



DEPARTMENT OF HOME AFFAIRS NOTICE

No. 2018/13

Goods and Services Tax on low value imported goods

From 1 July 2018, goods with a customs value of AUD1,000 or less (low value goods) may attract the Goods and Services Tax (GST) at point of sale if imported from overseas by consumers in Australia. GST will not be charged on the sale of low value goods imported by Australian GST-registered businesses for use in their business in Australia (i.e. business to business sales) or on GST-free goods.

The Australian Taxation Office (ATO) will administer the collection of GST from vendors and will undertake compliance and implementation activities. For GST purposes, sales of low value goods to consumers in Australia will be treated like domestic sales and not importations. This means, that vendors with sales of AUD75,000 or more (subject to Australian GST) to consumers in Australia in a 12-month period will need to register with the ATO, collect GST at the point of sale and remit that GST to the ATO.

This includes businesses that are:

- **merchants** who sell goods to consumers;
- **electronic distribution platform operators** such as websites that provide a marketplace for merchants to sell goods to consumers;
- **re-deliverers** – businesses that are engaged by consumers to provide shopping or mailbox services. For example, this would include a service that offers consumers a specific mailing address overseas, and then repackages and forwards the goods onto the consumer¹.

There are rules that determine which entity will need to register for, and charge GST. Further information on GST registration is available on the ATO website at www.ato.gov.au/AusGST.

There will be no changes to:

- the AUD1,000 threshold at the border for GST and customs duties;
- border clearance processes;
- the flow of goods across the border; and
- current import requirements for tobacco, tobacco products or alcoholic beverages (these goods are liable for customs duty and taxes at the border regardless of value – they are not taxed at the point of sale when imported by consumers in Australia).

¹ Must meet <https://www.homeaffairs.gov.au/busi/comp/cargo-reporting-import-declaration-requirements>

Integrated Cargo System reporting requirements

While border processes will not change, the Department of Home Affairs recommends that you review your business processes and systems. Vendors registered for GST will need to ensure that relevant tax information is included on import documents for low value goods. Vendors can face penalties if they fail to take reasonable steps to meet their reporting requirements.

To assist vendors with their reporting requirements, the Integrated Cargo System (ICS) will allow for a Vendor ID, Importer ID and the use of a GST-paid exemption code, where applicable (see ICS [External Release Notes 17.04.02](#)).

1. Vendor identifier (Vendor ID)

ICS users will be able to provide a Vendor ID when lodging Import Declarations and Self-Assessed Clearance Declarations, with or without tariff lines, including on a Cargo Report.

The Vendor ID is the entity's GST (or vendor) registration number. This can be either an ATO Reference Number (ARN) or Australian Business Number (ABN) and this will be determined by the particular GST registration type that the vendor chooses.

2. Importer identifier (Importer ID)

Air and Sea Cargo Reports will now allow the input of an Importer ID.

Vendors registered for GST will need to ensure that, where available, an importer's ABN is provided on import documents when low value goods are imported for business use in Australia. GST will not apply for business to business transactions when the importer is registered for GST and provides this information to the vendor. Low value goods imported for personal use, do not require the completion of the Importer ID field.

3. GST-paid exemption code

A GST exemption code of 'PAID' can be used on import documents with tariff lines to identify those items where GST has been paid at the point of sale to help prevent double taxation at the border (see Home Affairs Notice 2018/14). Goods imported in a consignment of AUD1,000 or less will not require the use of the GST-paid exemption code.

Where the GST-paid exemption code is not used on import documents, and GST is charged on the low value good at the border, refunds must be sought from the vendor. Refunds will not be available from the Department of Home Affairs. For details see Home Affairs Notice No. 2018/15 - Claiming a GST refund.

Further information on the measure is available at www.homeaffairs.gov.au.

[signed]

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Customs and Border Revenue Branch
4 May 2018