



Australian
BORDER FORCE

Australian Customs Notice No. 2023/45

Evidentiary Requirements for Duty Drawback Claims

This Notice replaces Australian Customs Notice (ACN) No.2019/41 to clarify requirements for duty drawback claims, including claims made using the Imputation Method (also known as Method C).

Pursuant to section 168 of the *Customs Act 1901* and regulations 34, 35, 36 and 37 of the *Customs (International Obligations) Regulation 2015*, the Australian Border Force (ABF) will only approve a duty drawback claim if it is satisfied that the relevant goods were imported, import duty was paid and not refunded, and records are available showing that duty has been paid.

The ABF administers the duty drawback scheme based on self-assessment. A drawback claimant should self-assess their entitlement to duty drawbacks in accordance with the regulations before lodging a claim. The ABF expects drawback claimants to provide, upon request, sufficient evidence to substantiate a drawback claim, including evidence establishing that duty was paid on the imported goods. This applies to all drawback claims lodged using any calculation method.

Drawback claims using Method C

An exporter may use Method C to calculate the amount of duty drawback payable, if the exporter was not the importer of the relevant goods and as a result does not know the amount of import duty paid. However, the calculation method for the amount does not negate other prescribed requirements for a valid drawback claim, including that:

1. Drawback of duty is only payable on the export of goods for which import duty has been paid;
2. All the conditions prescribed by regulation 37 must be met, including that records are available at all reasonable times for examination by an officer to show that import duty has been paid on the goods; and
3. Drawback of duty is not payable if the free on board price of the goods at the time of exportation is less than 25% of the customs value of the goods determined at the time of importation, or if the import duty has been refunded.

Usage of Method C will therefore usually be restricted to fully imported goods purchased in Australia by the exporter from the original importer. Before lodging a drawback claim in these circumstances using Method C, the claimant should obtain from their Australian supplier written confirmation that the supplier imported the relevant goods and paid the import duty, which was not refunded.

It may help the drawback claim if the claimant could arrange for their supplier to provide import documents for the relevant goods directly to the ABF when requested. That may satisfy the requirement that records are available showing that import duty was paid, while maintaining the confidentiality of commercially sensitive information.

If documents provided to support the duty drawback claim are not sufficient to identify the actual rate of duty applicable to use Method C, the ABF will use the customs duty rate in effect six months prior to the date of the local purchase. For this purpose, the claimant should keep the invoice from the sale of the goods to the claimant.

The ABF will not approve drawback claims where imported goods have been sold more than once before export and the drawback claimant has no evidence to substantiate that the goods were imported and import duty was paid. Where imported goods have been sold more than once since importation, and an exporter wishes to claim a drawback, it is the exporter's responsibility to ensure that they meet the prescribed requirements for a drawback claim. The claimant may need to produce evidence of each sale of the goods since importation, as well as ensuring that records are available for examination showing that import duty was paid on the goods.

The ABF will not approve Method C drawback claims where there is information that a good may be manufactured domestically unless the drawback claimant can provide evidence that clearly demonstrates that the good was imported into Australia and that import duty was paid (and not refunded).

Further information

For further information about duty drawback claims, please contact drawbacks@abf.gov.au.

[Signed]

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