Australian Government
Australian Customs Service

AUSTRALIAN CUSTOMS NOTICE NO. 2005/54

Australia – United States Free Trade Agreement: Claiming a Preferential Rate of Customs Duty

The purpose of this Notice is to clarify the information, or knowledge, required by an Australian importer to claim a preferential rate of customs duty under the Australia – United States Free Trade Agreement (AUSFTA).

Grounds for Claiming Preference

There are product-specific rules of origin that need to be met for goods to qualify for a preferential rate of customs duty under the AUSFTA. Information on those rules of origin is available at: http://scaleplus.law.gov.au/html/pastereg/3/1857/top.htm.

The information that an importer needs to substantiate a claim for a preferential rate of customs duty depends on the rule of origin that applies to the good that is being imported.

An importer needs to know exactly which product-specific rule of origin applies to the good that is being imported.

The Australian Customs Service (Customs) will not be satisfied that an importer has sufficient information, or knowledge, where the importer knows only that the good is made in the USA or that the good is the product of the USA.

Documentary Requirements

An importer is entitled to claim a preferential rate of customs duty without any written advice, at the time of importation.

However, Customs suggests that an importer obtains written confirmation (i.e. in an email, facsimile or letter) of any oral advice provided by a US manufacturer/producer of a good. The advantage of written advice is that it will be much easier for an Australian importer to demonstrate, when audited by Customs, that a good meets a rule of origin under the AUSFTA and, therefore, qualifies for a preferential rate of customs duty.

Customs may require an importer to submit a statement setting forth the reasons why a good meets a particular rule of origin. Customs may also seek to verify that a good meets a particular rule of origin by requesting information from the US manufacturer/producer or exporter of the good.

Customs may deny a preferential rate of customs duty where the importer, manufacturer/ producer or exporter does not provide information that demonstrates that the good meets the rules of origin.

(i) Certificate of Origin

A certificate of origin is *not* required under the AUSFTA. However, if a certificate of origin has been obtained by the importer, Customs will accept it as *prime facie* evidence that the good meets a rule of origin under the AUSFTA, provided that the certificate of origin:

- has been issued by the US manufacturer/producer of the good; and
- specifies which product-specific rule of origin applies to the good.

A certificate of origin used under other Free Trade Agreements, such as the North America Free Trade Agreement (or NAFTA), will *not* be accepted by Customs, as the rules of origin (and consignment provisions) under other Free Trade Agreements are different from those under the AUSFTA.

(ii) Manufacturer/Producer Statement

In order to assist importers identify the information that would support a claim for a preferential rate of customs duty under the AUSFTA, Customs has prepared sample manufacturer/producer statements. Those statements are located on the Customs website at: http://www.customs.gov.au/site/page.cfm?u=5342.

Customs will accept one of those statements as *prima facie* evidence that a good meets a rule of origin under the AUSFTA.

It should be noted that the sample manufacturer/producer statements are designed as a guide only. The use of a manufacturer/producer statement is completely discretionary, not compulsory, when claiming a preferential rate of customs duty under the AUSFTA.

Any enquiries in relation to this Notice should be directed by e-mail to origin@customs.gov.au or by telephone to (02) 6275 6556.

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CANBERRA ACT

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