



DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION NOTICE

No. 2017/42

CHANGES TO IMPORT PROCESSING CHARGES FOR IMPORTATION OF GOODS UNDER STATUS OF FORCES AGREEMENTS

Purpose

To advise importers of changes to the application of the Import Processing Charge (IPC) to goods imported under Status of Forces Agreements (SOFA).

From 20 December 2017 the Department of Immigration and Border Protection will no longer apply the IPC to goods imported under SOFA. These goods are already exempt from the payment of duties and taxes. Schedule 4 of the *Customs Tariff Act 1995* (Customs Tariff Act) gives SOFA goods of foreign governments and foreign forces a duty rate of 'Free'. Under goods and services tax (GST) legislation, goods imported under Items 10 and 11 of Schedule 4 are non-taxable importations.

The *Customs Act 1901* has been amended to allow the Minister for Immigration and Border Protection to provide an exemption to goods imported under SOFA, from the application of the IPC. The IPC is currently payable on the lodgement of any import declaration. The Ministerial determination to grant this exemption came into effect on 20 December 2017. It does not include fees and charges applied by the Department of Agriculture and Water Resources for its activities, including inspection and certification of goods, quarantine, and biosecurity.

The exemption will be implemented through the Integrated Cargo System (ICS), applying tariff classifications for goods of foreign governments and forces and specific SOFA by-laws. Under Schedule 4 of the Customs Tariff Act, current by-laws relevant to goods imported under SOFA are:

- 1300964 – goods for sale by commissaries
- 1300978 – personal effects subject to the SOFA with Malaysia
- 1300982 – personal effects subject to the SOFA with New Zealand
- 1300987 – personal effects subject to the SOFA with Papua New Guinea
- 1300989 – personal effects subject to the SOFA with Singapore
- 1300995 – personal effects subject to the SOFA with the United States

To exempt goods imported under SOFA from the application of the IPC the following two new by-laws have been created:

- 1700126 – goods imported under SOFA for the official use of foreign governments
- 1700334 – personal effects of members of foreign forces, their civilian components, and dependents, pursuant to the SOFA with France

Certain goods imported under SOFA for the official use of foreign governments have been incorrectly reported under by-laws 1243557 and 1243684, which do not provide an exemption from the IPC. By-law 1700126 should now be used to report goods imported under SOFA for the official use of foreign governments.

The IPC exemption will only apply to goods imported specifically under SOFA. Consignments containing SOFA and non-SOFA goods, not covered exclusively by SOFA by-laws, will not be exempt from the IPC. The exemption will only apply where the Nature 10 import declaration contains only goods imported under SOFA, and quotes applicable tariff classification codes and SOFA by-laws.

A SOFA Indicator has been added to the Nature 10 import declaration. When the SOFA Indicator is checked, the SOFA related tariff classification codes for goods of foreign governments and forces (99993010/04 and 99993011/05) must be used for each import declaration line. The ICS will validate the tariff classification codes and by-law numbers quoted.

Further information

Inquiries about this notice should be directed to the Department's Cargo Support Centre at cargosupport@border.gov.au.

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