

CAYMAN ISLANDS



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**THE CUSTOMS LAW (SECOND REVISION)  
THE CUSTOMS (AMENDMENT)  
REGULATIONS, 1986**

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In exercise of the powers conferred on the Governor in Council by section 73 of the Customs Law (Second Revision), the following Regulations are hereby made -

Citation.

1. These Regulations may be cited as the Customs (Amendment) Regulations, 1986.

Insertion  
of new  
reg. 8A.

2. The Customs Regulations (Revised), in these Regulations referred to as the principal Regulations, are amended by inserting the following new regulation immediately after regulation 8 -

“Bonded duty-free shops.	8A. This Part does not apply to goods sold at a bonded duty-free shop as defined
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in subsection (4) of section 44 of the Law.”.

Insertion of  
new Part VIII.

3. The principal Regulations are amended by adding the following new Part -

**“PART VIII: Bonded Duty-Free Shops**

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| Interpre-<br>tation. | 45. In this Part, “shopkeeper” means the person nominated by the Governor, when prescribing any place to be a bonded duty-free shop, as the person to be responsible for the conduct of the business of such shop. |
| Prescribed<br>goods  | 46. The Govenor may by notice in the Gazette prescribe the class or classes of bonded duty-free goods which may be deposited in a bonded duty-free shop.   |

Bond.	47. Every shopkeeper shall enter into a bond in a comprehensive form, with an approved surety, to comply with the terms of the conditions of approval and to provide security for the duty on the maximum quantity of uncustomed goods likely to be in the shop at any one time.	Sales.	53. Sales from a bonded duty-free shop shall be made only to entitled passengers and aircrew who are about to depart in an aircraft for a destination outside the Islands. Passengers shall be required to produce boarding-cards to prove their entitlement and the flight-numbers and seats allocated to them shall be noted in the shopkeeper's records.
Security.	48. The shopkeeper shall be responsible for the physical security of the shop covered by his bond, and for safeguarding the revenue by protecting the goods from improper interference or removal irrespective of any official controls that may be applied. The shopkeeper shall forthwith inform the Collector in writing of any incident affecting the security of the shop for which he is responsible or affecting any of the contents thereof.	Wrapping etc. after sale.	54. All goods shall be placed in a package marked with the name of the airport and containing a written warning that it must be exported unopened. Packages shall be closed by sealing or stapling immediately the goods are sold, and an invoice or till receipt identifying the goods shall be fixed to each customer's airline ticket or boarding-card.
Losses.	49. If at any time after the goods have been deposited in a bonded duty-free shop and before they are lawfully removed therefrom, they are found to be missing or deficient and it is not shown to the satisfaction of the Collector that the absence or deficiency can be accounted for by natural wastage, accident or other legitimate cause, then without prejudice to any penalty or forfeiture incurred under any provision of the Law or any other Law, the Collector may require the shopkeeper to pay forth with the whole or any part of the duty due on the missing goods or on the whole or any part of the deficiency.	Display of notices.	55. Shopkeepers shall make arrangements to ensure that notices are displayed advising passengers that they are entitled to purchase duty-free goods only if they are about to depart on an aircraft for a destination outside the Islands, and that all goods must be exported intact by entitled passengers. The notice shall also contain a warning that illegal purchase or disposal of uncustomed goods is an offence under the Law which may attract severe penalties, including confiscation of the goods.
Hours of opening.	50. Subject to any special directions given by the Collector, a bonded duty-free shop at an airport may be open for the sale of uncustomed goods only from ninety minutes before the scheduled time of departure of an international flight until the actual departure of that flight.	Records.	56. Every shopkeeper shall maintain in a form approved by the Collector a register of all uncustomed goods deposited in his bonded duty-free shop and of all transactions made.
Receipts into Shop	51. Except with the prior consent of the Collector, the import account of all uncustomed goods shall be taken before their receipt into the shop. On receipt of the goods in the shop, the shopkeeper shall advise receipt to the Collector, and produce the goods to an officer for examination as and when required.	Official inspections.	57. Every shopkeeper shall, on demand, allow any authorised by the Collector to enter the premises at any time and to have access to all approved areas for the purposes of search or enquiry. Goods shall be stored in such a manner to allow the officer easy access for the purposes of inspection or taking stock at any time.
Customed goods.	52. No customed spirits, wines or tobacco shall be stored in a bonded duty-free shop.	Inspection of accounts.	58. The register shall be kept at the bonded duty-free shop and be available for inspection by an officer at any time. The officer may take such extracts of the particulars and make such entries in the accounts as he may require and may sign or initial any of the records. He may also require the production of any document or account relating to the goods and may make copies or take extracts from these documents.

Returns. 59. The shopkeeper shall deliver returns of sales and stock in such manner and at such times as the Collector shall require.

Stocktaking. 60. At least once a quarter every shopkeeper shall take physical stock of all bonded goods in the shop. Prior notice of the intended stocktaking shall be given to the officer. A return shall be delivered to the officer showing the quantity of goods in stock on the day on which the stock was taken. This return shall be certified as accurate by the shopkeeper."

Made in Council this 17th day of December, 1986.

**MONA N. JACKSON**  
Clerk of the Executive Council.

(Price \$1.60 Cents)