Australian Government
Australian Customs Service

AUSTRALIAN CUSTOMS NOTICE NO. 2008/43

Revocation of Gift Concession

Under Item 32B of Schedule 4 to the *Customs Tariff Act 1995* there are several by-laws that provide duty and tax free import concessions. One of these by-laws (number 9740019 of 17 September 1997) is commonly known as the 'gift concession'. It applies to unsolicited gifts of a non-recurring nature as follows:

> *……..sent to an individual in Australia by or on behalf of an individual outside Australia, being goods, or part thereof, to a maximum value of $200 per consignment. For the purposes of this by-law, "goods" does not include:*
>
> *(a) tobacco products, as follows;*
>
> *(i) in excess of 250 cigarettes; OR*
>
> *(ii) in excess of 250 grams of cigars or tobacco products, other than cigarettes;*
>
> *(b) alcoholic liquor in excess of 1 litre;*
>
> *(c) goods imported by a passenger arriving in Australia from overseas;*
>
> *(d) goods imported by a member of the crew of a ship or aircraft arriving from overseas; OR*
>
> *(e) goods forming part of a bulk order placed on the overseas supplier.*

Since October 2005, usage of the gift concession has significantly decreased following the introduction of a uniform duty and tax free threshold for all imported goods (except for alcoholic beverages and tobacco products) up to a value of $1,000.

The gift concession also highlights an inconsistency in the tax treatment of imported alcoholic beverages and tobacco products. While such products are excluded from import concessions under the uniform import threshold for goods, they remain eligible for duty and tax exemptions under the gift concession.

To remove this inconsistency, Customs will be revoking the gift concession (by-law number 9740019) on and from 1 October 2008.

Inquiries concerning this notice may be directed to Manager, Schedule 4 Concessions on telephone number (02) 6275 6542 or fax number (02) 6275 6471.

Geoff Johannes
Acting National Director
Trade Divison
CANBERRA ACT

12 September 2008