



**International Convention on the simplification and harmonization
of Customs procedures
(as amended)**

(done at Brussels on 26 June 1999)*

NOTIFICATION BY AUSTRALIA

On 10 October 2000, the Australia has ratified to the Protocol of amendment to the International Convention on the simplification and harmonization of Customs procedures, done at Brussels on 26 June 1999, and has accepted the following Specific Annexes/Chapters:

Specific Annex A – Arrival of goods in a Customs territory

- Chapter 1 – Formalities prior to the lodgement of the Goods declaration

Reservation: - *Recommended Practice 12* provides that Customs should not require translation of documents provided in a language not of the country or not specified as a matter of course. This is inconsistent with Australia's requirement for information to be presented in a manner which satisfies Customs. Most information is provided to Customs electronically and there is one field, the goods description, where information must to be translated into English.

- Chapter 2 – Temporary storage of goods

* Under the terms of paragraph 3 of Article 3 to the Protocol of amendment, this Convention will enter into force three months after 40 Contracting Parties to the Kyoto Convention (1974) have signed the Protocol of amendment without reservation of ratification or have deposited their instrument of ratification or accession.

Specific Annex B – Importation

- Chapter 1 - Clearance for home use
- Chapter 2 – Re-importation in the same state

Reservation: - *Recommended Practice 15* provides that Customs should allow the first exportation declaration to cover subsequent re-importations and exportations. This is inconsistent with Australia's legislation which requires that a goods declaration (depending on value) is lodged upon each exportation and importation of the goods.

- Chapter 3 – Relief from import duties and taxes

Reservation: - *Recommended Practice 7* provides for the relief from import duties and taxes and from economic prohibitions and restrictions for identified goods. Australia provides duty free treatment for the majority of goods listed but not for religious objects used for worship.

Specific Annex C – Exportation

- Chapter 1 – Outright exportation

Specific Annex D – Customs warehouses and free zones

- Chapter 1 – Customs warehouses

Reservation: - *Recommended Practice 7* provides that Customs should allow admission to warehouses for goods which are entitled to repayment of import duties and taxes when exported, so they can be repaid immediately. Australia's legislation provides that drawback or repayment of import taxes and duties may only be paid upon actual exportation of the imported goods. There is no provision for goods which have been delivered into home consumption to be warehoused prior to re-export.

Reservation: - *Recommended Practice 8* provides that Customs should permit admission to warehouses for goods under the temporary admission procedure thereby suspending or discharging the obligations under that procedure. Australia has no provision which permits the termination of the temporary admission procedures by warehouses the goods. The temporary importation procedure can be completed only by the re-exportation of the goods or the enforcement of the security.

Reservation: - *Recommended Practice 9* provides the Customs should permit admission to Customs warehouses of dutiable or taxable goods intended for exportation so that they may qualify for exemption from or repayment of the internal duties and taxes. Australia does not provide for goods liable to internal duties or taxes to be warehoused prior to export. Exemption from or repayment of internal duties and taxes is only permitted on actual exportation.

Specific Annex E – Transit

- Chapter 1 – Customs transit

Reservation: - *Recommended Practice 7* provides that Customs should accept any commercial or transport document for the consignment concerned which meets all the Customs requirements as the goods declaration for Customs transit. Australia requires no declaration in instances where transit cargo remains on the ship or aircraft on which it arrives. The cargo must not be moved, altered or interfered with without Customs permission. In many other instances, Australia permits transit on the basis of information provided electronically in the cargo declaration. In some instances, specific movement permission documents must be lodged.

Reservation: - *Recommended Practice 18* provides that Customs should record the results on the transit documents when they check the Customs seals and fastenings or examine the goods. It is normal practice for Australian Customs to make a record of Customs seals applied to transport-units and checks conducted to verify that they are intact, but, as most transits are dealt with electronically, it is not normal practice to note this on the transit documentation.

- Chapter 2 – Transshipment

Reservation: - *Recommended Practice 6* provides that Customs should accept any commercial or transport document for the consignment which meets all the Customs requirements as the goods declaration for transshipment purposes. This acceptance should be noted on the document. Australia normally accepts the electronic cargo declaration as the only documentation required for permitting transshipment but there are instances where a documentary transshipment entry must be lodged.

- Chapter 3 – Carriage of goods coastwise

Reservation: - *Recommended Practice 4* provides that Customs should permit goods to be transported under the carriage of goods coastwise procedure on board which is to call at a foreign port during its voyage coastwise.

- *Recommended Practice 6* provides that Customs should regard goods that have been forced to deviate from their intended route as remaining under the carriage of goods coastwise procedure. In Australia because of geographical circumstances these situations only arise occasionally. Under Australian legislation, a vessel carrying goods in free circulation in Australia which visits another country is considered to be on an international voyage. Whilst the goods are not considered to have changed their character (and are therefore not considered to be imported goods), they do however become subject to a wider degree of Customs control than would have been the case had they been carried a vessel wholly engaged in coastal trade.

Reservation: - *Recommended Practice 9* provides that Customs should permit goods under the carriage of goods coastwise procedure to be loaded or unloaded at a place other than that normally approved for that purpose. In Australia all vessels must unload international cargo at an approved facility but, in special circumstances, permission can be obtained to unload at other places.

Specific Annex F – Processing

- Chapter 1 – Inward processing

Reservation: - *Recommended Practice 17* provides that the inward processing should be permitted to continue in the event of transfer of ownership of the imported goods and the compensating products to a third person. There is no provision for transfer of ownership to a third party under Australian procedures.

Reservation: - *Recommended Practice 25* provides that products obtained from the treatment of equivalent goods should be deemed to be compensating products for the purpose of the Inward Processing Chapter. Australia's legislation does not permit the use of equivalent goods as part of inward processing procedure.

- Chapter 3 – Processing of goods for home use

Reservation: - *Recommended Practice 3* provides for the application of the drawback procedure when goods which have borne import duties and taxes have been replaced by equivalent goods in the production of exported goods. Australia's legislation does not permit the replacement of the imported goods with equivalent goods in the drawback procedure.

Reservation: - *Recommended Practice 6* provides for the extension of a time limit for claiming drawback. Australian legislation specifies that a claim for drawback can only be made within the period of 12 months after the exportation of the goods.

Reservation: - *Recommended Practice 8* requires the use of electronic funds transfer for the payment of drawback. Drawbacks in Australia are currently paid by cheque. Provision for payment by electronic funds transfer would require significant modification of existing electronic systems which would not be cost effective because of the relatively low number of claims.

Reservation: - *Recommended Practice 9* provides for drawback to be paid on deposit of the goods in a Customs warehouse or introduction of the goods into a free zone, on condition that they are subsequently to be exported. In Australia, a claim for drawback may be paid upon the actual exportation of the goods.

Specific Annex G – Temporary admission

- Chapter 1 – Temporary admission

Reservation: - *Recommended Practice 9* provides for the granting of temporary admission without a written goods declaration when there is no doubt about the subsequent re-exportation of the goods. Australian legislation requires that a goods declaration must be lodged for goods which are approved for temporary importation unless they are subject of a carnet or they are of low value.

Reservation: - *Recommended Practice 23* provides for the granting of temporary admission with at least partial conditional relief from import duties and taxes. Australian legislation does not provide for partial relief from duties and taxes.

Specific Annex J – Special procedures

-Chapter 1 - Travellers

Reservation: - *Recommended Practice 6* provides that the dual-channel system should be used for the Customs control of travellers and the clearance of goods carried by them and, where appropriate, their means of transport for private use.

- *Recommended Practice 9* provides allows travellers to make oral declaration in respect of goods carried by them.

Australian practice is inconsistent with these provisions as Customs required a single written declaration for each passenger to ensure compliance with Immigration, Customs and Quarantine legislation. A red-green channel system operates after the immigration check but travellers are not deemed to have made a declaration merely by selecting a channel.

Reservation: - *Recommended Practice 14* provides for the application of a flat-rate assessment to goods declared for home use under the facilities applicable to travellers, provided that the importation is of a non-commercial nature and that the aggregate value or quantity of the goods does not exceed the amounts laid down in national legislation. Australia does not apply duty free admission if they all within the normal passengers concessions. If not, the substantive rates of duty apply.

Reservation: - *Recommended Practice 16* provides that Customs should permit 2 litres of wine or 1 litre of spirits to be imported free of import duties and taxes by travellers. This is inconsistent with Australia's allowance for only 1.125 litres of alcoholic beverages (ie, wine or spirits).

- Chapter 2 – Postal traffic

- Chapter 3 – Means of transport for commercial use

- Chapter 4 – Stores

- Chapter 5 – Relief consignments