STATUTORY INSTRUMENTS

1973 No. 2069

CUSTOMS AND EXCISE
The Commonwealth Preference (Standstill Area) Regulations 1973

Made - - - -	*7th December* 1973
Laid before the Houses of Commons	*10th December* 1973
Coming into Operation	*1st January* 1974

The Secretary of State, by virtue of powers conferred by section 12(2) of the Import Duties Act 1958**(a)** and now vested in him**(b)** and of the powers conferred on him by section 2(1) of the Finance Act 1973**(c)** and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

Citation, Commencement and Interpretation

1.—(1) These Regulations may be cited as the Commonwealth Preference (Standstill Area) Regulations 1973 and shall come into operation on 1st January 1974.

(2) The Interpretation Act 1889**(d)** shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

(3) In these Regulations—

(*a*) "factory", in relation to any goods, means the place where the goods were manufactured and

(*b*) references to goods include references to any containers or other forms of interior packing in which the goods are packed, being containers or packing of a type ordinarily sold with similar goods when they are sold retail.

2. For the purposes of any Order made under the Import Duties Act 1958 or under the Finance Act 1973, the question whether goods are of the part of the Commonwealth Preference area formed by the countries named in Schedule 1 hereto (hereinafter referred to as "the standstill area") shall be determined in accordance with the following Regulations.

Consignment of Goods

3. Goods grown, produced or manufactured in a country of the standstill area shall not be treated as goods of that area unless they are consigned to the United Kingdom from such a country:

Provided that nothing in this Regulation shall affect the operation of section 2(9) of the Import Duties Act 1958 (under which goods of Swaziland, Botswana,

(a) 1958 c. 6.
(b) *See* S.I. 1970/1537 (1970 III, p. 5293).
(c) 1973 c. 51.
(d) 1889 c. 63.

Malawi or Zambia are deemed to be consigned from those countries if consigned from Lourenço Marques or, in the case of the three last-mentioned countries, from Beira).

Goods manufactured in the Commonwealth Preference standstill Area

4.—(1) Goods manufactured in the standstill area shall nonetheless not be treated as manufactured there unless at least the appropriate proportion of the costs of their manufacture is attributable to area expenditure, as defined in Regulation 6.

(2) Subject to the provisions of Regulation 7 (which relates to manufactured sugar and tobacco), the appropriate proportion, for the purposes of duties chargeable on any goods either as such or in respect of any article contained in them as a part or ingredient, shall be—

(*a*) in the case of goods falling within a description of goods specified in Part I of Schedule 2 hereto ... ... 75 per cent;

(*b*) in the case of goods not falling within any such description but falling within a description of goods specified in Part II of Schedule 2 hereto ... ... 50 per cent;

(*c*) in the case of any other goods ... ... 25 per cent.

Costs of manufacture

5.—(1) For the purposes of these Regulations, the costs of manufacture of any goods shall be the costs incurred by the manufacturer in relation to those goods before they are dispatched in their finished state and shall include the following items:—

(*a*) the costs to the manufacturer as received into the factory of any materials (including components and unfinished goods) used in the manufacture of the goods, less the amount of any customs or excise duty or any other duty or tax incurred in respect of such materials which is subsequently refunded on the exportation of the goods;

(*b*) the cost of labour directly employed in the manufacture of the goods;

(*c*) the factory overhead costs incurred in relation to the manufacture of the goods in respect of—

(i) rent, rates and taxes, motive power, electricity, gas, fuel, water, lighting and heating;

(ii) factory supervision, including the costs of employing managers, foremen, timekeepers, watchmen and other similar officers and servants of the manufacturer;

(iii) maintenance, repairs and renewals of plant, machinery, tools and factory buildings;

(iv) depreciation of plant, machinery and tools;

(v) interest on capital outlay on the factory buildings and land;

(vi) interest on depreciated value of plant, machinery and tools;

(*d*) the cost of any process carried out in the course of the manufacture of the goods by any independent contractor in performance of a contract with the manufacturer.

(2) In computing the costs of manufacture as aforesaid the following items shall not be included:—

(*a*) the cost of exterior packing;

(*b*) the manufacturer's profit or the profit or remuneration of any trader, broker, exporter or other person dealing with the goods in their finished manufactured state;

(*c*) royalties;

(*d*) the cost of carriage and freight or insurance or any other charges incurred in respect of the goods after their manufacture.

Area expenditure

6.—(1) Without prejudice to the provisions of paragraph (2) of this Regulation area expenditure shall include any costs mentioned in head (*a*), (*b*), or (*c*) of paragraph (1) of Regulation 5 which are incurred in respect of materials grown or produced in the standstill area, or in respect of work done or factories situated in that area.

(2) Where any costs mentioned in head (*a*) of paragraph (1) of Regulation 5 are incurred in respect of materials which have been manufactured or processed in the standstill area, area expenditure means a proportion of those costs equal to the proportion of area expenditure which is shown to the satisfaction of the Commissioners of Customs and Excise to be included in the costs incurred by the manufacturer or processor of those materials in that area.

(3) In relation to any cost mentioned in head(*d*) of paragraph (1) of Regulation 5 area expenditure means a proportion of that cost equal to the proportion of area expenditure which is shown to the satisfaction of the Commissioners of Customs and Excise to be included in the costs of the person who carried out the process.

Sugar and Tobacco

7. In the case of refined sugar, extracts from sugar, molasses, and manufactured tobacco, while there is in force in respect of such goods a direction given by the Board of Trade or Secretary of State under subsection (2) of section 8 of the Finance Act, 1919**(a)** providing that a preferential rate of duty shall be charged only upon such proportion of the goods as corresponds to the proportion of dutiable material used in their manufacture shown to the satisfaction of the Commissioners of Customs and Excise to have been grown or produced in the Commonwealth preference area, the appropriate proportion under paragraph (1) of Regulation 4 shall be 5 per cent.

Miscellaneous

8.—(1) Any goods falling within a description of goods set out in Schedule 2 hereto shall for the purpose of these Regulations be treated as within that description, notwithstanding that for the purpose of any duty of customs chargeable on the importation thereof such goods are treated as falling within some other description of goods.

(2) Where a number of separate articles are included in one parcel or shipment, each and every article shall be treated separately for the purpose of calculating the proportion of the costs of manufacture thereof attributable to area expenditure.

Limerick,
Parliamentary Under-Secretary of State for Trade,
7th December 1973. Department of Trade and Industry.

(a) 1919 c. 32.

SCHEDULE 1

Regulation 2

Associated States in the Carribbean: Antigua, Dominica, Grenada, St Lucia, St Vincent, St Kitts-Nevis-Anguilla
The Bahamas
Barbados
Bermuda
Botswana
British Antarctic Territory
Belize
British Indian Ocean Territory
British Solomon Islands
British Virgin Islands
Brunei
Cayman Islands
Central and Southern Line Islands
Cyprus
Falkland Islands and Dependencies
Fiji
The Gambia
Ghana
Gilbert and Ellice Islands
Guyana
Jamaica
Kenya
Lesotho
Malawi
Malta
Mauritius
Montserrat
Nigeria
Papua-New Guinea
Pitcairn
The Seychelles
Sierra Leone
St Helena and Dependencies
Swaziland
Tanzania
Tonga
Trinidad and Tobago
Turks and Caicos Islands
Uganda
Western Samoa
Zambia

SCHEDULE 2

Regulation 4(2)

PART I

Optical glass and optical elements, whether finished or not, microscopes, field and opera glasses, theodolites, sextants, spectroscopes and other optical instruments and component parts thereof.

PART II

Pottery and all other clay products.

Glass and glassware:—

Plate and sheet glass, whether bevelled, silvered, or otherwise finished or not.

Illuminating glassware.

Domestic glassware, including cooking utensils, table glassware, toilet glassware and ornamental glassware.

Glass bottles and glass jars, including glass stoppers.

Furniture made wholly or mainly of metal, of the following descriptions:—

(i) Tables, bedsteads, wire mattresses, stands, desks and counters.

(ii) Chairs, stools and seats.

(iii) Bookcases and bookshelves.

(iv) Cabinets, safes, cash and deed boxes, drawers and cupboards.

(v) Shelving, storage bins and storage racks.

(vi) Office letter racks and letter trays.

(vii) Lockers.

(viii) Parts of any of the above-mentioned articles.

Hollow-ware of iron or steel (including tinned plate).

Baths of iron or steel.

Metal door and window frames and casements.

Stoves, grates and ranges for domestic cooking or heating and parts and fittings therefor.

Iron and steel products of the following descriptions:—

(i) Tubes, pipes and pipe and tube fittings of all kinds.

(ii) Railway and tramway construction material of all kinds.

(iii) Springs.

(iv) Wire, wire netting, wire nails and cable and rope (except insulated telephone and telegraph cables).

(v) Screws (except screws for wood, other than screw hooks, screw rings and screw knobs), nails, tacks, studs and spikes.

(vi) Rivets and washers.

(vii) Bolts and nuts.

(viii) Anchors and grapnels and parts thereof, chains and ships' cables.

(ix) Screws for wood (other than screw hooks, screw rings and screw knobs) whether wholly of iron or steel, or of iron or steel coated or plated with some other metal or substance.

(x) Wagons for use on railways and parts of such wagons.

The following articles manufactured wholly or partly of the metals aluminium, copper, lead, nickel, tin, zinc and alloys containing any of those metals:—

Sheets and strip, rods, plates, angles, shapes and sections, wire, tubes, foil and hollow-ware.

Screws for wood of brass, copper or any alloy containing copper, whether coated with any other metal or other substance or not.

Cutlery:—

(i) Knives with one or more blades made wholly or partly of steel or iron.

(ii) Scissors, including tailor's shears and secateurs, made wholly or partly of steel or iron.

(iii) Razors, including safety-razors and blades therefor.

(iv) Hair clippers.

(v) Carving forks.

(vi) Knife sharpeners, wholly or partly of steel.

(vii) Component parts of or blanks for any of the above-mentioned articles.

Locks, padlocks, keys, bolts, latches, hasps and hinges of metal.

Needles and pins.

Implements and tools and parts thereof, other than handles of hickory.

Unexposed sensitised photographic paper, cloth, plates and film and spools therefor.

Electrical goods including:—

Electric wires and cables, insulated.

Telegraph and telephone apparatus.

Wireless apparatus.

Electric carbons other than graphitized carbon electrodes.

Electric lighting appliances and fittings.

Batteries and accumulators.

Electric bell apparatus.

Electric cooking and heating apparatus.

Electric meters.

Parts of, and accessories to, the above.

Machinery and parts thereof (including ball bearings, roller bearings and parts thereof).

Twine of the following description:—

Hard fibre singles.

Boots, booties, shoes, overshoes, slippers and sandals of all descriptions and of whatever material, finished or unfinished, and shaped parts and laces therefor.

Paints, painters, enamels, lacquers, varnishes and printers' inks.

Distempers, whether dry or not.

Pigments and extenders (whether dry or with oil or other medium) other than the following:—Natural dyes; synthetic organic dyestuffs, colours and colouring matters; dry earth colours, barytes, silica, graphite and carbon black from natural gas.

Saddlery and harness (including horse boots) wholly or partly of leather.

Trunks, bags, wallets, pouches and other receptacles made wholly or partly of leather or material resembling leather, whether fitted or not.

Transparent cellulose wrapping.

Locomotives and parts thereof.

Aircraft and parts thereof.

Cycles (other than motor cycles) and parts and accessories thereof.

Perambulators and mailcarts and parts thereof.

Manufactures wholly or partly of rubber, balata or gutta percha (including vulcanite and ebonite).

Arms and ammunition:—

(i) Sporting guns, sporting rifles and sporting carbines and parts thereof.

(ii) Military rifles and military carbines and parts thereof.

(iii) Miniature rifles and carbines and cadet rifles and carbines and parts thereof.

(iv) Air guns and air rifles and air pistols and parts thereof.

(v) Revolvers and pistols and parts thereof.

(vi) Loaded cartridges and empty cartridge cases.

Toilet preparations (excluding essential oils) of the following descriptions:—

Toilet soap.

Tooth paste or powder and liquid preparations for dental purposes and mouth washes.

Toilet paste or powder.

Toilet cream.

Hair dyes.

Scented sachets.

Lipstick, rouge and grease paint.

Preparations for use in manicure or chiropody.

Preparations for use on the hair, face or body.

Bath salts and essences.

Smelling salts.

Prepared fuller's earth.

Toilet requisites of the following descriptions:—

Powder bowls or boxes and powder puffs.

Nail polishers.

Nail clippers, nail cleaners and nail files.

Denture bowls.

Manicure sets.

Parts of the above articles.

Brooms and brushes of all descriptions and parts thereof (other than prepared bristles and other prepared animal hair).

Buttons, snap and slide fasteners, push buttons, studs, hooks and eyes.

Machinery belting (including conveyor and elevator bands).

Appliances, apparatus, accessories and requisites for sports, games, gymnastics and athletics (other than apparel and boots and shoes) and parts thereof.

Toys of all kinds and parts thereof of whatever material composed.

Pen nibs, fountain pens, stylographic and other pens, propelling pencils, paper clips and fasteners, stationery glassware and parts of any such articles.

Hair combs.

Iron or steel guides, T section, of a description commonly used for lifts or elevators.

Manufactures wholly or partly of cotton, wool (including alpaca, mohair, cashmere, llama, vicuna and camel's hair), hemp of all kinds, flax or jute, of the following descriptions (but excluding coir, rush, grass, raffia, straw or reed mats and matting):—

Carpets, carpeting, floor rugs, floor mats and matting.

Motor cars, including motor bicycles and motor tricycles; accessories and component parts of motor cars, motor bicyles and motor tricycles.

Musical instruments (including gramophones, pianolas, and other similar instruments; accessories and component parts of musical instruments, and records and other means of reproducing music).

Clocks and clock cases.

Beakers, flasks, burettes, measuring cylinders, thermometers, tubing and other scientific glassware and lamp-blown ware.

Evaporating dishes, crucibles, combustion boats and other laboratory porcelain.

Galvanometers, pyrometers, electroscopes, barometers, analytical and other precision balances, and other scientific instruments and component parts thereof, gauges and measuring instruments of precision of the types used in engineering machine shops and viewing rooms, whether for use in such shops or rooms or not (but not including microscopes, field and opera glasses, theodolites, sextants, spectroscopes and other optical instruments and component parts thereof).

Hosiery latch needles.

Unexposed sensitised cinematograph film.

Arc lamp carbons and amorphous carbon electrodes.

Wireless valves and similar rectifiers and vacuum tubes.

Ignition magnetos and permanent magnets.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations prescribe the circumstances in which goods are to be treated as originating in the part of the Commonwealth preference area formed by the countries named in Schedule 1 to the Regulations (the "Commonwealth preference standstill area") for the purposes of import duties under the Import Duties Act 1958 or the protective elements of other customs duties. The countries in question are the Commonwealth preference area countries which are entitled under the Treaty concerning United Kingdom Accession to the European Economic Community to benefit from the continuance of the Commonwealth preference treatment which applied on 1st January 1972 where that is more favourable than the treatment which will apply to goods qualifying for Commonwealth preference generally.

The conditions prescribed by these Regulations are generally speaking those which would result if the origin rules for Commonwealth preference qualification (The Commonwealth Preference Regulations 1958) applied to the Common wealth preference standstill area alone.

In order to qualify under these Regulations, goods must be consigned from a country in the standstill area (subject to an exception relating to the ports of Beira and Lourenço Marques) (Regulation 3).

In the case of goods manufactured in the Commonwealth preference standstill area, the appropriate proportion of the costs of their manufacture must be attributable to work done or materials grown or produced in the area (Regulation 4). The appropriate proportion varies in the case of goods in Part I and II of Schedule 2 to the Regulations and other goods.

SI 1973/2069
ISBN 0-11-032069-7

