



**Australian
BORDER FORCE**

Australian Customs Notice No. 2022/45

Extension of the additional customs duty on Russian and Belarusian goods

The Australian Government has extended the additional duty on goods that are the produce or manufacture of Russia or Belarus for twelve months. These goods will continue to have a rate of customs duty of 35% or greater and will only be eligible for concessional treatment under certain concessional items.

The measure is temporary and the extension is a response to Russia's continued illegal invasion of Ukraine and the continued support provided by Belarus for this invasion. The measure 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.

The removal of Most Favoured Nation (MFN) treatment previously accorded to goods imported from the Russian Federation (Russia) and increase in duty is in line with the increases imposed and maintained by the United Kingdom, New Zealand and Canada.

Goods to which the additional rate of customs duty applies

The original measure applied the additional duty to these goods where they left for shipment to Australia on or after 25 April 2022. It applied for a period of six months and was due to end on 24 October 2022. The measure has been extended for a period of twelve months to 24 October 2023.

Goods that are the produce or manufacture of Russia or Belarus and left for shipment to Australia on or after 25 April 2022 and are entered for home consumption in Australia between 25 April 2022 and 24 October 2023 (inclusive) will not be eligible for the general rate of customs duty in Schedule 3 of the *Customs Tariff Act 1995* (Customs Tariff Act).

Where goods that are the produce or manufacture of Russia or Belarus left for direct shipment to Australia before 25 April 2022, from a place of manufacture or warehouse in the country from which the goods are exported, they may be exempt from the application of the additional duty when entered for home consumption between 25 April 2022 and 24 October 2023.

This measure commenced through Notice of Intention to Propose Customs Tariff Alterations (No. 4) 2022 and has been extended through Notice of Intention to Propose Customs Tariff Alterations (No. 7) 2022. In accordance with proposed sections 18A and 18AA, 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 additional duty applicable to these goods will continue to be 35% of the customs value of the goods, as determined in accordance with section 159 of the *Customs Act 1901*. The rate of customs duty for each good will, therefore, be the sum of the additional duty and the general rate of customs duty, excise-equivalent duty, or customs duty in dollar amount listed in Schedule 3 of the Customs Tariff Act.

Goods that are the produce or manufacture of Russia or Belarus are not eligible for a concessional rate of customs duty and GST except under certain circumstances listed below. 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.

Eligibility for concessional treatment

Under Notice of Intention to Propose Customs Tariff Alterations (No. 4) 2022, goods that are the produce or manufacture of Russia or Belarus that had left for direct shipment to Australia on or after 25 April 2022 and were entered for home consumption on or after this date were excluded from concessional treatment under all items of Schedule 4 of the Customs Tariff Act 1995. Notice of Intention to Propose Customs Tariff Alterations (No. 7) 2022 has restored access to certain Schedule 4 concessional items for these goods.

Goods that are the produce or manufacture of Russia or Belarus are ineligible for concessional treatment under all items of Schedule 4 of the *Customs Tariff Act 1995*, other than:

- Items 9, 10 and 14 – goods for international organisations, foreign governments and goods for use in the Eastern Greater Sunrise Offshore area
- Item 15 – goods of passengers, members of crews of ships or aircraft, and goods of the forces of certain countries
- Items 16, 17, 18, 19 and 20 – goods exported for repair, exported and re-imported in an unaltered condition, and replaced goods
- Item 25 – goods that are trophies, decorations, medallions, certificates or prizes

A tariff concession order cannot be claimed for these goods as the goods are not eligible for concessional item 50 of Schedule 4 of the *Customs Tariff Act 1995*.

Goods that are the produce or manufacture of Russia or Belarus are eligible for temporary importation and duty drawbacks under certain circumstances. Please see the relevant pages on the ABF website for further information.

Refunds where eligible for concessional treatment

Where goods have been entered for home consumption between 25 April 2022 and 24 October 2022 and were unable to claim concessional treatment under Schedule 4 concessional items 9, 10, 14, 15, 16, 17, 18, 19, 20 or 25, for which they would otherwise have been eligible, these goods may be eligible for a refund of customs duty.

For information on claiming a refund of customs duty, please see the following page on the ABF website: <https://www.abf.gov.au/importing-exporting-and-manufacturing/importing/refund-of-customs-duty>.

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 these goods 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 2023 (inclusive) and had also left 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.

In the example below, direct shipment to Australia occurs from Country A in Example 1 and Country B in Example 2.

Example 1.



Example 2.



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 2023 and the goods left for direct shipment to Australia within this period.

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 and 18AA 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]

Joshua Hutton

A/g Assistant Secretary

Customs and Trade Policy Branch

Australian Border Force

17 October 2022

Attachment A

Frequently Asked Questions

- 1. I just bought some goods from a supplier in a third country that were manufactured in Russia. The goods left Russia several years ago. Will the additional duty still apply?**

Yes, the additional duty will apply to your goods. Your goods did not leave for direct shipment to Australia prior to 25 April 2022.

- 2. I recently bought some Russian/Belarusian goods being stored in a warehouse from before 25 April 2022 when the additional duty commenced. Will the additional duty apply to my goods?**

Yes, the additional duty will apply to your goods. Your goods did not leave for direct shipment to Australia prior to 25 April 2022.

- 3. I bought some goods before 25 April 2022 that were produced in Belarus but they did not leave Belarus. I am now trying to get them on a boat to Australia. Will the additional duty apply?**

Yes, the additional duty will apply to your goods. The only exception to this would be if you have evidence that can show that you organised the shipping before 25 April 2022 and the goods commenced their journey but have been waiting for space on a ship. The goods cannot have left customs control.

- 4. My goods have been in Australia for several years, but were manufactured in Russia, if I export and then reimport them, will I have to pay the additional duty?**

No, you will not have to pay the additional duty. You will be able to use item 17 of Schedule 4 of the *Customs Tariff Act 1995* to claim an exemption from paying any additional customs duty.

- 5. I have some goods that were manufactured in Belarus that were shipped to New Zealand before 25 April 2022 and were then shipped from New Zealand to Australia after 25 April 2022, are these goods liable for the additional duty?**

Yes, the additional duty will apply to your goods. Your goods did not leave for direct shipment to Australia before 25 April 2022.

Attachment B

(Notice of Intention to Propose Customs Tariff
Alterations – Notice (No. 7) 2022)

Customs Act 1901

NOTICE OF INTENTION TO PROPOSE CUSTOMS TARIFF ALTERATIONS (No. 7) 2022

In accordance with section 273EA of the *Customs Act 1901*, read with section 56 of the *Legislation Act 2003*, I, Kimberlee Stamatis, delegate of the Minister for Home Affairs:

- (a) amend the *Notice of Intention to Propose Customs Tariff Alterations (No. 4) 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 Schedules 1 and 2 to this Notice.

The alteration in Schedule 1, which amends the *Notice of Intention to Propose Customs Tariff Alterations (No. 4) 2022*, operates starting on 25 April 2022

The alteration in Schedule 2 operates starting on 25 October 2022.

Dated this 14th day of October 2022.

[signed]

Kimberlee Stamatis
Delegate of the
Minister for Home Affairs

Schedule 1—Amendments to *Notice of Intention to Propose Customs Tariff Alterations (No. 4) 2022* operating starting on 25 April 2022

1 After subsection 18A(2) in the Schedule

Insert:

Concessional rate of duty

- (2A) However, if, apart from subsection (1), item 9, 10, 14, 15, 16, 17, 18, 19, 20 or 25 of Schedule 4 would apply to the goods, then the amount of duty payable in respect of the goods is worked out by reference to the general rate of duty set out in the third column of that item.
- (2B) For the purposes of subsection (2A), as it applies in relation to item 20 of Schedule 4, the applicable percentage under that item is taken to be:
 - (a) if the general rate set out in the third column of the tariff classification under which the goods are classified is Free—35%; or
 - (b) if the general rate set out in the third column of the tariff classification under which the goods are classified is a percentage of the value of the goods—that percentage, plus 35%.

Schedule 2—Alteration to the *Customs Tariff Act 1995* operating starting on 25 October 2022

1 Subsection 16(1)

After “18,” insert “18AA,”

2 Subsection 18(1)

After “Subject to sections”, insert “18AA,”

3 After section 18

Insert:

18AA Further temporary increase in duties for goods from Russia or Belarus

General rate of duty

- (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 (5).

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

Concessional rate of duty

- (3) However, if, apart from subsection (1), item 9, 10, 14, 15, 16, 17, 18, 19, 20 or 25 of Schedule 4 of Schedule 4 would apply to the goods, then the amount of duty payable in respect of the goods is worked out by reference to the general rate of duty set out in the third column of that item.
- (4) For the purposes of subsection (3), as it applies in relation to item 20 of Schedule 4, the applicable percentage under that item is taken to be:
 - (a) if the general rate set out in the third column of the tariff classification under which the goods are classified is Free—35%; or
 - (b) if the general rate set out in the third column of the tariff classification under which the goods are classified is a percentage of the value of the goods—that percentage, plus 35%.

Additional duty goods

- (5) 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 October 2022 and ending at the end of 24 October 2023; 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, apart from subsection (1), paragraph 16(1)(a) would apply.

When goods are the produce or manufacture of Russia or Belarus

- (6) 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 subsection 4(1) 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.
- (7) For the purposes of paragraph (6)(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.
- (8) Without limiting subsection (7), 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.