



DEPARTMENT OF HOME AFFAIRS NOTICE

No. 2018/39

Customs Amendment (Product Specific Rule Modernisation) Act 2018

The Customs Amendment (Product Specific Rule Modernisation) Act 2018 (the Amendment Act) commences on 14 December 2018.

The Amendment Act makes technical amendments to the *Customs Act 1901* (Customs Act) to simplify the way that changes to product specific rules (PSRs) are given legal effect in customs legislation. The Amendment Act also makes a number of minor amendments to the Customs Act to implement provisions in various free trade agreements.

The full text of the Amendment Act and explanatory material is available on the Federal Register of Legislation (<https://www.legislation.gov.au/Details/C2018A00151>).

New approach to giving legal effect to PSRs in customs legislation

The changes made by the Amendment Act will automatically give legal effect to any new or revised PSRs agreed to in the future under the following agreements:

- the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA);
- the China-Australia Free Trade Agreement; and
- the Japan-Australia Economic Partnership Agreement.

The changes made by the Amendment Act apply the PSRs for each of these agreements by direct reference in the Customs Act. This removes the need to prescribe the PSRs in regulations. This legislative structure is consistent with that used to implement the Agreement to Amend the Singapore-Australia Free Trade Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

The chemical rules for the Singapore-Australia Free Trade Agreement have also been applied by reference in the Customs Act.

The substance of the PSRs have not been changed by the Amendment Act.

Claiming preferential treatment

For importers and customs brokers the only change to the process of claiming preferential tariff treatment will be the document used to identify the PSR that applies to their good. Following the commencement of the Amendment Act the definitive source of PSRs will be the official text of that agreement. The PSRs will be repealed from the agreement specific regulations.

The text of the agreements are available on the Department of Foreign Affairs website (<https://dfat.gov.au/trade/agreements/in-force/Pages/free-trade-agreements-in-force.aspx>) and on the Australian Treaties Database (<http://www.austlii.edu.au/au/other/dfat/index.html>).

The Department of Home Affairs will issue a Department of Home Affairs Notice to inform importers and customs brokers of upcoming changes to PSRs.

AANZFTA Product Specific Rules – 2017 Transposition

On 1 January 2019, new PSRs for AANZFTA will enter into force. The new AANZFTA PSRs use the nomenclature of the 2017 Harmonized System.

Consistent with the changes made by the Amendment Act, the new PSRs are available in Annex 2 to AANZFTA (<https://dfat.gov.au/trade/agreements/in-force/aanzfta/official-documents/Pages/official-documents.aspx>).

Other changes

The other changes made by the Amendment Act are to insert provisions that allow Australia to waive the requirements for documentary evidence of origin for the purpose of claim preferential treatment under the established free trade agreements with ASEAN-New Zealand, Chile, Malaysia and Thailand.

The Amendment Act also inserts a provisions to determine whether goods put up in a set for retail sale are originating goods under the Singapore-Australia Free Trade Agreement.

Further information

For further information about any of the matters covered by this notice please contact tradepolicy1@homeaffairs.gov.au.

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December 2018