External Release Notes - Excise Deregulation - Align Reporting Measures

Purpose

Integrated Cargo System Excise Deregulation – Align Reporting Measures Release will be implemented into Production on **19 July 2023**.

These notes describe the changes to the Integrated Cargo System (ICS) to provide a clearer understanding of what has been changed and how it relates to ICS business processes.

Further information on these changes can be found in **ACN 2023/17**.

Background

Government is enabling eligible fuel and alcohol businesses with excise and/or customs duty liabilities to apply to align reporting and payment of their excise and customs duties on a periodic basis that aligns with their other indirect tax obligations.

Eligible businesses may apply to the Australian Taxation Office (ATO) for permission to become a periodic settler and pay excise and customs duties on a weekly, monthly or quarterly basis. Permitted settlers are required by subsection 69(8) of the *Customs Act 1901* to make a return, by document or electronically, providing details of the fuel or alcohol that was delivered into home consumption during the approved return period.

Returns are made in ICS using a N30 Import Declaration (ex warehouse).

To support the different return periods, the following changes have been implemented in the ICS:

1. Change **Client Importer Role** screen to replace *Weekly Settlement Indicator* with *Settlement Type* and provide for *Settlement Type* options of None, Weekly, Monthly or Quarterly.

2. Change **Import Declaration (N30) Header Create** screen in Customs Interactive (CI) to include *Settlement Type*, with options for None, Weekly, Monthly or Quarterly.

3. Change **N30 EDI message** to allow specification of a *Settlement Type* rather than a *Weekly Settlement Indicator*.

4. Include N30 validation to ensure clients are authorised to use the *Settlement Type* quoted and that the return period corresponds.

These Release Notes provide further information on each of those changes.

1. **Change Client Importer Role Screen to** replace *Weekly Settlement Indicator* with *Settlement Type* and provide for *Settlement Type* options of None, Weekly, Monthly or Quarterly.

Settlement Type replaces the previous Weekly Settlement Indicator. Clients can check which Settlement Type (if any) they can use. The Settlement Type will be displayed as None (i.e. <blank>), Weekly, Monthly or Quarterly.
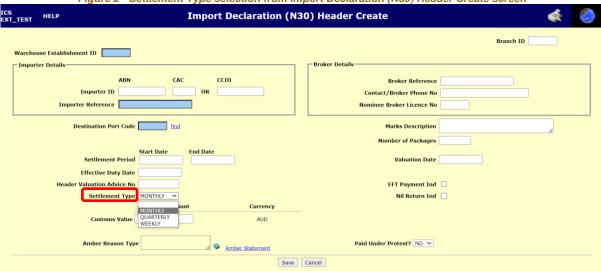
Figure 1 - Settlement Type on Client Role View screen

Note that a client can only have one *Settlement Type.* Clients that are existing Weekly Settlers will be automatically transitioned to Settlement Type = Weekly.

2. **Change Import Declaration (N30) Header Create screen in Customs Interactive to include Settlement Type, with options for None, Weekly, Monthly and Quarterly.**

Figure 2 - Settlement Type selection from Import Declaration (N30) Header Create screen

Selecting a Settlement Type that does not match the ICS Client record will result in an error.

3. **Change N30 EDI message to allow specification of a Settlement Type rather than a Weekly Settlement Indicator.**

Previously EDI communicators indicated a *Weekly Settlement* by including the value **WEK** in the GIS+ Segment of the N30 EDI message as shown below:

Figure 3 - N30 EDI message indicating WEEKLY settlement using GIS+WEK:109:95'

N30 EDI message specifications have been updated to allow for reporting of *Settlement Type* using values as follows:

- Weekly   GIS+**SW**:109:95'

- Monthly   GIS+**SM**:109:95'

- Quarterly   GIS+**SQ**:109:95'

GIS+**WEK**:109:95' has been retained so existing Weekly Settlers are not forced to make changes to their software.

EDI message specification changes have been incorporated into Version 3.43 of the Software Developers Guide (SDG) found here: https://www.abf.gov.au/help-and-support/ics/integrated-cargo-system-(ics)/software-developers

4. **Include N30 validation to ensure clients are authorised to use the Settlement Type quoted and that the return period corresponds.**

An importer can only be registered for a single Settlement Type of None (i.e. <blank>), Weekly, Monthly or Quarterly. ICS will validate reported Settlement Type against the Importer's client record to ensure importers can only lodge returns they are authorised to and generate an Error where appropriate, for example:

Figure 4.1 – Example Business Error for Lodgement via CI.

Figure 4.2 – Example Business Error for Lodgement via EDI

COUI	168725636875255
Recipient Site ID	CJM433N
Owner Site ID / Estab ID	CJM433N
DIBP ICR	00000000261284
Recipient Address	CCFCERTS@ABF.GOV.AU
Final Status	**Failed**
CCF Sent Date/Time	20 Jun 2023 10:19:29

```
Interchange Status  Interchange Content
UNA:+.? '
UNB+UNOC:3+AAA336C::AAA336C+CJM433N+230620:1019+00000000261284++++1++1'
UNH+000001+CUSRES:D:99B:UN'
BGM+961:::IMDR+2E45 56E1 HE5D:1+11'
NAD+MR+CJM433N::95'
RFF+ABO:IMD N30 SEA OCEAN2023062004::1'
ERP+::0'
ERC+ID5393::95'
FTX+AAO+++IMPORTER ONLY REGISTERED TO LODGE WEEKLY SETTLEMENTS, HENCE IMPORTER MAY NOT LODGE MONTHLY SETTLEMENTS'
CNT+55:1'
UNT+9+000001'
UNZ+1+00000000261284'
```

ICS will also validate that the return period corresponds with the *Settlement Type*, i.e.:

- NONE <blank>: returns must be on a transactional (release by release) basis

- WEEKLY: returns must be for a period of seven (7) days, validated in ICS as Start Date + 6 days

- MONTHLY: returns must be for a whole calendar month, validated in ICS as Start Date = 1st of month and End Date = last day of same month. A monthly return cannot be for a period of less than a month, nor can it include days covering different months.

- QUARTERLY: returns must be for a whole quarter, i.e. 1 January to 31 March, 1 April to 30 June, 1 July to 30th September, and 1 October to 31 December. A quarterly return cannot be for a period less than a quarter, nor can it include days covering different quarters.

Attempts to lodge returns that fail return period validation will receive appropriate business error messages.

Multiple Returns for a Single Return Period

To account for return periods where goods are taken out of a warehouse before and after indexation of duty rates, ICS will allow importers to lodge two (2) returns for that period. This is the same as the existing process for weekly settlements where the return period straddles a duty rate change, i.e. a return using an Effective Duty Date (EDD) for goods taken out of warehouse before the duty rate change, and a return for goods taken out of warehouse after the duty rate change (EDD not required).

Transition from Weekly Settlement to other Settlement Types

The ATO will provide details to ABF of clients approved for each of the Settlement Types. The ABFs Licensing team will be responsible for updating clients' records in ICS as appropriate.

Clients must ensure that all outstanding weekly returns have been lodged before changes to their *Settlement Type* is made in ICS.