Australian Government
Australian Customs Service

AUSTRALIAN CUSTOMS NOTICE NO. 2005/15

Export cargo reporting requirements

The introduction of the Integrated Cargo System (ICS) to report the export of goods has implications for all involved in the movement of export cargo. Several issues have arisen since the implementation of the ICS, which have caused disruption in the reporting chain. In particular, a significant number of incidents involving incorrect information being provided to stevedores and cargo terminals have resulted in delays to Customs reporting and clearance.

The following information is intended to clarify Customs requirements for reporting export cargo.

Customs Authority Number

All goods, other than exempt goods, require a Customs Authority Number (CAN) for export. A CAN may be an Export Declaration Number (for individual export consignments); or a Consolidation Reference Number (CRN) - covering several export consignments; or a Transhipment Number. A valid CAN identifies a consignment or consolidation for Customs purposes as goods pass through the export process. The CAN should pass through that process with the export goods and be provided to the party the goods are given to when export goods are delivered for consolidation, passed to a freight forwarder for packing, or delivered directly to a cargo/container terminal operator or stevedore.

Consolidated Cargo – Submanifest reporting

Consolidators of export cargo must communicate a submanifest to Customs setting out the information required by the approved statement for submanifests. Details of any EDNs, other CRNs, exempt codes and transhipment numbers for all consignments included in a consolidation must be included in the submanifest.

Failure to lodge a submanifest for consolidated export cargo is a strict liability offence under section 117A of the *Customs Act 1901* (the Customs Act).

Lodging a submanifest that includes false or misleading information (or omits information without which the submanifest is false or misleading) is a strict liability offence under section 243U of the Customs Act. However, the correction of such errors before Customs exercises a power to verify the content of a communication will provide protection from liability for an offence (see Australian Customs Notice 2004/05).

Delivery to a wharf or airport for export - Consolidated Cargo

After a consolidator of cargo for export has lodged with Customs a submanifest reporting all consignments included in a consolidation, Customs will issue a Consolidation Reference Number. The CRN must be presented at the time the goods are delivered to a wharf or airport for export. Failure to do so may result in the CTO or stevedore receiving a message of “Do Not Load” and the goods not being accepted for export.

It is a strict liability offence under section 114E of the Customs Act to deliver goods entered for export to a wharf or airport without:

- an authority to deal being in force; and
- giving the stevedore or CTO prescribed particulars in writing (including details of a valid CRN, Australian Business Number, transhipment number, bill of lading or air waybill).

In addition, giving false or misleading information (including by omitting relevant information) to another person for inclusion in a statement to Customs is a strict liability offence under section 243U of the Customs Act.

Delivery to a wharf or airport for export - Individual Cargo Consignments

Apart from bulk & break-bulk goods and goods that will be entered for export after delivery by the stevedore or CTO, individual consignments will not be received for export at a wharf or airport without a valid CAN. For individual cargo consignments, a valid CAN is an Export Declaration Number; an export exemption code or transhipment number for each consignment. Transhipment goods will be treated under an EXTI exemption code pending the introduction of the imports module of the Integrated Cargo System (ICS) later in 2005. Where a number of individual consignments are delivered at the same time, each consignment must have a valid CAN.

It is a strict liability offence under section 114E of the Customs Act to deliver goods entered for export to a wharf or airport without:

- an authority to deal being in force; and
- giving the stevedore or CTO prescribed particulars in writing (including a valid EDN, Australian Business Number, transhipment number, bill of lading or air waybill.

Where goods are delivered to a wharf or airport that have not been entered for export, the person who delivers the goods also commits a strict liability offence under section 114E of the Customs Act if the stevedore or CTO fails to enter the goods for export within 3 hours after the time of delivery.

In addition, giving false or misleading information (including by omitting relevant information) to another person for inclusion in a statement to Customs is a strict liability offence under section 243U of the Customs Act.

Stevedore and CTO Reporting

All goods received by a stevedore or CTO for export must have a valid CAN or exemption code or must be entered for export within 3 hours after the time of delivery. In turn, the stevedore or CTO must report details of the CAN or exemption code to Customs via a CTO Receival Notice within 3 hours of receipt of the goods.

It is a strict liability offence under section 114F of the Customs Act if a stevedore or CTO taking delivery of goods for export does not give notice to Customs within 3 hours after the time of delivery.

“Do Not Load” messages

A “Do Not Load” message from Customs in response to the lodgement of a CTO Receival Notice indicates that the CAN is not a valid authority to deal with the goods for export. It is a strict liability offence under section 115 of the Customs Act for the owner of a ship or aircraft to permit goods to be taken on board for export without an authority to deal being in force.

Manifest reporting

Ship and aircraft operators need to ensure that all goods being carried are reported on the main outward manifest. Carriers have three days following departure to ensure the lodgement of a complete and accurate manifest. However, if an error is later identified, manifests may be amended in the ICS up to 30 days after the date of departure. Correction of all omissions and errors by the carrier is essential for confirming the export of goods. If all parties are correctly reporting goods throughout the export process, the need for a carrier to amend a manifest after three days of departure should be greatly reduced.

Lodging an outward manifest that includes information that is false or misleading (or omits information without which the outward manifest is false or misleading) is a strict liability offence under section 243U of the Customs Act. Correction of errors before Customs exercises a power to verify the content of a communication will provide protection from liability for an offence (see Australian Customs Notice 2004/05).

Acquitting Customs Authority Numbers

It is critical that a CAN is correctly reported throughout the entire export process from the time the export declaration is lodged through to the main outward manifest. Currently, a significant number of CANs are being mis-reported or not reported at all and this has resulted in many authorities to deal being revoked and submanifests becoming idle. This reporting discrepancy has the potential to affect statistical information, permit reconciliation and GST compliance. Ensuring accurate reporting of CANs at each stage of the export process will minimise the need for further examination of export transactions by Customs and exporters to establish whether or not the goods have in fact been exported.

If the goods described in an export declaration are not exported within 30 after the intended day of export notified in the export declaration, the authority to deal with the goods will be revoked. If an authority to deal is revoked, the export declaration must be withdrawn by the owner within 7 days of the revocation. Failure to withdraw the export declaration is a strict liability offence under section 116 of the Customs Act.

Compliance

Customs understands that the new requirements necessitated changes in business practice for some sectors of industry and that some industry procedures needed adjustment. In recognition of the impact of these changes on industry, Customs implemented a six-month administrative moratorium on the issuing of infringement notices for the strict liability offences for failure to meet the new requirements. The moratorium on the issuing of Infringement Notices ended on 6 April 2005.

In an effort to reduce the large number of idle EDNs and CRNs Customs Compliance Assurance teams will be paying particular attention to the accuracy and completeness of submanifest and main outward manifest reporting. To meet their export reporting obligations and avoid the possibility of receiving an infringement notice for making false or misleading statements, or causing false or misleading statements to be made, exporters, freight forwarders, consolidators, stevedores, CTOs and shipping and airline companies should review their business practices to ensure that all relevant information relating to export consignments is obtained from their customers and passed to others who need that information to accurately report to Customs the dealings with export goods.

Customs response to non-compliance with the export reporting requirements will be determined by the extent and nature of the non-compliance, in accordance with the “Customs Regulatory Philosophy” and “Guidelines for Serving Infringement Notices”. The issuing of infringement notices is not automatic but is an option available to Customs, if considered appropriate in the circumstances.

Customs will continue to assist industry to meet the new reporting requirements.

The “Customs Regulatory Philosophy” and “Guidelines for Serving Infringement Notices” are available on the Customs internet site at www.customs.gov.au.

Enquiries related to this notice may be directed to the Manager (Compliance Operations) by telephone number (02) 62755686 or the Manager (Export Policy) at telephone number (02) 62756063.

Philomena Carnell
National Manager
Cargo Branch
24 August 2005

Jeff Buckpitt
National Manager
Compliance Branch
24 August 2005