



Australian
BORDER FORCE

Australian Customs Notice

No. 2022/21

New rates of customs duty for Russian and Belarusian goods

From 25 April 2022, Australia will join like-minded countries in removing the Most Favoured Nation (MFN) treatment previously accorded to goods imported from the Russian Federation (Russia), by imposing an additional customs duty of 35% on goods that are the produce or manufacture of Russia and Belarus. This increase in duty is in line with the increases imposed by the United Kingdom and Canada.

This temporary measure is a response to Russia's illegal invasion of Ukraine, supported by Belarus, and is necessary for the protection of Australia's essential security interests. Russia's actions, supported by Belarus, are a gross violation of international law, including the Charter of the United Nations. They violate Ukraine's sovereignty and territorial integrity and undermine the rules-based international order. Australia is committed to upholding these principles, which are essential to international, regional and domestic stability and security.

Goods to which new rates of customs duty apply

Goods that are the produce or manufacture of Russia or Belarus and left for direct shipment to Australia from a place of manufacture or warehouse in a country from which the goods were exported between 25 April 2022 and 24 October 2022 and are entered for home consumption in Australia within this period are no longer eligible for the general rate of customs duty in Schedule 3 of the *Customs Tariff Act 1995* (Customs Tariff Act).

This measure will commence through Notice of Intention to Propose Customs Tariff Alterations (No. 4) 2022. In accordance with proposed section 18A, goods are the produce or manufacture of Russia or Belarus if:

- the goods are unmanufactured raw products of Russia or Belarus within the meaning of the *Customs Act 1901*; or
- the last process in the manufacture of the goods was performed in Russia or Belarus.

Goods will continue to be the produce or manufacture of Russia or Belarus if the goods are exported to another country and undergo the following, or similar, processes:

- operations to preserve goods in good condition for the purposes of transport or storage
- changing of packaging or the breaking up or assembly of packages
- disassembly of goods
- placing goods in bottles, cases or boxes, fixing on cars or other simple packaging operations
- affixing of marks, labels or other similar distinguishing signs on goods or their packaging
- simple processes of sifting, screening, sorting or classifying or other similar simple processes

Please note, the above list is not an exhaustive list of the processes that will be disregarded for the purposes of determining if goods are the produce or manufacture of Russia or Belarus.

The new rates of customs duty that apply

The new rates of customs duty for these goods are 35% of the customs value of the goods, as determined in accordance with section 159 of the *Customs Act 1901*, plus the general rate of customs duty, excise-equivalent duty and customs duty in dollar amount in Schedule 3 of the Customs Tariff Act.

Tariff Classification	Goods	General Rate of Customs Duty	Rate of Customs Duty for goods that are the produce or manufacture of Russia or Belarus
Example 1: 3102.10.00	Ammonium nitrate, whether or not in aqueous solution	Free	35%
Example 2 – excise-equivalent customs duty: 2208.70.00	Liqueurs and cordials	5%, and \$88.91/L of alcohol	40%, and \$88.91/L of alcohol
Example 3 – customs duty in dollar amount: 2009.29.00	Grapefruit juice	5%, or, if lower, \$0.45/kg TSS	40%, or, if lower, 35% and \$0.45/kg TSS

Goods that are the produce or manufacture of Russia or Belarus are not eligible for a concessional rate of customs duty, nor are they eligible for the GST exemptions provided for by Schedule 4 concessional items. Schedule 4 concessional items and by-laws should not be claimed for these goods. Tariff Concession Orders (TCOs) are also unable to be claimed for use with these goods.

The additional customs duty will not apply to goods that are originating under a Free Trade Agreement between Australia and another country.

The new duty rates will be payable in addition to any Interim Dumping Duty or Interim Countervailing Duty that applies to goods that are the produce of manufacture of Russia or Belarus.

Accessing the correct duty rate in the Integrated Cargo system

Where goods are the produce or manufacture of Russia or Belarus, this must be declared. Where these goods have not been correctly declared, the goods will be made subject to red line processing. This may result in delays in the release of goods from customs control.

To declare these goods, the following details must be recorded on the import declaration (Nature 10, Nature 30 or Nature 10/20):

1. In the **Origin Country Code** field enter either the two-digit United Nations country code **RU** for goods made or produced in Russia or **BY** if the goods were made or produced in Belarus.
2. In the **Preference Origin Country Code** field enter the country code **RU** for goods made or produced in Russia or **BY** for goods made or produced in Belarus.
3. In the **Preference Scheme Type** field, click on the drop down button and select **ADC** (Additional Duty Countries).
4. In the **Preference Rule Type** field click on the drop down button and select one of the following options representing the preferential rule of origin that the goods meet:
 - **URP** (Unmanufactured raw products)
 - **LPM** (Last process of manufacture)

Neither a short format Self Assessed Clearance Declaration nor a Cargo Report Self Assessed Clearance declaration should be completed for goods that are the produce or manufacture of Russia or Belarus. Where these goods have a customs value of \$1000 AUD or less, a full declaration format Self Assessed Clearance should be completed. The correct Origin Country Code, Preference Origin Country Code, Preference Scheme Type and Preference Rule type must be recorded on this declaration.

Schedule 4 concessional items, such as Item 26 (Goods of insubstantial value) and by-law no. 1305011 cannot be claimed for the goods that are the produce or manufacture of Russia or Belarus that are of a customs value of \$1000 AUD or less. Customs duty and GST will therefore be payable on these goods.

Warehoused goods

The 35% additional duty on goods that are the produce or manufacture of Russia or Belarus is payable when goods are entered for home consumption, not when goods are entered for warehousing. For goods that are entered for warehousing, the additional duty is payable if these goods are entered for home consumption between 25 April 2022 and 24 October 2022 (inclusive) and had also left from a place of manufacture or warehouse in the country from which the goods were exported, for direct shipment to Australia, within this period.

In-transit goods and goods on the water

Goods are for direct shipment to Australia if they do not enter the commerce of another country prior to entry for home consumption in Australia. Therefore, where goods that are the produce or manufacture of Russia or Belarus have left from a place of manufacture or warehouse in a country from where the goods are exported before 25 April 2022 and have not been imported into another country prior to being entered for home consumption or warehousing in Australia, the additional duty rate of 35% will not be payable if these goods are entered for home consumption between 25 April 2022 and 24 October 2022.

Where goods that are the produce or manufacture of Russia or Belarus are on a ship arriving in Australia and are kept on the ship for import in a place outside of Australia, the additional rate of customs duty is payable if the goods are then entered for home consumption in Australia between 25 April 2022 and 24 October 2022 and within this period the goods also left for direct shipment to Australia from a place of manufacture or warehouse from the country of export.

Refund provisions for goods seized under the Autonomous Sanctions regime

Where customs duty has been paid for goods from 25 April 2022 and these goods have been subsequently seized under the Autonomous Sanctions regime, importers may be eligible for a refund of customs duty and indirect taxes paid. Further information regarding refund eligibility is available on the Australian Border Force website at <https://www.abf.gov.au/importing-exporting-and-manufacturing/importing/refund-of-customs-duty>.

Customs Tariff Working Pages and the Online Tariff

The following text will be added to the footnote section of all chapters.

'From 25 April 2022 the amount of duty applied to additional duty goods, in accordance with proposed section 18A of the Customs Tariff Act 1995, is equal to the general rate of duty plus an amount equal to 35% of the value of the goods'

The Online Tariff will be updated to reflect the new footnote shortly. No Customs Tariff Working Pages will be issued in relation to these changes due to the comprehensive nature of the changes.

Any queries related to this issue can be directed to tradepolicy1@abf.gov.au

[signed]

Latha Reardon

A/g Assistant Secretary

Customs and Trade Policy Branch

Australian Border Force

13 April 2022

Attachment A
(Notice of Intention to Propose Customs Tariff
Alterations – Notice (No. 4) 2022)

NOTICE OF INTENTION TO PROPOSE CUSTOMS TARIFF ALTERATIONS (No. 4) 2022

In accordance with section 273EA of the *Customs Act 1901*, read with section 56 of the *Legislation Act 2003*, I, Jason Wood, Assistant Minister for Customs, Community Safety and Multicultural Affairs, Parliamentary Secretary to the Minister for Home Affairs:

- (a) revoke the *Notice of Intention to Propose Customs Tariff Alterations (No. 3) 2022*; and
- (b) give notice that it is intended, within 7 sitting days of the House of Representatives after the date of registration of this Notice, to propose in the Parliament a Customs Tariff alteration in accordance with the particulars specified in the Schedule to this Notice.

The alteration operates starting on 25 April 2022.

Schedule—Alteration to the *Customs Tariff Act 1995* operating starting on 25 April 2022

1 Subsection 16(1)

After “18,”, insert “18A,”.

2 Subsection 18(1)

After “Subject to sections”, insert “18A,”.

3 After section 18

Insert:

6 18A Temporary increase in duties for goods from Russia or Belarus

(1) The duty in respect of additional duty goods is:

- (a) if the general rate set out in the third column of the tariff classification under which the goods are classified is Free—an amount equal to 35% of the value of the goods; or
- (b) if the general rate set out in the third column of the tariff classification under which the goods are classified is not Free—the amount of duty worked out by reference to that general rate and to sections 17 and 20, plus an amount equal to 35% of the value of the goods.

Note: For *additional duty goods*, see subsection (3).

(2) Subsection (1) has effect despite paragraph 16(1)(a) and section 18.

Additional duty goods

(3) For the purposes of this section, *additional duty goods* are goods:

- (a) that are the produce or manufacture of Russia or Belarus; and
- (b) that are imported into Australia during the period beginning on 25 April 2022 and ending at the end of 24 October 2022; and
- (c) that had not, before 25 April 2022, left for direct shipment to Australia from a place of manufacture, or a warehouse, in the country from which the goods are exported; and
- (d) in respect of which none of paragraphs 16(1)(b) to (t) applies.

When goods are the produce or manufacture of Russia or Belarus

- (4) For the purposes of this section, goods are the produce or manufacture of Russia or Belarus if and only if:
 - (a) the goods are unmanufactured raw products (within the meaning of the *Customs Act 1901*) of Russia or Belarus; or
 - (b) the last process in the manufacture of the goods was performed in Russia or Belarus.
- (5) For the purposes of paragraph (4)(b), minimal operations or processes that take place in a country other than Russia or Belarus are taken not to be a process in the manufacture of the goods.
- (6) Without limiting subsection (5), the following are minimal operations or processes:
 - (a) operations to preserve goods in good condition for the purposes of transport or storage;
 - (b) changing of packaging or the breaking up or assembly of packages;
 - (c) disassembly of goods;
 - (d) placing goods in bottles, cases or boxes, fixing on cards or other simple packaging operations;
 - (e) affixing of marks, labels or other similar distinguishing signs on goods or their packaging;
 - (f) simple processes of sifting, screening, sorting or classifying or other similar simple processes.

Dated this 13th day of April 2022.

[signed]

Jason Wood

Assistant Minister for Customs, Community Safety and Multicultural Affairs

Parliamentary Secretary to the Minister for Home Affairs