



AN BILLE SAORPHORT, 1985
FREE PORTS BILL, 1985

EXPLANATORY MEMORANDUM

Introduction

1. While this Bill is an enabling measure which would permit the establishment of free ports in any area of the State, its immediate purpose is to permit the establishment of a free port at Ringaskiddy.

The principal benefits for a business operating within the free port will derive from deferred payments of customs duties and value-added tax, together with ready access to customs facilities and simplified customs documentation and procedures.

The initial area to be designated by the Minister for Communications (hereinafter referred to as "the Minister") as a free port at Ringaskiddy has yet to be determined.

Detailed provisions of Bill

2. *Section 1* defines terms used in the Bill.
3. *Section 2* enables the Minister to establish or vary the limits of a free port by order made with the consent of the Ministers for Finance and Industry, Trade, Commerce and Tourism.
4. *Section 3* provides that a free port shall be managed by persons designated by the Minister by order made with the consent of the Ministers for Finance and Industry, Trade, Commerce and Tourism.
5. *Section 4* enables the Minister, after consultation with the Ministers for Finance and Industry, Trade, Commerce and Tourism, to license the carrying on of businesses within a free port. Such a licensing system operates in the Customs Free Airport at Shannon and is necessary to regulate access to the free port and to ensure proper control of operations therein.
6. *Section 5* provides that any person may apply to the Minister for a licence and provides also for the format etc. of applications.
7. *Section 6* enables the Minister to attach conditions to a licence, including the stipulation of a date by which the business concerned must commence. The section also lays down appropriate offence and penalty provisions in respect of non-compliance with any condition of a licence.
8. *Section 7* enables the Minister to revoke a licence in certain circumstances and to vary a condition of a licence.
9. *Section 8* provides for registration of licences by the Minister (a normal feature of licensing systems).

10. *Section 9* forbids the carrying on of unlicensed business within the free port and lays down appropriate offence and penalty provisions in the case of contravention.

11. *Section 10* provides that import duties on goods imported into a free port from outside the EEC shall not be payable unless and until the goods are released for consumption within the Community. The relief covers both finished goods and raw materials. Where raw materials are used in a manufacturing process within a free port import duties are chargeable on diversions to the Community of the end product, on the non-Community ingredients only, in accordance with Community inward processing arrangements and in the same manner as diversions by firms operating under these arrangements in the State are dealt with. The relief from import duties does not extend to goods used or consumed within a free port, otherwise than in inward processing or in processing under customs control, or to goods sold by retail within a free port. The section also lays down offence and penalty provisions in the case of contravention. Certain VAT reliefs will apply in relation to the free port. They are not provided for in the Bill but will be provided for by separate regulations to be made by the Revenue Commissioners with the consent of the Minister for Finance.

12. *Section 11* gives power to an officer of customs and excise to search any means of transport within 32 km (20 miles) of a free port and to question the person in charge of such means of transport. This is a necessary element in proper customs control over a free port and is necessary to prevent abuse of the special position applying to goods within a free port. The section also lays down offence and penalty provisions in the case of contravention.

13. *Section 12* enables the Minister for Finance to make regulations adapting or modifying customs legislation in its application to a free port, governing the movement of persons, means of transport and goods into and out of a free port, the keeping of records and other necessary aspects of customs control and procedure. The section also lays down offence and penalty provisions in the case of contravention.

14. *Section 13* enables the Minister to make regulations for the management and control of the free port. Regulations made by the Minister under this section would relate to matters outside the scope of customs legislation. The section lays down offence and penalty provisions in the case of contravention.

15. *Section 14* provides for the laying before the Houses of the Oireachtas of any order or regulation made under this Bill when enacted and is a standard provision in legislation.

16. *Section 15* provides for the payment out of moneys provided by the Oireachtas of expenses incurred by the Minister or the Minister for Finance in the administration of this Bill when enacted and is a standard provision in legislation.

17. *Section 16* provides that fees and other moneys payable to the Minister under this Bill when enacted shall accrue to the benefit of the Exchequer and is a standard provision in legislation.

18. *Section 17* provides for the title of the Bill and its construction with existing legislation and also for its commencement by order made by the Minister and is a standard provision in legislation.

*An Roinn Cumarsáide,
Meitheamh, 1985.*