from tariff duty and only subject to a Goods and Services Tax of 12.5 percent on importation. Motor homes, being vehicles for the transport of persons, specially equipped for habitation (for example; with sleeping, cooking, toilet facilities) are the exception to this rule. They, together with ambulances, remain subject to duty at the rate of 17.5 percent in addition to GST.**



**Importers are cautioned that the New Zealand used motor vehicle market is awash with late model imports. The absence of tariff duty does not necessarily make a privately imported vehicle an economic proposition after shipping/insurance costs have been taken into consideration.**

## Legal Requirements Relating to Motor Vehicles

Motor vehicles imported into New Zealand, whether new or used, must be certified by Land Transport Safety Authority (LTSA) approved certifiers as complying with New Zealand legal requirements, before they can be registered for use on public roads in New Zealand.

The purpose of certification is to establish that a vehicle was manufactured to comply with relevant approved vehicle standards and that the vehicle is still within safe tolerance of its state when manufactured.

The vehicle standards with which a vehicle is required to comply depend on the type of vehicle and a vehicle's date of manufacture and/or date of first registration. Certification requires the identification of the vehicle and the sighting of documentation to prove its original compliance with approved standards. LTSA approved certifiers must be satisfied with any documentation provided for certification and may request confirmation or additional information.

The certification process also consists of a physical inspection of a vehicle to ensure that the vehicle has not been modified; that replaceable components are still original equipment or, if replaced, comply with approved standards; and that the vehicle and its components and systems are still within safe tolerance of their state when manufactured.

It is the responsibility of the importer to supply evidence of a vehicle's compliance with New Zealand legal requirements, in particular compliance of the vehicle with relevant approved standards. Vehicles manufactured in Asia or Africa often do not comply with approved vehicle standards and can therefore not be certified for registration and use in New Zealand. Also, some vehicle manufacturers do not or cannot supply information on compliance with approved vehicles standards in which case, again, it may not be possible to certify a vehicle for registration and use in New Zealand.

With effect from 1 April 2002, all Class MA passenger vehicles must comply with an approved frontal impact standard before they can be certified and registered for use in New Zealand for the first time unless:

- the vehicle was border checked before 1 February 2002; or
- the vehicle was first registered outside New Zealand 20 years or more prior to being certified for entry into service in New Zealand.

(The vehicles listed in (a) and (b) above may be certified at any time, provided they meet other applicable requirements).

In practice this means that any Class MA passenger vehicle to be certified for registration for the first time on or after 1 April 2002, must have documentation or other evidence proving that the vehicle meets an approved frontal impact standard, except in the two cases outlined above.

Any Class MA passenger vehicle that does not meet an approved frontal impact standard will need to have been certified (i.e., issued with a MR2A) before 1 April

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2002 in order to enter the New Zealand vehicle fleet for the first time (except in the two cases outlined above). It is not sufficient for the vehicle to only have a Vehicle Identification Number (VIN) issued, nor is it sufficient for the vehicle to be in the certification process but not yet certified (for instance, because it requires structural or other repairs).

For detailed information on how to prove that a vehicle meets an approved frontal impact standard refer to the LTSA website: [www.ltsa.govt.nz](http://www.ltsa.govt.nz).

Prospective importers are strongly advised to contact the LTSA and obtain all necessary documentation prior to making arrangements for shipping a vehicle. For the information of prospective importers, the LTSA has available the following documents:

- Factsheet 44: Bringing a light vehicle into New Zealand; and
- Infosheet 1.67: Certification of Imported Motor Vehicles.

Both documents are available on the LTSA's Internet website ([www.ltsa.govt.nz](http://www.ltsa.govt.nz)) and can be requested from the LTSA's help desk (E-mail: [info@ltsa.govt.nz](mailto:info@ltsa.govt.nz), or Freephone: 0800 699 000).

The Customs Import Prohibition Order 1999 prohibits the importation of any motor vehicle the odometer reading of which does not correctly record the distance that the vehicle has been driven. The importation of any motor vehicle that lacks an odometer at the time of importation is similarly prohibited.

### What costs are used to determine the value for GST (and duty, if applicable) of privately imported vehicles, including motor cycles?

- (a) The Customs value (on which duty and GST is calculated) of privately owned and imported new or used motor vehicles is determined in accordance with the provisions of the Second Schedule of the Customs and Excise Act 1996
- (b) In normal circumstances the Customs value is determined as equalling the purchase price actually paid or payable overseas for the vehicle by the importer, less:
  - (i) any overseas duties or taxes included in the price paid which have been rebated or refunded before the vehicle arrives in New Zealand
  - (ii) an allowance for depreciation if the vehicle has been personally owned and used by the importer overseas for not less than 90 days prior to the arrival of the vehicle in New Zealand
- (c) Motor vehicle registration fees and insurance costs when paid to the retailer of the vehicle are considered to be part of the price paid or payable for the vehicle and are included in the Customs value.



### How does Customs calculate the value for GST (and duty, if applicable) on privately imported vehicles, including motor cycles?

- (a) If a vehicle is ordered from New Zealand, e.g., via the Internet, and the owner does not take delivery in person overseas and use the vehicle prior to handing it over for shipping to this country, depreciation is not given. Value is determined in accordance with the Second Schedule of the Customs and Excise Act 1996. In general terms this will be the full cost of purchasing the vehicle or motor cycle
- (b) On a vehicle, or motor cycle, owned and used overseas by the importer prior to shipping to New Zealand, the following depreciation deductions can be made from the cost of purchase provided a minimum period of 90 days has elapsed from the time of purchase to the arrival of the vehicle in New Zealand:

Vehicles owned and used overseas by the importer, but which arrive in New Zealand within 90 days of purchase .....	0%
Vehicles owned and used overseas by the importer for three months but less than four .....	13%
Vehicles owned and used overseas by the importer for four months but less than six .....	20%
Vehicles owned and used overseas by the importer for six months but less than nine .....	27.5%
Vehicles owned and used overseas by the importer for nine months but less than twelve .....	35%
Vehicles owned and used overseas by the importer for one year but less than two .....	50%
Vehicles owned and used overseas by the importer for two years but less than three .....	60%
Vehicles owned and used overseas by the importer for three years but less than four .....	70%
Vehicles owned and used overseas by the importer for four years or more .....	75%

In normal circumstances the maximum depreciation is, 75 percent, but a special deduction, known as tropical depreciation, may be allowed in some instances where it can be demonstrated that high heat and humidity have accelerated the deterioration of a vehicle.

**Note: Length of ownership and use overseas by an importer is measured from the time of delivery i.e., the date possession is taken following purchase, until the date on which the vehicle arrives in New Zealand.**

### Exchange Rates

In order to calculate the GST (and duty, if a campervan is involved) payable on the depreciated value, it is necessary to convert the currency of purchase into the New Zealand dollar equivalent. The currency rates published by overseas trading banks may differ slightly from the exchange rates employed by the New Zealand Customs Service (NZCS). These are published each fortnight in the *Customs Release* and remain in force for a two week period. A listing of the current exchange rates used for Customs purposes can be obtained from any office of the NZCS.

## Calculation of Goods and Services Tax

GST is levied on the sum of the following: Value for duty (VFD) **plus** duty (if any) **plus** the cost of shipping a vehicle to New Zealand (shipping costs include insurance charges). The tax is chargeable on all goods, including motor vehicles, imported into New Zealand, even though the transaction has been conducted offshore and the purchase price may already incorporate a local value added or sales tax component.

### Examples of calculations

Goods and Services Tax calculated on a vehicle owned and used overseas by the importer for six months, but less than nine:

(a) value for duty of vehicle (pounds sterling) £8,500.00	
(b) value for duty of vehicle (exchange rate 0.31)	\$27,419.00
(c) value for duty after 27.5% depreciation allowed	\$19,879.00
(d) plus shipping and insurance costs	\$4,500.00
(e) GST value = (c) + (d)	\$24,379.00
Goods and Services Tax payable at 12.5%	\$3,047.37

Motor Home (campervan) owned and used overseas by the importer for two years but less than three:

(a) value for duty of vehicle (pounds sterling) £18,000.00	
(b) value for duty of vehicle (exchange rate 0.31)	\$58,065.00
(c) value for duty after 60% depreciation allowed	\$23,226.00
(d) Duty at 17.5%	\$4,064.55
(e) plus shipping and insurance costs	\$4,500.00
(f) GST Value = (c) plus (d) plus (e)	\$31,790.55
Goods and Services Tax payable at 12.5%	\$3,973.82
Total Customs charges payable	\$8,038.37

**Note: Duty in addition to GST charged at the normal rate.**

### Use of other valuation methods

Where insufficient or unsatisfactory information is supplied by an importer, the NZCS may determine a value by employing one of the alternative methods provided in the Customs Valuation Legislation (the Second Schedule to the Customs and Excise Act 1996).

Instances where an alternative method of valuation may be used are:

- A vehicle purchased overseas by the importer at an unrealistically low or token price
- A vehicle acquired by the importer as a gift or prize
- A vehicle constructed overseas by the importer
- A vehicle, the value of which has been altered significantly after the date of purchase overseas by the importer due to:
  - major restoration, modification or improvement, other than normal maintenance, replacement of parts and running repairs

- significant structural damage which occurred after the vehicle was acquired overseas by the importer
- Use of the depreciation allowance results in an unrealistically high Customs value.

In the situations outlined above, the value for duty is generally established by reference to the New Zealand market value of the vehicle, as imported. A series of deductions is made for such things as overseas freight and insurance, duty (where applicable), GST and normal mark-ups until a nominal value for duty can be determined. GST (and duty, if applicable) are calculated on that value.

## Concessionary Entry: Motor Vehicles (and Boats) Imported by Immigrants

A **first time immigrant**, defined for the purpose of this concession, as a person coming to New Zealand to take up permanent residence for the **first time** has the ability to import a motor vehicle, motor cycle, and/or boat without having to pay the standard Goods and Services Tax normally levied on all imported goods. In the case of a motor home or campervan, the concession also grants relief from tariff duty. It is possible to claim the concession for more than one vehicle, motor cycle, or boat, provided all the conditions set out below can be met in respect of each item for which duty (GST) free entry is sought.

### Concessionary Requirements

A vehicle/boat/motor cycle will be admitted free of Customs charges if the importer is able to establish that he or she:

- Has the intention of forthwith taking up permanent residence in New Zealand for the first time, and the legal authority to do so; and
- Has personally owned and used the vehicle or boat overseas for at least one year before the date of his or her departure for New Zealand, or for at least one year before the date that the vehicle or boat is surrendered for shipping (or, where the boat is imported other than as cargo, the date of its departure for New Zealand), whichever is the earlier; and
- Gives a written undertaking, in such form as a Customs officer may require, that if any such vehicle or boat is sold or otherwise disposed of within two years from the date of its importation, he or she will forthwith pay to Customs the Customs charges that would have applied at the time of their importation, or pay to Customs such lesser sum as may be required; and
- In the case of a boat, gives a written undertaking in such form as a Customs officer may require, that any such boat will not be used in a commercial capacity for hire, or for the transport of cargo or the carriage of passengers for reward, within two years of the date of importation.



**The conditions set out above are strictly applied and the New Zealand Customs Service has no discretionary licence to adapt them to suit particular circumstances, no matter how unusual or deserving these may be. There are heavy penalties under the law for those who are found guilty of making false or misleading declarations or producing false documentation to enter goods under concessions. The penalties include monetary fines and in addition, forfeiture of the goods concerned.**

### Interpretative Note

The term “permanent residence” is interpreted as “residence lasting indefinitely”. The “ship”, or boat as it is referred to in the concession text on page 7, is a leisure craft of a size larger than that which can be transported by trailer. Craft which are trailer borne, can be imported free of all Customs charges by residents returning from an absence overseas of not less than 21 months, provided the importer can prove ownership/use of not less than 12 months. These craft are also subject to a two year moratorium on sale or disposal, but there is no restriction imposed on hire or commercial use.

### Ownership and Use

The actual age of a vehicle/boat is of no relevance in terms of eligibility for duty free entry. Assuming that an importer has first time immigrant status, the factor which determines whether a vehicle/boat can be imported without payment of Customs charges, is the ability to prove not less than 12 months personal ownership and personal use overseas.

Lifestyle and work requirements may dictate that an owner is not in a position to use a vehicle on a daily basis. This will not necessarily disqualify a vehicle from concessionary entry provided the owner is able to satisfy the NZCS that the vehicle in question was at all times available for use if required. The key element is that the periods of actual use, if not continuous, should span a full twelve months.

Vehicles/boats will not, however, qualify if the owner surrenders them for shipping to New Zealand before the anniversary of the day on which original delivery was taken. By way of example — if a vehicle was purchased on 10 June and delivery taken on that day, it must not be handed over to be shipped before 10 June of the following year, and the owner must not leave for New Zealand before this date.

Documentary evidence of personal ownership and use of the vehicle/boat must be produced and the type of evidence required is as follows:

- dated receipt covering purchase and showing date on which actual delivery was taken
- registration papers or copies certified by the appropriate authority
- evidence of the date on which the vehicle/boat was surrendered for shipment to New Zealand
- odometer reading at the time the vehicle was surrendered for shipping to New Zealand.

In cases where a vehicle/boat is registered in the name of a private company, the majority shareholding of which is owned by the importer and/or spouse,

concessionary entry may be allowed provided documentary evidence is produced to confirm the disposition of the company shares.

### Note—

For the purposes of the concessions, References 80 (B) and 80 (C) outlined on page 7, the expression “personally owned” shall extend to ships (boats), aircraft and motor vehicles including motor cycles (in this Note referred to as “the goods”), as follows:

- Which are leased by the importer for a period of at least one year prior to:
  - the date on which the importer departed from the country of exportation to New Zealand; or
  - the date on which the goods were surrendered for shipping to New Zealand— whichever is the earlier; or
- Which are purchased by way of a hire purchase agreement and the importer has had possession for at least one year prior to:
  - the date on which the importer departed from the country of exportation to New Zealand; or
  - the date on which the goods were surrendered for shipping to New Zealand—whichever is the earlier;

provided that in both instances the terms of the lease or of the hire purchase agreement, as the case may be, have been complied with in full by the importer prior to property in the goods passing to the importer, and prior to their importation into New Zealand.

In some cases an immigrant (first time arrival) may have enjoyed full personal use of a vehicle which forms part of a company fleet. Provided it can be demonstrated that this arrangement formed part of a salary package, consideration will be given to allowing concessionary entry of such a vehicle subject to the importer meeting all the other requirements set out on pages 7 and 8 plus transfer of ownership prior to:

- the date on which the importer departed from the country of exportation to New Zealand; or
- the date on which the vehicle was handed over for shipping to New Zealand, whichever is the earlier.

In these circumstances access to the concession is not automatic and will be evaluated on a case by case basis. Persons wishing to import a vehicle falling within this category should contact the NZCS at the intended port of arrival before putting shipping arrangements in train.

### Shipping and Marine Insurance Charges

Enquiries concerning these charges should be made to a shipping company trading with New Zealand.

### Arrival in New Zealand

#### Steam Cleaning

All used vehicles are subject to a quarantine inspection on arrival by an inspector of the Ministry of Agriculture and Forestry. If the vehicle is found to be contaminated with soil, plant material or animal material, it will require cleaning sufficient to remove the contaminant.

The charges for inspection and cleaning (if required) are the responsibility of the importer.

**After the vehicle has been inspected by MAF, importers should obtain an import clearance from the NZCS.**

### The following documents will be of assistance in clearing a motor vehicle:

- Passport, if the importer travelled overseas to purchase vehicle
- Invoice receipt showing total price paid and date of purchase
- Registration Papers or Certificate of Permanent Export (UK)
- Certificate of Title (USA); De-registration Certificate (Japan)
- Invoice showing exporting costs (Japan); Invoice showing freight costs and insurance to New Zealand
- Bill of Lading
- Odometer reading at time of sale for export to New Zealand
- Odometer reading at time of importation into New Zealand.



**After Customs clearance has been effected, the vehicle should be presented to a Transport Services Delivery (TSD) agent for inspection and a compliance audit. When this has been done, vehicles including motor cycles should be registered with the TSD agent.**

New Zealand insurance companies provide the usual type of cover for damage by accident, fire, loss or theft, etc., and this can be arranged after the owner's arrival. The no claims bonus scheme is operated and passengers are advised to bring documentary evidence of past motor insurance history.

### Possible relief from Local Car Tax and/or Value Added Tax in country of purchase

It may be possible for vehicles to be purchased for export without payment of Local Car Tax and/or Value Added Tax. Queries on this matter should be directed to the manufacturer or dealer.

### Vehicles sold on tourist delivery schemes

New Zealand residents travelling overseas to Europe or the United Kingdom are sometimes able to place an order with the New Zealand vehicle distributor for the marque concerned and take delivery of the new car "tax free" upon arrival at their destination. These vehicles are sold under what is known as the "tourist delivery vehicle" scheme.

Some New Zealand distributors will be prepared to import your vehicle for you when you wish to return to this country. You should take advantage of the offer as the franchise holder has access to an invoice, not

available to the owner, which excludes dealer commission from the price paid for the vehicle. The invoice you received when buying the vehicle includes this commission. The net invoiced price can then be used as the basis for arriving at a value for duty. Depreciation will also be granted for the period of personal ownership/use, but this period will only commence at the time physical delivery of the vehicle is taken, not from the time at which the order or payment is made. In other words, depreciation is not given for a vehicle under construction.

Where the distributor does not offer to clear your vehicle through Customs, the invoice you received forms the basis of the calculation to determine the value for duty.

### Can I get a written estimate of the Customs charges payable on my vehicle?

Based on the information contained in this booklet, private importers should be able to calculate for themselves the likely Customs charges payable. Should you have any doubts about importing your vehicle or other questions on Customs matters, please contact the NZCS at the port in New Zealand through which your vehicle is likely to be imported.

### Your car is not a shipping container

It is recommended that you do not pack personal belongings in your vehicle when it is being shipped to New Zealand. Some of the reasons are:

- your personal possessions are very susceptible to pilferage and theft while the vehicle is at the wharf awaiting shipment to New Zealand and, if not containerised, from the vessel carrying the vehicle to New Zealand. The vehicle is similarly "at risk" after discharge onto a New Zealand wharf awaiting collection
- many shippers or carriers will not accept your vehicle for shipment to New Zealand if it is packed with personal belongings
- the shipper or carrier is required to present to the NZCS a complete list of what is being transported, including the contents of your vehicle
- the complete contents of your vehicle must be declared at the time they are presented to the NZCS for entry into New Zealand. If this is not done, you may be subject to a fine and the vehicle and its contents may be seized.

### Production of false documents

Importers should be aware that it is an offence to produce or deliver to a Customs officer any document that is not genuine or erroneous in any particular. It is also an offence to make a declaration or a written statement under Section 204 of the Customs and Excise Act 1996 that is erroneous in a material particular. Penalties can be as severe as a fine not exceeding \$10,000 or a term of imprisonment not exceeding six months for an individual. A fine of an amount not exceeding three times the value of the goods to which the offence relates can also be incurred.

## **New Zealand Customs Service Offices in New Zealand**

### **General Inquiries**

**Tel: +64-9-300 5399 or  
0800-428 786**

**Fax: 0-9-359 6730**

### **Auckland**

Box 29

Tel: 0-9-359 6655

Fax: 0-9-359 6735

### **Auckland Int. Airport**

Box 73003

Tel: 0-9-275 9059

Fax: 0-9-275 5634

### **Christchurch Int. Airport**

Box 14086

Tel: 0-3-358 0600

Fax: 0-3-358 0606

### **Dunedin**

Private Bag 1928

Tel: 0-3-477 9251

Fax: 0-3-477 6773

### **Invercargill**

Box 840

Tel: 0-3-218 7329

Fax: 0-3-218 7328

### **Napier**

Box 440

Tel: 0-6-835 5799

Fax: 0-6-835 1298

### **Nelson**

Box 66

Tel: 0-3-548 1484

Fax: 0-3-546 9381

### **New Plymouth**

Box 136

Tel: 0-6-758 5721

Fax: 0-6-758 1441

### **Tauranga**

Box 5014, Mt. Maunganui

Tel: 0-7-575 9699

Fax: 0-7-575 0522

### **Wellington**

Box 2218

Tel: 0-4-473 6099

Fax: 0-4-473 7370

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### **Internet:**

[www.customs.govt.nz](http://www.customs.govt.nz)

### **E-mail:**

[feedback@customs.govt.nz](mailto:feedback@customs.govt.nz)

## **Handy Hints**

### **Importing a vehicle from Australia**

When purchasing a vehicle in Australia it is standard practice to pay the dealer for accessories, registration, delivery and other associated costs in addition to the purchase price of the vehicle itself. Provided an importer arranges independently for the vehicle to be shipped to New Zealand, the value for duty will be confined to those costs paid directly to the dealer. If, however, the dealer also arranges for the vehicle to be shipped to New Zealand, the value for duty is the price of the vehicle on board the vessel at the port of export (less depreciation if eligible).

### **Importing a vehicle from Japan**

When buying a vehicle in Japan it is common practice to employ an agent who has access to vehicle dealers and auctioneers. As well as assisting in the purchase of the vehicle, the agent is often used to prepare the appropriate documentation and arrange for the vehicle to be shipped to New Zealand. The charges for these services are considered to be associated with the purchase cost of the vehicle and are included in the value for duty and GST.

### ***A word of warning***

It has been found that some Japanese agents are charging excessive amounts for freight and insurance and it would be prudent to explore the most competitive rates for shipping a vehicle before leaving New Zealand for Japan. In most instances agents fees and commissions are dutiable. In cases where an importer arranges to buy a vehicle in Japan on a "CIF New Zealand Port basis", the NZCS will only allow for the deduction of the actual cost of international freight and insurance, not the inflated figures shown on some invoices.

### **Importing a vehicle from the United Kingdom**

It is relatively easy to purchase a new vehicle tax free in the United Kingdom and the invoiced price forms the value for duty. However, if the sale includes the cost of shipping to New Zealand, value for duty is the cost of the vehicle on board the vessel at the port of export.