



Australian
BORDER FORCE

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Claiming preferential rates of customs duty in the Integrated Cargo System

Guide to claiming preferential rates of customs duty in the Integrated Cargo System

This Guide explains how to claim preferential rates of customs duty in the Integrated Cargo System, in accordance with the *Customs Act 1901*, the *Customs Regulations 2015*, the *Customs (International Obligation) Regulations 2015* and the relevant FTA Rules of Origin Regulations.

DISCLAIMER

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1 Overview

1.1 Coverage of the Guide

- 1.1.1 This guide deals with how to claim preferential rates of customs duty in the Integrated Cargo System (ICS), in accordance with the *Customs Act 1901* (the Customs Act), the *Customs Regulation 2015*, the *Customs (International Obligation) Regulation 2015* (Customs Regulations) and the various FTA Rules of Origin Regulations (FTA ROO Regulations).
- 1.1.2 As at 31 August 2021, Australia has fifteen free trade agreements (FTAs) – see Attachment A – as well as nine other preferential arrangements – see Attachment B – in force. These attachments provide a brief summary of relevant ICS codes as well as links to relevant schedules.
- 1.1.3 The Australian Border Force (ABF) provides separate guides and other materials on the requirements for importers in using these FTAs and other arrangements on the [ABF FTA webpage](#).
- 1.1.4 The ABF can provide written advice, upon request, determining whether a good is originating for the purposes of claiming preferences under one of Australia’s FTA or other preferential arrangements, to Australian importers of goods, as well as exporters and producers of those goods that are located in a Party to that FTA or arrangement. For further information, see the ABF Origin Advice Guide at: <https://www.abf.gov.au/free-trade-agreements/files/origin-advice-guide.pdf>
- 1.1.5 The Department of Foreign Affairs and Trade also provide links to the text of each FTA on the [Department of Foreign Affairs and Trade Free Trade Agreements webpage](#).

2 Claiming preference in the ICS

2.1 Step one – classify the goods

- 2.1.1 Refer to Schedule 3 to the [Working Tariff](#) to identify the tariff classification and the general rate of customs duty that applies to the goods for which a preferential rate of customs duty is being claimed.

2.2 Step two – determine the preferential rate of customs duty

- 2.2.1 To identify the preferential rate of customs duty that applies under an FTA or preferential arrangement, refer to Schedule 3, 4, 5, 6, 6A, 7, 8, 8A, 8B, 9, 9A, 10, 11, 12, 13 to the Working Tariff, depending on the preference scheme.
- 2.2.2 Where Australia has more than one FTA or preferential arrangement with a country or place, the importer is able to choose under which FTA or preferential arrangement to import. The importer will, however, need to be able to demonstrate that the goods meet the rules of origin for that FTA or preferential arrangement (see step three).
- 2.2.3 If the preferential rate of customs duty for the goods is less than the general rate of customs duty, move on to step three. Where the preferential rate of customs duty is the same as the general rate of customs duty, the general rate of customs duty must be used unless an alternative concession is sought.

2.3 Step three – determine if the goods meets the relevant rules of origin

- 2.3.1 Refer to the rules of origin for the relevant FTA or preferential arrangement set out in Divisions 1A to 1M of Part VIII of the Customs Act.
- 2.3.2 The ABF provides guides to assist businesses in understanding the requirements of importing under each FTA or preferential arrangement. The legislative provisions for each FTA or preferential arrangement are set out in the guides relevant to that FTA or preferential arrangement.
- 2.3.3 Establish that the goods meet the rules of origin for the relevant FTA or preferential arrangement including the documentation and transshipment requirements.

2.4 Step four – enter the claim in the ICS

- 2.4.1 At a minimum, the following fields in the Origin/Preference box on the Tariff Line Information Screen of the import declaration must be completed to claim preferential tariff treatment. Attachments A and B include a summary of the relevant codes to use for each FTA or preferential arrangement:

- 2.4.1.1 **Origin Country** – the two-digit Country Code for the country of origin determined for non-preferential purposes (e.g. trade statistics).
- 2.4.1.2 Most Country Codes reflect the corresponding United Nations (UN) – International Standard Organization (ISO) codes.
- 2.4.1.3 All Country Codes can be found by selecting the icon next to the Origin Country field on the import declaration.
- 2.4.1.4 **Preference Origin Country** – the two-digit Country Code for the relevant country or territory in which the goods originate for preferential tariff purposes. Only one Preference Country Code can be specified for each tariff line. If a Preference Origin Country is not input, it will default to the first Origin Country input.
- 2.4.1.5 All Country Codes can be found by selecting the icon next to the Preference Origin Country field on the import declaration.
- 2.4.1.6 The ICS Country Codes for Least Developed Countries, Forum Island countries and various classes of Developing Countries can also be found in [Part 1 through 5 of the *Customs Tariff Regulations 2004*](#).
- 2.4.1.7 **Preference Scheme** – the relevant abbreviation for the FTA or preferential arrangement that applies to the goods.
- 2.4.1.8 **Preference Rule** (nature 10, nature 30 and nature 10 lines of nature 10/20 import declarations only) – the relevant abbreviation for the rule of origin that applies to the goods.
- 2.4.2 If one of the special Preference Rules listed below is input on the import declaration (natures 10, 10/20 and 30 only), ensure that the following additional requirements or conditions associated with that rule are met:
 - 2.4.2.1 Preference Rule “P25” – a Tariff Concession Order (TCO) must be input in the Preference Instrument Type and Preference Instrument Number fields of the Additional Tariff Line Information Screen.
 - 2.4.2.2 Preference Rule “A30A”, “A50” or “P30A” – tariff classification restrictions apply, as set out in [ACN 2003/49](#) and in the relevant ICS Preference Rule Reference Files.

2.5 Step five – conclusion

- 2.5.1 Provided Steps 1 through 4 are completed, duty should be calculated in accordance with the preferential rate of customs duty.
- 2.5.2 Preferential tariff details should not be input on the import declaration if appropriate evidence that the goods meet the rules of origin for preferential tariff purposes such as the relevant Certificate of Origin or Declaration of Origin is not available, or if the preferential rate of customs duty is the same as the general rate of customs duty for the goods.
 - 2.5.2.1 The Origin Country field in the Origin/Preference box on the Tariff Line Information Screen of the import declaration must be completed even where preferential rates of customs duty are not being sought. Duty will be calculated in accordance with the general rate of customs duty.

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3 Related policies and references

3.1 Associated documents

- [Origin Advice Guide](#)

4 Document details

4.1 Document change control

Version number	Date of issue	Author(s)	Brief description of change
1.0	15 April 2021	Tariff and Trade Policy Section	Initial Version
1.1	31 August 2021	Trade and Tariff Policy Sections	Amended Preference Rule codes for AANZFTA and CPTPP Peru added to CPTPP – as of 19 September 2021 Links created for EXT and PG

Attachment A – FTAs in force

The following table sets out the current FTAs in force at the time this document was published.

FTA acronym	FTA and link to ABF Webpage	Other parties (ICS Preference Origin Country Code)	ICS Preference Scheme Code	ICS Preference Rule Codes	ICS Refund Reason Code	Working Tariff Schedule link
AANZFTA	The Agreement establishing the ASEAN-Australia-New Zealand Free Trade Area	Brunei (BN), Cambodia (KH), Indonesia (ID), Laos (LA), Malaysia (MY), Myanmar (MM), New Zealand (NZ), Philippines (PH), Singapore (SG), Thailand (TH), Vietnam (VN)	AANZ	WO, PE, PSR, OTH	126D	8
ACI-FTA	Australia-Chile Free Trade Agreement	Chile (CL)	CL	WO, POM, PS	126C	7
ChAFTA	China-Australia Free Trade Agreement	China (CN)	CFTA	WO, WP, PSR	23A13	12
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	Canada (CA), Japan (JP), Mexico (MX), New Zealand (NZ), Peru (PE), Singapore (SG) and Vietnam (VN) *Brunei (BR), Chile (CL) and Malaysia (MY)	TPP	WO, PE, PSR	23A8C	8B
A-HKFTA	Australia-Hong Kong Free Trade Agreement	Hong Kong, China (HK)	HFTA	WO, PE, PSR	23A15	13
IA-CEPA	Indonesia-Australia Comprehensive Economic Partnership Agreement	Indonesia (ID)	IEPA	WO, PE, QVC, CTC, SP	23A8E	9A
JAEP A	Japan-Australia Economic Partnership Agreement	Japan (JP)	JEPA	WO, PE, PSR	126DAA	11
KAFTA	Korea-Australia Free Trade Agreement	Korea (KR)	KFTA	WO, PE, PSR, OTH	126DB	10

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FTA acronym	FTA and link to ABF Webpage	Other parties (ICS Preference Origin Country Code)	ICS Preference Scheme Code	ICS Preference Rule Codes	ICS Refund Reason Code	Working Tariff Schedule link
MAFTA	Malaysia-Australia Free Trade Agreement	Malaysia (MY)	MFTA	WO, POM, PS	126DA	9
ANZCERTA	Australia-New Zealand Closer Economic Relations Trade Agreement	New Zealand (NZ)	NZ	WO, URP, POM, WMD, WMN, PS	E or EAA***	3
PACER Plus	Pacific Agreement on Closer Economic Relations Plus	Cook Islands (CK), Kiribati (KI), New Zealand (NZ), Niue (NU), Samoa (WS), Solomon Islands (SB) and Tonga (TO) *Nauru (NR), Tuvalu (TV) and Vanuatu (VU)	PACR	WO, PE, PSR	23A8A	8A
PAFTA	Peru-Australia Free Trade Agreement	Peru (PE)	PFTA	WO, PE, PSR	23A2A	6A
SAFTA Amendment Agreement**	Singapore-Australia Free Trade Agreement	Singapore (SG)	SFTA	WO, PE, PSR	23A1A	4A
TAFTA	Thailand-Australia Free Trade Agreement	Thailand (TH)	TH	WO, PS	126B	6
AUSFTA	Australia-United States Free Trade Agreement	United States of America (US)	US	WO, POM, PS	E or EAA***	5

* The agreement is not yet in force for these parties and will enter into force for a party 60 days after they ratify the relevant agreement.

** See **Attachment A.1** for rules applicable to goods imported prior to 1 December 2020.

*** For an importer claiming a refund of duty that has been paid on goods that are United States originating goods (AUSFTA) or New Zealand originating goods (ANZCERTA), use ICS Refund Code E or EAA.

Further information about refunds can be found at: <https://www.abf.gov.au/importing-exporting-and-manufacturing/importing/refund-of-customs-duty>

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Attachment A.1 – SAFTA

For goods imported prior to 1 December 2017, preferential tariff treatment can be claimed on the basis of the original Rules of Origin of the SAFTA.

For goods imported on or after 1 December 2017 but prior to 1 December 2020, preferential tariff treatment can be claimed on the basis of the original Rules of Origin of the SAFTA or the Rules of Origin included in the SAFTA Amendment Agreement.

For goods imported on or after 1 December 2020, preferential tariff treatment can be claimed on the basis of the Rules of Origin included in the SAFTA Amendment Agreement.

FTA acronym	FTA and link to ABF Webpage	Other parties (ICS Preference Origin Country Code)	ICS Preference Scheme Code	ICS Preference Rule Codes	ICS Refund Reason Code	Working Tariff Schedule link
SAFTA	Singapore-Australia Free Trade Agreement	Singapore (SG)	SG	WO, WMN, WMD, A30A, A50, P30A, P50	23A1A	3

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Attachment B – Other preferential arrangements

The following table sets out the other preferential arrangements in place at the time this document was published.

Acronym	Preferential arrangement and link to ABF Webpage	Other parties (ICS Preference Origin Country Code)	ICS Preference Scheme Code	ICS Preference Rule Codes	ICS Refund Reason Code	Working Tariff Schedule link
CANATA	Canada-Australia Trade Agreement	Canada (CA)	CA	URP, WMD, WMN, P25, P75	E or EAA*	3
MATA	Malaysia-Australia Trade Agreement	Malaysia (MY)	MYT	URP, P50	E or EAA*	3
PATCRA II	Papua New Guinea-Australia Trade And Commercial Relations Agreement	Papua New Guinea (PG)	PG	URP, WMN, WMD, P50	E or EAA*	3
EXT	Preferential Arrangements Under Various Commonwealth Enactments For External Territories - Norfolk, Christmas And Cocos (Keeling) Islands	Cocos (Keeling) Islands (CC), Christmas Island (CX), Norfolk Island (NF)	EXT	URP, WMD, WMN, P25, P50	E or EAA*	Not applicable
SPARTECA	South Pacific Regional Trade And Economic Cooperation Agreement - Forum Island Countries	See Schedule 1, Part 1 of Customs Tariff Regulations 2004	FI	URP, P50	E or EAA*	3
LDC	Australian System Of Tariff Preferences For Developing Countries - Least Developed Country (LDC) Rate	See Schedule 1, Part 2 of Customs Tariff Regulations 2004	LDC	URP, P50	E or EAA*	3

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Acronym	Preferential arrangement and link to ABF Webpage	Other parties (ICS Preference Origin Country Code)	ICS Preference Scheme Code	ICS Preference Rule Codes	ICS Refund Reason Code	Working Tariff Schedule link
DC	Australian System Of Tariff Preferences For Developing Countries – Developing Countries (DC) Rate	See Schedule 1, Part 3 of Customs Tariff Regulations 2004	DC	URP, P50	E or EAA*	3
DCS	Australian System Of Tariff Preferences For Developing Countries – Developing Countries Status (DCS) Rate	See Schedule 1, Part 4 of Customs Tariff Regulations 2004	DCS	URP, P50	E or EAA*	3
DCT	Australian System Of Tariff Preferences For Developing Countries - Developing Country Category T (DCT) Rate	See Schedule 1, Part 5 of Customs Tariff Regulations 2004	DCT	URP, P50	E or EAA*	3

*For an importer claiming a refund of duty that has been paid on goods that are originating under Division 1A of Part IIIIV of the Customs Act 1901, use ICS Refund Code E or EAA.

Further information about refunds can be found at: <https://www.abf.gov.au/importing-exporting-and-manufacturing/importing/refund-of-customs-duty>

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