

INFORMATION REQUEST

Key points for discussion with Minister of Finance on buy-back settings

Deadline: 0900hrs 11 June 2019

Date of Response: 10 June 2019

Purpose

1. You have requested we provide some advice on the treatment of high-value firearms, for example antique and heirloom firearms, for a potential discussion with the Minister of Finance.

Current position

Compensation under the proposed regulations

2. The regulations currently provide that the owner of a unique or exceptional prohibited item can apply to the Commissioner of Police for a separate valuation of that item, if it is a lawfully acquired prohibited item that:
 - is not on the price list and it is an antique or otherwise unique, or
 - is substantively different from the model in the price list because it has been modified and this has increased the value of the firearm at least 30% above the base price in the compensation schedule.
3. The applicant would be required to produce evidence of the item's value. After receiving the application, the Commissioner of Police could require the applicant to obtain a valuation of the prohibited item from an approved valuer.
4. There is currently no provision to place a cap on the price that will be paid for a firearm.

Exporting a prohibited firearm


5. It is possible under existing arrangements for some owners of prohibited items to export those items.
6. MFAT administers the export controls for firearms according to Assessment Criteria set by the Minister of Foreign Affairs and Trade.¹ The export of prohibited firearms is generally prohibited, however, MFAT can approve an export by a person who holds an endorsement to possess a prohibited firearm.
7. The people who are able to seek an endorsement are:
 - licensed dealers;
 - bona fide collectors of firearms;

¹ Enabled by the Customs and Excise Act 2018.

- people to whom the prohibited item has special significance as an heirloom or a memento (in personal circumstances such as moving overseas);
 - directors or curators of bona fide museums;
 - approved pest controllers;
 - bona fide theatre companies or societies or cinematic or television film production companies.
8. Approval for export is not automatic and applications are assessed against the Assessment Criteria. This includes such factors as whether the export would contravene any of New Zealand's international obligations, whether the firearms could be used for any terrorist activity, and whether the country of import is involved in any conflict.

Options for compensation for high-value items

Options within current scope of law, regulations, and operating procedures

9. One option to limit the number of high value firearms subject to the buy-back would be to encourage owners of unique or antique items to apply for an endorsement. They could then:
- 9.1. Retain the item legally;
 - 9.2. Sell the item to a person with the appropriate endorsement and who has obtained a permit to acquire the item;
 - 9.3. Apply for a permit to export from MFAT and sell the item overseas.
10. Also, under this option, the Government could choose to buy the item back and then sell to a museum.
11. There may be limited circumstances where the compliance costs are perceived as reasonable or worthwhile by the firearm owner, particularly if they do not want to see the firearm destroyed.
12. However, the disadvantage of this option, should owners of these types of firearms want to dispose of them, is that it leaves open an alternative and potentially easier route to obtain compensation (through the buy-back).
13. s 9(2)(f)(iv)
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s 9(2)(h) [Redacted]

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Prepared by	s 9(2)(a) [Redacted]	[Redacted]
Approved by	s 9(2)(a) [Redacted]	[Redacted]