
15

IMPORT DECLARATIONS OVERVIEW

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OVERVIEW

Full import declarations (FIDs) are used by importers, or licensed brokers acting on their behalf, to clear goods from Customs control. FIDs may be used to clear goods in to the commerce of Australia (home consumption) or into a warehouse licensed by Customs.

FIDs are required for all imported goods with a Customs value that exceeds the entry threshold as defined in Section 68 of the *Customs Act (1901)*. At the time of publication the threshold value was \$A1000.

Other import documents may be required to clear specific types of goods from Customs control. These include:

- Self Assessed Clearance (SAC) declarations - these declarations are used to clear air or sea cargo with a Customs value below the entry threshold.
- Unaccompanied Personal Effects (UPE) statements - these statements apply to the personal belongings of individuals or families that have arrived as sea or air cargo before or after the owner has arrived in Australia. UPEs do not apply to tobacco products, alcoholic products, motor vehicles, or new goods purchased within the last 12 months.

DECLARATION NATURE TYPES

Nature 10

Nature 10 import declarations are used for the entry of imported goods for home consumption (section 71A of the *Customs Act 1901* refers).

All duty and taxes must be paid on the goods declared on a Nature 10 import declaration before the goods will be cleared by Customs. If the importer is approved by the Australian Taxation Office (ATO) for the deferral of GST, the payment of any GST liability is not required at the time of importation of the goods. Refer to Module 16 Import Declarations Nature 10.

Nature 20

Nature 20 warehouse declarations are used for the entry of imported goods for warehousing (section 71A of the *Customs Act 1901* refers).

Imported goods declared on a Nature 20 warehouse declaration do not require payment of duty or taxes until they are removed from the warehouse. Goods entered on a Nature 20 declaration must be stored in a warehouse licensed by

Customs (section 79 of the *Customs Act 1901* refers). Refer to Module 17 Warehouse Declarations Nature 20.

Nature 10/20

Nature 10/20 combined import/warehouse declarations are used in cases where a single consignment of goods contains items intended for entry into both home consumption and for warehousing. A Nature10/20 declaration offers the convenience of sending the required information to Customs and AQIS in a single electronic communication. Nature 10/20 declarations are treated as two separate declarations for cost recovery purposes. Refer to Module 16 Import Declarations Nature 10.

Nature 30

Nature 30 ex-warehouse declarations are used in cases where goods are being entered into home consumption after the goods have been stored in a warehouse licensed by Customs (section 71A of the *Customs Act 1901* refers).

All duty and taxes must be paid on goods entered for home consumption on a Nature 30 ex-warehouse declaration before the goods will be cleared by Customs. If the importer is approved by the ATO for the deferral of GST, the payment of any GST liability is not required at the time of removal of the goods from the warehouse. Refer to Module 18 Import Declarations Nature 30.

LODGING IMPORT DECLARATIONS – PROCESS FLOW

Creation of an import declaration involves three discrete processes:

- save
- submit
- lodge

Saving an import declaration

When the Header section of a declaration is **saved**, a temporary identification number is assigned to that declaration. A saved declaration can be accessed for up to ten days, in order to add or amend information. If an import declaration is not lodged within ten days of the date it was originally saved, it will no longer be accessible and must be re-entered.

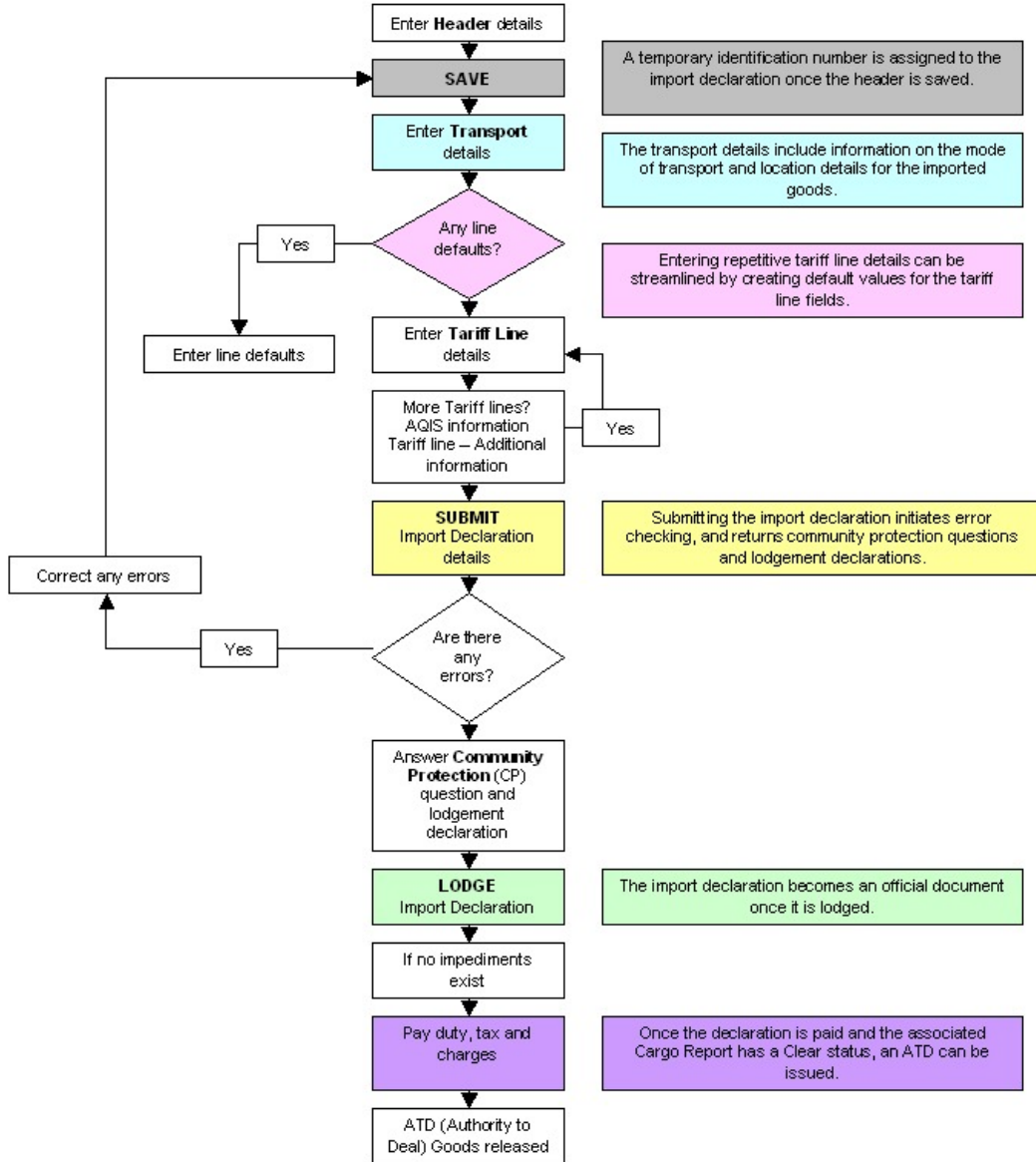
Submitting an import declaration

When an import declaration is **submitted**, it is processed in the system. At this stage, any applicable Community Protection questions are generated, along with lodgement questions.

Lodging an import declaration

The Community Protection and Lodgement Questions must be answered before an import declaration can be **lodged**. The declaration must be lodged the same day as it is submitted, otherwise it will need to be re-submitted in order to re-generate the lodgement questions.

The following diagram shows the process flow for saving, submitting and lodging an import declaration.



THE NAVIGATION OPTIONS CREATE SCREEN

The first step in saving an import declaration is to create the import declaration 'header'.

The header contains information common to the whole consignment.

Once the header is saved a temporary identification number is generated and assigned by the Integrated Cargo System (ICS). The temporary identification number is used to locate an incomplete import declaration through the different steps of its creation until it is lodged and becomes an official document.

The temporary identification number is retained by the ICS and remains valid for a period of ten days after the header was first saved. If the declaration is not lodged within this period a new declaration will have to be created.

The Import Declaration Navigation Options Create screen displays at this stage.

The screenshot shows a web browser window titled "Import Declaration (N10) Navigation Options Create - Microsoft Internet Explorer". The page header includes the Australian Government logo and "INT TEST" status. The main title is "Import Declaration (N10) Navigation Options Create". A red "Incomplete" banner is at the top. The left sidebar contains a navigation menu with categories like Reference, Client, Reports, Exports, and Imports. The main content area has two sections: "Declaration Details" with fields for "Temporary Declaration ID", "Importer Reference", and "Broker Reference"; and "Navigation Options" which is a table with checkboxes for "All Mandatory Information Provided?" and links for "Section" (Header, Transport Details, Line Defaults, Tariff/AQIS Lines). At the bottom are "Submit" and "Return to Home Page" buttons.

The Navigation Options Create screen enables users with the appropriate access to navigate through the creation options for an import declaration using a list of hyperlinks. At different stages of the process additional hyperlinks will be added to the display on the Import Declaration Navigation Options Create screen:

- Header
- Transport Details
- Line Defaults
- Tariff/AQIS lines
- Errors (only if the declaration is submitted and errors exist)
- Lodgement/Community Protection Questions (only if the declaration is submitted and no errors exist)
- Duty, Taxes & Charges (displays once tariff/AQIS lines are entered, but only includes data after the declaration has been submitted).

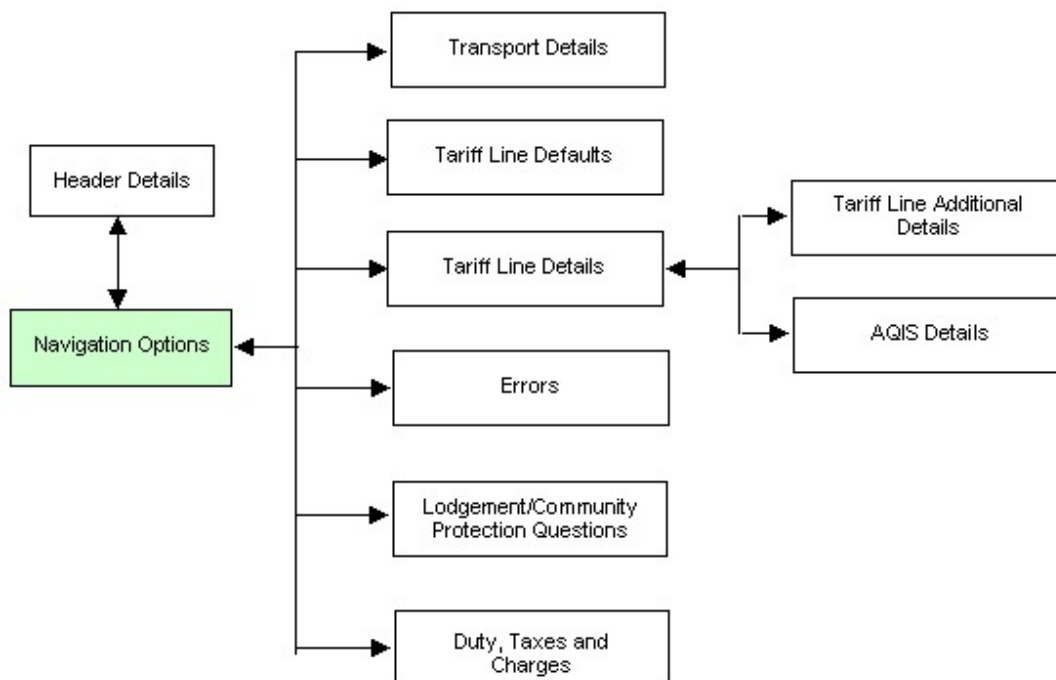
The details for each section can be saved at any time. The All Mandatory Information Provided checkboxes are updated by the ICS as each section is completed. Once all of the mandatory information has been entered for each section, the import declaration can be submitted.

Once a declaration has been submitted the ICS checks the information and any errors are returned to the importer. Errors must be corrected before the declaration is resubmitted.

When all details are submitted correctly the ICS will return a 'quote' for duty, taxes and charges. This is accessible through the Duty, Taxes and Charges hyperlink. This quote is only valid until the end of the day on which it was created.

The bold red text at the top of the screen indicates whether the import declaration is incomplete (not submitted) or submitted (not lodged).

This diagram shows the relationship between the screens on an import declaration. This diagram will be displayed throughout this module to indicate the relevant part of the process.



PAID UNDER PROTEST

An owner of goods or the licensed broker acting on behalf of an owner can endorse the entry of goods as Paid Under Protest (PUP) if they dispute the amount or rate of duty payable in respect of any goods, or the liability of any goods to duty (except duty imposed under the Customs Tariff (Anti-dumping) Act 1975). This endorsement must be accompanied by a description of the goods (where they are not the only goods on the declaration) and provide the grounds on which the protest is made.

The duty must still be paid before the goods are released by Customs, the payment of duty under protest provides an opportunity for the owner/broker to apply for a review of Customs decision by the Administrative Appeals Tribunal (AAT). Application to the AAT must occur within six months of the original lodgement of the declaration. If the AAT agrees that incorrect duty has been applied, a refund of the duty amount under dispute will be made.

For subsequent importation of like goods the importer/broker need not include the same paid under protest details but may instead refer to the import declaration where the PUP was first endorsed.

Initial PUP endorsements automatically cause the import documents to be red lined, however automatic red lining of subsequent import declarations may not occur.



Tip: GST, WET and LCT cannot be paid under protest as they are not duties within the meaning of the *Customs Act 1901*. Paid under protest does not apply to Nature 20 warehouse declarations.

AMBER STATEMENT

During the compilation of a declaration, the importer or the Customs Broker acting on their behalf may indicate that they have a genuine uncertainty as to the accuracy of some of the information used in the preparation of the declaration.

The importer/broker must specify any amber reason/s for the header and/or the line of the declaration and complete the associated amber statement. The amber statement allows the importer/broker to clearly state the details of their concern.

The amber statement should include the following:

- a statement that the person making the declaration is uncertain about information in the declaration and considers that as a result of including that information, the declaration might be false or misleading (or a statement that the person is uncertain whether as a result of omitting information from the declaration, the declaration might be false or misleading)
- identification of the information in question (or the omission of information)
- reasons for the uncertainty about the information (or the effect of omitting the information).

The amber statement does not provide automatic exemption from a penalty for making a false or misleading statement to Customs. Additionally, the provision of an authority to deal after verifying the particulars of an amber line entry does not guarantee the criteria in the legislation have been met in order to avoid a penalty.

Amber statements automatically set import declaration status to hold. Customs can request further documentation or arrange for the goods to be examined before providing an authority to deal.

CHANGES TO AQIS REQUIREMENTS

A range of quarantine changes will be introduced to industry under the import component of Cargo Management Re-engineering (CMR).

To help you understand these changes Australian Quarantine and Inspection Service (AQIS) has developed an information booklet explaining the new reporting and operating requirements.

To view the *AQIS CMR (Imports) Information* booklet go to www.aqis.gov.au and follow the links from 'Hot Topics at AQIS' to the CMR page.

COMMUNITY PROTECTION

The ICS generates Community Protection (CP) and lodgement questions which must be answered prior to lodgement of the import declaration. In particular, CP questions and provisions:

- advise importers/brokers of particular additional Customs and AQIS information requirements for CP issues
- ensure required CP information is provided
- enable selection of certain import transactions for scrutiny by Customs and/or AQIS.

Once community protection and lodgement questions have been answered, the declaration can be saved without lodging it. The import declaration does not become an official document, however, until it is lodged.

DUTY, TAXES AND CHARGES

CUSTOMS DUTY

Goods entering Australia can attract Customs duty. Customs duty rates vary and depend on a number of factors, such as type of goods and country of origin. Rates of duty payable by an importer are determined by the classification of goods within the *Customs Tariff Act 1995*. In some circumstances, anti-dumping or countervailing measures, which result in the imposition of additional rates of duty, may also apply.

TAXES

In addition to collecting duty on imported goods and cost recovery charges, Customs also collects tax on behalf of the Australian Tax Office (ATO) including:

- Goods and Services Tax (GST)
- Luxury Car Tax (LCT)
- Wine Equalisation Tax (WET).

GST

Customs is responsible for calculating and collecting GST on imported goods and for administering all matters concerning taxable importations. Generally, GST is charged at the time of importation. Warehoused goods are not liable for GST until they are entered for home consumption.

The amount of GST (the current rate of GST is 10%) is calculated on the Value of the Taxable Importation (VoTI). VoTI is calculated by the ICS using information provided in the relevant declaration document. The VoTI is the sum of:

- the Customs value of the imported goods
- the amount paid or payable:
 - for the international transport of the goods to their place of consignment in Australia
 - to insure the goods for that transport
- the amounts relating to transport and insurance that are not already included in the Customs value
- any Customs duty payable in respect of the importation of the goods
- any WET payable in respect of the local entry of the goods.

The ATO operates a scheme that provides for the deferral of GST on imported goods. The deferred GST scheme covers GST only; it does not impact upon Customs duty, which must still be paid at the time of importation. Deferral of GST on imported goods extends to all importations that are entered for home consumption, either at the time of importation (Nature 10 import declarations) or from a warehouse licensed by Customs (Nature 30 import declarations).

Importers must apply to and be registered by the ATO to participate in the deferred GST scheme. Goods in the following categories are excluded from the scheme:

- goods imported under the TRADEX scheme that are diverted into home consumption. (Schedule 4, Item 21A of the *Customs Tariff Act (1995)* refers – this provides an exemption from Customs duty and GST where Imports are integrated into goods that are subsequently exported within 12 months. Goods that are not exported or that are dealt with contrary to TRADEX requirements will have GST imposed upon them by way of adjustment.)
- low-value imports not entered for home consumption
- goods imported temporarily under *Customs Act 1901* s162 or s162A.

Importers not admitted to the scheme are required to pay GST and duty at the time the goods are entered for home consumption or otherwise dealt with under the *Customs Act 1901*.

Imports from external territories into Australia are treated as taxable importation for the purposes of GST. External territories include:

- Ashmore and Cartier Islands
- Christmas Island
- Cocos (Keeling) Islands
- Coral Sea Islands
- Norfolk Island
- Heard and McDonald Islands
- Willis Island
- Australian Antarctic Territory.

GST is levied under *A New Tax System (Goods and Services Tax) Act 1999*.

LCT

Luxury Car Tax (LCT) is payable on motor vehicles that have a luxury car tax value that exceeds the luxury car tax threshold. This threshold is re-set by the ATO each financial year. LCT is collected by Customs at the time of importation unless an exemption exists or the importer is entitled to postpone the payment, until a later sale occurs, by quoting their ABN. LCT is calculated by the ICS.

WET

Wine Equalisation Tax (WET) is payable on imported wine at the time of importation unless an exemption exists or the importer is entitled to postpone the payment by quoting their ABN.

COST RECOVERY CHARGES

In the past, the Customs cost recovery system was based on a 'one size fits all' approach with a complicated system of charges that artificially differentiated between sea, air and post modes of transport. A new cost recovery system has been introduced under Cargo Management Re-engineering (CMR), which:

- streamlines the existing processes
- removes the differentiation between the cost of transactions across different modes of transport
- focuses on the declaration of the goods imported, and
- encourages electronic lodgement with a substantial cost saving.

The CMR cost recovery system ensures that Customs charging regime is reasonable and transparent and provides certainty of costs.

For more information on cost recovery charges, refer to <http://www.customs.gov.au>

AUTHORITY TO DEAL

Goods are available to importers once payment of applicable duty, taxes and charges has been made and an authority to deal has been issued.

Customs will send the importer an authority to enter the goods into home consumption or warehousing (sections 71C and 71D of the *Customs Act 1901* refer respectively). Authority to deal occurs once all impediments to either the goods or the import documents have been resolved and all duty, taxes and charges have been paid. An authority to deal is generated by the ICS when the status of both the import declaration and the cargo report) are set to 'clear' by AQIS and Customs.

Any impediment to the documentary entry of goods prevents the importation from being cleared. When an impediment exists (eg, the goods are red line) the status is set to 'hold'. Held goods may require a physical examination or documentary check. Declarations with a 'Held' status are also known as 'red line' declarations

Declarations can go 'red line' for a number of reasons. Some of these reasons include:

- community protection checks (depending on the answers to the CP Questions and other CP risk criteria)
- paid under protest payments on duty (when duty payment is first endorsed as paid under protest)
- a risk assessment profile being triggered.

DOCUMENT STATUS

The document status for the declaration will be shown below the title bar for each declaration screen or on the Navigation Options View screen.



This screenshot shows an import declaration with a document status of 'Clear'



This screen shot shows an import declaration with a document status of 'Withdrawn'.

The document status of a declaration may be one of the following:

- **INCOMPLETE*** - a declaration has been created or amended. The new declaration, or in the case of an amended declaration the latest version of the declaration, has not yet been submitted or lodged. This status only applies in the Customs Interactive. (CI).
- **SUBMITTED*** – a declaration, or in the case of an amendment the latest version of a declaration, has been submitted but not yet lodged. This status only applies in the Customs Interactive (CI).
- **CLEAR**– a declaration has been lodged but duty, taxes and charges have not yet been paid. No additional impediments to the release of the cargo apply. This status applies in both the Customs Interactive (CI) and EDI (Electronic Data Interface) environments.
- **HELD** - a declaration has been lodged but duty, taxes and charges have not yet been paid. Additional impediments apply to the release of this cargo. This status applies in both the Customs Interactive (CI) and EDI (Electronic Data Interface) environments.
- **FINALISED** – a declaration is clear and duty, taxes and charges have been paid. This status applies in both the Customs Interactive (CI) and EDI (Electronic Data Interface) environments.
- **WITHDRAWN*** – a declaration that was previously lodged has been withdrawn. Import declarations can be amended or withdrawn after they have been lodged under specified circumstances¹. This status applies in both the Customs Interactive (CI) and EDI (Electronic Data Interface) environments.



Note: A document status of **INCOMPLETE**, **SUBMITTED**, **WITHDRAWN** and **DEMAND** will be displayed in bold red text across the top centre of the declaration view screens. The status of **CLEAR**, **HELD** or **FINALISED** will be displayed in the Document Status field on the right hand side of the Navigation Options screen as well as on the Import Document Status Summary View and Detail View screens.

Consolidated status of a consignment, incorporating both declaration and cargo report status information from Customs and AQIS may be accessed through the Status hyperlink on the Transport Details section of the declaration. For further details on Consolidated document status, refer to Module 1 - Import Cargo Reporting – An Overview, Page 1.23.

¹ *Customs Act 1901*, Section 71F.

RELATED TOPICS

For more information on Nature 10 Import Declarations, refer to Module 16.

For more information on Nature 20 Warehouse Declarations, refer to Module 17.

For more information on Nature 30 Import Declarations, refer to Module 18.

For more information on Self Assessed Clearance Declarations, refer to Module 19.

For more information on Payments, refer to Module 20.

For more information on S71E Movement Applications, refer to Module 21.

For more information on Unaccompanied Personal Effects, refer to Module 22.

For more information on Drawbacks, refer to Module 23.

FURTHER INFORMATION

For import-related technical support email cargosupport@customs.gov.au or phone 1300 558 099.

For information about GST, LCT and WET, contact the Australian Tax Office on 13 28 66.

For AQIS information go to www.aqis.gov.au and follow the links from HOT TOPICS.