



Australian
BORDER FORCE

Goods Compliance Update

April 2020

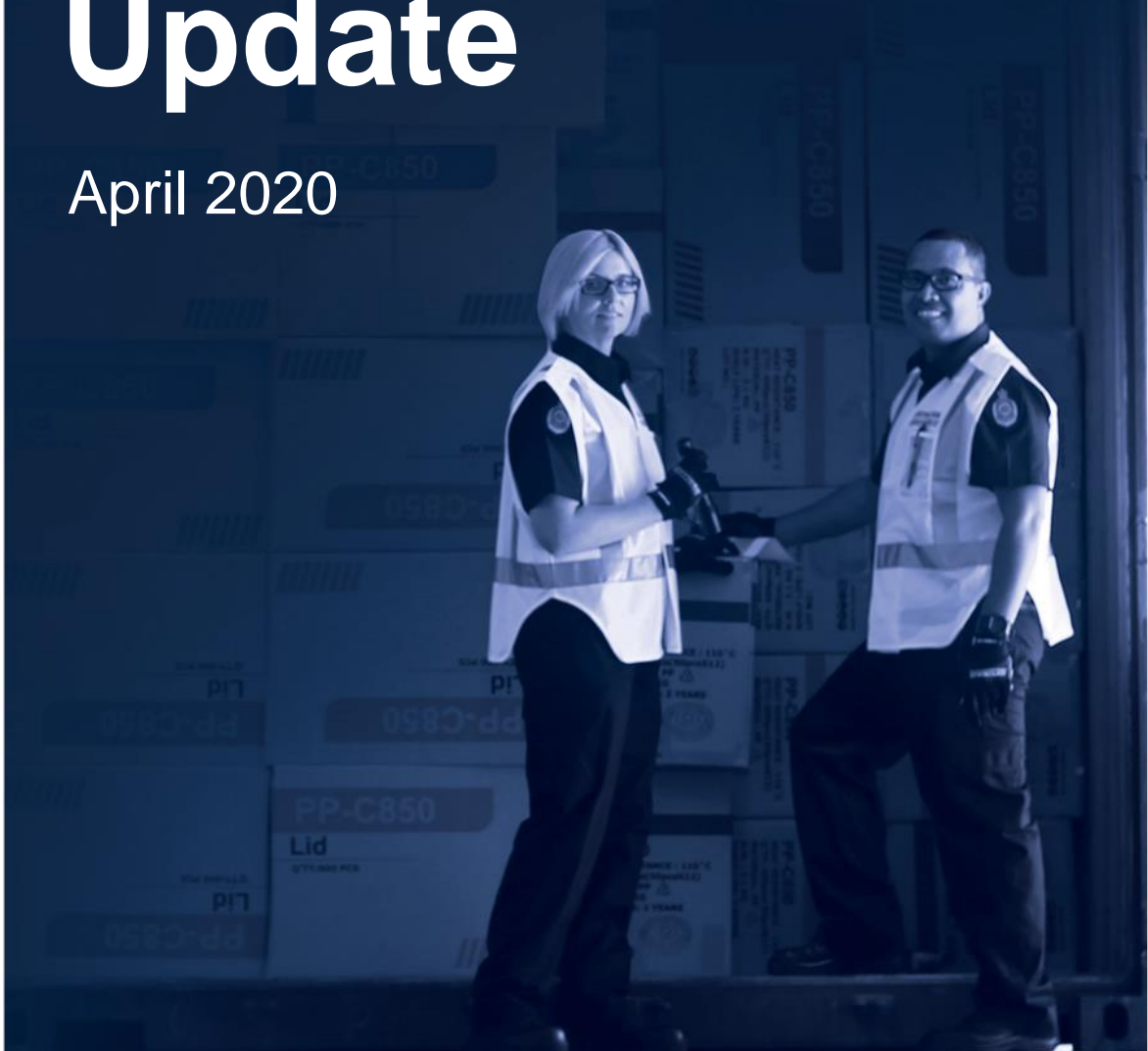


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Customs Group Update

A message from Dr Bradley Armstrong PSM, Deputy Comptroller-General and Group Manager, Customs Group

The COVID-19 pandemic has highlighted the criticality of the entire supply chain to Australia's health and prosperity. The Australian Border Force (ABF) is working closely with importers, exporters, customs brokers, freight forwarders and whole-of-government partners to support the Australian economy and its crisis response through legitimate trade – while helping prevent movements of goods that undermine community safety, lead to exploitation or enable trade-related fraud.

One of Customs Group's key roles is to drive legislative, regulatory and policy reforms for managing the import and export of goods. While this is being done as part of the ABF's COVID-19 response, it will also inform the ABF's customs and border modernisation agenda. Customs Group is engaging closely with the National Coordination Mechanism within the Home Affairs Portfolio, and supporting attendance by Ministers and the ABF Commissioner at the National Security Committee of Cabinet.

Customs Group has expanded its remit and re-focused its work to meet these new priorities. In February 2020, 120 customs compliance officers joined Customs Group from the ABF's Operations Group. These staff undertake a range of customs compliance functions, including supply-chain integrity, compliance planning, audits and monitoring, interventions and enforcement, voluntary disclosures, temporary imports and revenue analysis.



Integrating customs compliance functions into the Customs Group is a positive step that recognises the significant opportunities that come from bringing together policy and operational expertise into a blended team. A key advantage will be strengthening the emphasis on risk-based compliance in the modernisation agenda, based on a comprehensive understanding of the outcomes of compliance activities.

ABF response to COVID 19

The operational expertise of our new colleagues is reinforcing Customs Group's policy responses to facilitate the movement of essential supplies, and prevent illegitimate exports. The ABF amended the *Customs (Prohibited Exports) Regulations 1958* on 30 March 2020, as set out in Australian Customs Notice 2020-15.

The intent of this amendment is to prevent hoarding, profiteering and non-commercial exporting from Australia of personal protective equipment (PPE), hand sanitiser and alcohol wipes during this emergency period. Since the introduction of this measure, the ABF has already stopped over 70,000 facemasks leaving

Australia. The ABF designed the new measures to enable legitimate commercial trade and humanitarian consignments to continue.

In practice, this regulatory amendment does not involve the ABF issuing any export permits. Instead, exporters or their agents need to provide evidence to the ABF as part of their normal export documentation to prove that they qualify for one or more of the exemptions listed above. For example, an established exporter could provide evidence of their export history and anticipated repetition of their international export business activities, or a charitable organisation could provide its Australian Charities and Not-for-profits Commission registration number.

Engagement with trade stakeholders

Industry Engagement Section, within Customs Group, is working to support trade-related stakeholders during the COVID-19 pandemic. This includes convening a monthly teleconference with approximately 80 trade-related stakeholders across industry and government. These monthly meetings update stakeholders on the COVID-19 responses by the ABF and other government agencies. The teleconferences also provide industry with an opportunity to resolve any concerns. Into the future, these meetings will increasingly focus on what economic recovery looks like in the context of customs and trade issues. Customs Group is working across Government to respond directly to trade-related questions from stakeholders, in the context of the COVID-19 pandemic. Please send your queries to industry.engagement@abf.gov.au.

Establishment of the Customs Advisory Board. The Commissioner established the Customs Advisory Board (the Board) to engage directly to senior industry leaders about Australia's customs system, including both travel and trade facilitation. The ABF selected the Board's ten CEO-level members from across Australian industry for their expertise and experience in key global supply chain sectors. Board members will provide the Commissioner with independent and confidential advice. In particular, the Board's advice will inform the ABF's modernisation agenda and support Australia's continued economic prosperity while keeping Australia safe.

The Board complements the ABF's ongoing engagement with industry through existing forums, such as the National Committee on Trade Facilitation and the National Passenger Facilitation Committee. The Commissioner chaired the first meeting of the Customs Advisory Board on 25 February 2020. The Board has also been convened since then for out-of-session teleconferences to discuss COVID-19 response and recovery issues.

Engagement with maritime and aviation stakeholders. Australia's ongoing efforts to 'flatten the curve' are succeeding partly due to new restrictions on traveller movements into and out of Australia, and mandatory isolation requirements. Traveller Branch's engagement with maritime and aviation stakeholders, including ports, airports, airlines, cruise ship operators and the offshore oil and gas industry on the operational and workforce impacts of these measures has been a critical part of the ABF's response in this area. The Industry Engagement Section has joined the Branch, now making the Branch the **Traveller Policy and Industry Engagement Branch**. The Branch will continue to deliver key industry engagement forums including the annual Industry Summit and drive the traveller modernisation agenda.

Timely imports and exports through the Australian Trusted Trader (ATT) program

The ABF is particularly conscious of the importance of the timely movement of goods across the border during the pandemic – whether essential imports of PPE goods, or agrifood exports that sustain employment across the economy. The ATT program offers enhanced trade facilitation to expedite the flows of goods into and out of Australia. Trusted Trader and Trade Services Branch has become **Trusted Trader and Trade Compliance Branch**, strengthening its program management, specialist trade services and customs licensing with newly added customs compliance functions.

International engagement on COVID-19 responses

Customs Group is engaging with the World Customs Organization (WCO) to encourage consistent COVID-19 customs policy responses at the international level. It is essential that trade continues unimpeded at this time, supporting jobs and enabling countries to source essential supplies from overseas. Australia also has a particular responsibility for assisting vulnerable Pacific Island Countries with their respective COVID-19 responses.

Customs and Border Revenue Branch has become **Customs and Trade Policy Branch**. The Branch has established a new **WCO and Customs Partnerships Section** with responsibility for strategic policy for the WCO, the Oceania Customs Organisation (OCO) and the Asia-Europe Meetings (ASEM), as well as negotiating new ATT Mutual Recognition Arrangements with overseas customs agencies.

Continued progression of trade modernisation

COVID-19 highlights the need for continued modernisation of our border, and industry is continuing to help prioritise urgent changes during the crisis. Trade Modernisation and Industry Engagement Branch has become **Customs and Border Modernisation Branch** to reflect the broad scope of the ABF's border modernisation efforts. The Branch will drive the ABF's customs and border modernisation agenda. This is a progressive policy agenda that supports a seamless, secure and digital trade experience. The Branch will pursue innovative policy and initiatives that support Australia's economy, supply chain security and improved trade facilitation through strong partnerships across the ABF and the Home Affairs Portfolio and Government, as well as with industry. The Branch will continue to lead engagement with Australian industry on trade-related issues during the COVID-19 response.

Heightened risk of modern slavery during COVID-19

Another aspect of our work on supply chain integrity issues relates to modern slavery. The COVID-19 pandemic has caused significant job losses and disruptions to supply chains across the globe, which can increase the vulnerability of workers to serious forms of exploitation. The Australian Government is continuing to take a global leadership role in combatting modern slavery. The **Modern Slavery and Human Trafficking Branch** is continuing to drive Australia's whole-of-government work to combat modern slavery and is leading engagement with industry to support businesses to understand their obligations under the *Modern Slavery Act 2018* (the Act). This includes providing guidance to industry on how to report under the Act in light of the impacts of COVID-19, as well as ways to support workers in their operations and supply chains.

Thanks to the ABF's partnership with industry, I am confident that we will deliver on our common goals to enable legitimate trade and safeguard supply chain integrity through this difficult time for Australia and the world.

Dr Bradley Armstrong PSM
Deputy Comptroller-General
Group Manager Customs Group
Australian Border Force

Feature Articles

COVID-19

Export control on goods essential to controlling the spread of COVID-19

On 30 March 2020, the *Customs (Prohibited Exports) Amendment (COVID-19 Human Biosecurity Emergency) Regulations 2020* amended the *Customs (Prohibited Exports) Regulations 1958* to implement a temporary prohibition on the non-commercial export of certain goods that contribute to controlling and preventing the spread of the COVID-19 virus. These temporary measures will ensure that essential goods are distributed to those with the highest need, such as vulnerable communities, front line health workers and law enforcement, while safeguarding legitimate trade.

The Amendment prohibits the export of the following goods for the period that the Biosecurity (Human Biosecurity Emergency) (Human Coronavirus with Pandemic Potential) Declaration 2020 is in force:

- disposable face masks, gloves and gowns;
- protective eyewear in the form of goggles, glasses or visors; and
- alcohol wipes and hand sanitiser.

These measures have become necessary because we have seen a small number of individuals and criminal syndicates engaged in bulk purchases from retail outlets in Australia, with the intent of profiteering and price gouging. The new measures do not affect legitimate exporters from continuing to trade in products essential to combatting the pandemic – including commercial trade. Nor does it have any impact on regular ongoing trade in other products.

The Amendment prohibits the export of these goods by post absolutely, however it remains possible to export these goods by other means, such as courier services or cargo, in any of the circumstances exempt from the export prohibition as described in the Australian Customs Notice listed below.

Further information is available here:

Australian Customs Notice: <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2020-15.pdf>

ABF website: <https://www.abf.gov.au/importing-exporting-and-manufacturing/prohibited-goods/categories/covid-exports>

Regulation: <https://www.legislation.gov.au/Details/F2020L00343>

Minister for Home Affairs media release: <https://minister.homeaffairs.gov.au/peterdutton/Pages/Measures-to-prevent-essential-goods-being-exported-and-price-gouged-during-the-fight-against-COVID-19.aspx>

Temporary tariff reduction on imported goods for combatting COVID-19

On 1 May, the Australian Border Force implemented a new tariff concession item that temporarily eliminates customs duties on certain imported medical and hygiene products.

New Item 57 to Schedule 4 of the Customs Tariff Act 1995 (Customs Tariff Act) provides a Free rate of customs duty for the period of 1 February 2020 to 31 July 2020 for hygiene or medical products imported to treat, diagnose or prevent the spread of the coronavirus that causes the disease COVID-19. By-law No.2019608 prescribes the particular goods eligible for the concession.

The ABF has published an Australian Customs Notice (ACN 2020/20) which explains how to use the concession available here: <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2020-20.pdf>

Trade Compliance News

Importer prosecuted and convicted after choosing not to pay INS penalty

On 29 November 2019 the ABF successfully prosecuted an importer for two offences against the Customs Act: *s234(1)(d)(iii) Providing a false or misleading statement to an officer*, and *s240(6B) Altering or defacing a commercial document*.

The importer organised for his broker to lodge a Self-Assessed Clearance (SAC) for imported items based on false documents. The false invoice and a falsified money transfer document were provided to ABF officers in response to requests for evidence of payment. Upon detection, the importer organised for a full import declaration (FID) to be lodged for the goods. The ABF subsequently issued an Infringement Notice for the subsection 240(6B) offence but the penalty of \$1350 was not paid. The matter was then referred for prosecution, which resulted in the importer being convicted, fined \$2,500 and required to pay \$899 in court costs.

In sentencing the magistrate noted that the importer had made an application for a no conviction order but stated that “the offence cannot be considered trivial and therefore a conviction will be recorded”, as well as noting that “the Customs system is based on self-assessment and relies upon the honesty of the participants for the Australian people to receive the duties and taxes owed to them”.

Importers, exporters and reporters are reminded that fines and costs imposed by courts are likely to exceed the amounts payable on INS penalties. Careful consideration should be taken to ensure that penalty notices are paid by the due date, to avoid matters being referred for prosecution.

Seizure of prohibited replica military medals

In the lead up to ANZAC day, ABF detected a large number of replica Australian military medals which had been imported without the appropriate permissions in place prior to importation. These medals breached the Customs Prohibited Import Regulations in that they displayed the Australian Coat of Arms without permission. This breach resulted in the seizure of 2,500 replica defence service medals. It is the responsibility of importers to ensure their goods can be imported and meet relevant requirements under Australian law. More information can be found on this at www.abf.gov.au.



Of further interest within this consignment was a large number of replica 'Army Rising Sun' badges. The Australian Army has a range of recognisable emblems that are protected by legislation. Permission to use or supply Australian Army emblems is managed by the Army Brand Manager to ensure that the Army's brand and reputation are maintained.



If an importer wishes to use or supply an Australian Army emblem, approval must be granted by the Army Brand Manager prior. Each application to use an Australian Army emblem is assessed on a case-by-case basis, and no blanket or continuous approvals are granted.

An Australian Army emblem cannot be redrawn, recoloured, renamed, modified, cropped, rotated, manipulated or altered in any way, used in part or overlaid with imagery or text, used as a watermark (reduced opacity) or background image, or used as a part of a new logo. Unauthorised or misuse of an Australian Army emblem is in breach of legislation, and the Australian Army have registered Notices of Objection under the Trade Marks Act with ABF and as such these emblems can be seized if permission is not obtained. Applications for use or supply of these emblems can be made to the Army Brand Manager via email or post.

For additional information please email the Army Brand Manager at army.brandmanager@defence.gov.au. For Customs Trade Compliance queries please contact compliance1@abf.gov.au.

Free Trade Agreements

Free Trade Agreement (FTA) Update

The ABF has worked closely with other Australian Government agencies and industry to ensure two new free trade agreements (FTAs) entered into force smoothly in early 2020. These agreements are:

- Free Trade Agreement between Australia and Hong Kong, China
- Peru-Australia Free Trade Agreement

Free Trade Agreement between Australia and Hong Kong, China

The Free Trade Agreement between Australia and Hong Kong, China (A-HKFTA) entered into force on 17 January 2020. Both parties have committed to provide the other duty-free access for goods from entry-into force. To be entitled to preferential tariff treatment on import from Hong Kong into Australia, goods must be 'Hong Kong originating'. These are goods that meet the requirements of Division 1M of Part VIII of the *Customs Act 1901*.

The Minister for Trade, Tourism and Investment, Senator The Hon Simon Birmingham and his Hong Kong counterpart, Secretary for Commerce and Economic Development Edward Yau, signed the A-HKFTA and the associated Investment Agreement on 26 March 2019 in Sydney.

Documentary Requirements

Unless the requirement has been waived, importers must possess a valid Declaration of Origin (DOO) when making a claim for preferential treatment under A-HKFTA. The DOO must be completed by the exporter, producer or importer or an authorised representative of the exporter, producer or importer. The DOO must be in English, need not follow a prescribed format and can be in an electronic format. It must contain the minimum data requirements set out in Annex 3-A of the agreement.

A sample of the A-HKFTA DOO is available in Attachment B and C of DFAT's "[*Guide to obtaining preferential tariff treatment when exporting and importing goods using A-HKFTA*](#)".

More information about the DOO for A-HKFTA can be found in Section 9 of the guide at the link below.

Peru-Australia Free Trade Agreement

It was a long gestation for the Peru-Australia Free Trade Agreement (PAFTA), from its signing on 12 February 2018 by the then Minister for Trade, Tourism and Investment, The Hon. Steven Ciobo MP and his Peruvian counterpart Minister for Foreign Trade and Tourism Mr Eduardo Ferreyros, and its entering into force on 20 February 2020. PAFTA's negotiation process however, at three rounds, was one of Australia's fastest. The PAFTA is a comprehensive, high quality free trade agreement that will open new markets for Australian exporters and create more Australian jobs. It builds on the gains secured in the Trans-Pacific Partnership-11 (TPP-11) and provides a gateway to Latin America, strengthening our economic relationships within the region and helping facilitate value chains between the Americas and Asia.

Particular outcomes of note include:

- elimination of Peruvian tariffs on beef within five years to ensure that Australian beef farmers will have duty free access to the Peruvian market at the same time as US farmers;
- immediate duty free access to Peru for Australian wine, sheep meat, most horticulture products (including almonds), kangaroo meat and wheat;
- immediate duty free access to Peru for pharmaceuticals, medical devices, paper and paperboard;
- the best services commitments that Peru has offered any other country, which will create new opportunities for Australian mining service providers.

By setting high quality rules and promoting transparency of laws and regulations, PAFTA will provide certainty for businesses and reduce costs and red tape for Australian exporters, service suppliers and investors in Peru.

To be entitled to preferential tariff treatment, goods must be 'Peruvian originating'. These are goods that meet the requirements of Division 1EA of Part VIII of the *Customs Act 1901*.

New FTAs and the ABF

The ABF manages the domestic legislation processes and prepares information for traders and other stakeholders for all new FTAs. Once an FTA has entered into force, the information (see links below) provided by the ABF - mostly on rules of origin – helps traders understand these rules and access preferential rates of duty. The domestic implementation of a new FTA entails a significant effort for policy, legal, compliance and refund areas to ensure a smooth entry into force.

Related guide and Australian Customs Notice – Hong Kong

- [Guide to the Free Trade Agreement between Australia and Hong Kong, China](#)
- [Australian Customs Notice No. 2020/02 – Entry into Force](#)

Further details on importing goods under A-HKFTA can be found on the ABF A-HKFTA webpage: <https://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements/hong-kong>

Further details of other benefits of the A-HKFTA can be found on the DFAT A-HKFTA webpage: <https://www.dfat.gov.au/trade/agreements/in-force/a-hkfta/Pages/default>

Related guide and Australian Customs Notice – Peru

- [Guide to the Peru-Australia Free Trade Agreement](#)
- [Australian Customs Notice No 2020/07 - Entry into Force](#)

Further information about determining the originating status of goods and materials is on the ABF PAFTA webpage: <https://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements/peru>
Further details of other benefits of the PAFTA can be found on the DFAT PAFTA webpage: <https://www.dfat.gov.au/trade/agreements/in-force/pafta/Pages/peru-australia-fta>

Australian Trusted Trader waiver

The ATT Trusted Trader Origin Waiver has been extended to Australia Trusted Traders for both the A-HKFTA and PAFTA in accordance with [ACN No 2019/23](#). More details of the Origin Waiver benefit for Australian Trusted Traders can be found at: <https://www.abf.gov.au/about-us/what-we-do/trustedtrader/benefits/origin-waiver-benefit>

Origin Advice

In January 2020, the ABF released guidance on obtaining an Origin Advice ruling for determining whether a good originates for the purposes of claiming preferences under one of Australia's FTAs. The ABF will provide written advice, upon request, to Australian importers of goods, as well as exporters and producers of those goods that are located in a Party to that FTA.

- [Origin Advice Guide](#)
- [B659 – Application for Origin Advice Ruling](#)

Queries regarding Origin Advice rulings should be directed to: origin@abf.gov.au.

FTAs not yet in force

The Australian Government continues to work with FTA partners on the ratification of both the Indonesia-Australia Comprehensive Economic Partnership Agreement (I-ACEPA) and PACER Plus.

More information on these Agreements can be found on the following Department of Foreign Affairs and Trade (DFAT) webpages at:

- [Indonesia-Australia Comprehensive Economic Partnership Agreement](#)
- [PACER Plus](#)

The ABF will provide related guides and ACNs when these agreements' entry-into-force details are known.

Update from the Department of Agriculture, Water and Environment

The international movement of wildlife is regulated through a permit system administered by the Department of Agriculture, Water and the Environment (formerly the Department of the Environment and Energy). The Department regulates trade in native species along with the approximately 35,000 species listed on the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The most commonly traded species include crocodiles, alligators, pythons, corals and kangaroos. Trading in regulated species requires the issuance of permits by Australia, and for CITES species, also the issuance of permits by another country. The circumstances under which they can be traded is determined by the level of protection assigned to it by CITES and Australian environmental law. Some species cannot be traded commercially, and others can be traded commercially provided the correct permits are in place. Commercial trade is regulated by the Wildlife Trade Regulation team within the Department.

On 26 November 2019, changes were introduced to the regulation of rosewood trade under CITES. The changes mean that musical instruments containing rosewood no longer require CITES permits to be traded internationally. Shipments of finished rosewood products under a weight limit of 10kg of rosewood per shipment are also exempt from permit requirements. Other types of rosewood shipments, including furniture and raw timber, remain regulated and will require CITES permits for international trade. More detailed information on the rosewood regulation changes can be found at <http://environment.gov.au/biodiversity/wildlife-trade/publications/cites-timber-species-factsheet-2019>

Changes to regulation of other species have also been introduced. Further information can be found on the Department's website at <http://environment.gov.au/biodiversity/wildlife-trade>. International wildlife trade is regulated under both CITES and Australia's national environmental legislation, the Environment Protection and Biodiversity Conservation Act (the EPBC Act). The Australian Government has recently announced a review of the EPBC Act. The review is undertaken every ten years and will consider how the Act is operating and whether the objects of the Act are being achieved. Further information on the review can be found at www.epbcactreview.environment.gov.au. The Wildlife Trade Regulation team is looking for efficiencies with permit processing. As part of this, we would like to trial automation of low risk CITES import permits. The trial is in the scoping phase at present, and we plan to reach out to clients interesting in participating in the trial this year.

If you are interested in finding out more, or need any assistance with wildlife trade, please contact us at wildlifetrade@environment.gov.au or phone: 02 6274 1900.

Border Watch joins the fight against COVID-19



BORDER WATCH

Help protect Australia's border

New export controls

As outlined on page three, the *Customs (Prohibited Exports) Regulations 1958* have been amended to temporarily prohibit the non-commercial export of certain goods that contribute to controlling and preventing the spread of COVID-19.

You can help ABF in the fight against COVID-19 by reporting suspicious behaviour or cargo to **Border Watch**.

What should I report?

These are some examples of suspicious behaviour, activities or goods to look out for and report to Border Watch:

- Are any quantities of the following goods being exported?
 - Disposable face masks, gloves and gowns;
 - protective eyewear in the form of goggles, glasses or visors;
 - alcohol wipes and hand sanitizer.
- Has the client changed their usual export of goods to include the items listed above?
- Is the nature of the consignee or consignor's business inconsistent with the goods description?
- Is the client reluctant to provide all the information or documentation you require?
- Is the client anxious, nervous or evasive?
- Have you seen job ads for purchasing teams?

How do I report suspicious activity?

If it doesn't seem right, report it to **Border Watch**. Visit abf.gov.au/borderwatch.

Help protect Australia's border

Border Watch is a Department of Home Affairs and Australian Border Force program that allows members of the community and industry to provide information about suspicious border related activities.

Become a Border Watch member

As industry members working as part of Australia's trading community, you and your staff know what looks and sounds unusual.

You can use your commercial expertise to identify suspicious behaviour and assist the Australian Border Force to protect Australia's border.

We encourage any company that operates in the international trade or transport sectors to join the Border Watch industry program. Border Watch is free to join.

As a member, you can:

- Receive a free presentation
- Receive free resources to help you identify suspicious activity;
- Access a dedicated 24/7 industry allegation hotline

More info:

www.abf.gov.au/borderwatch

Australian Trusted Trader Update

Program update

By close of business on 23 April 2020, Australian Trusted Trader had accredited or offered accreditation to 739 businesses. A further 186 businesses are moving through the accreditation process. ABF currently has capacity to fast track the initial application assessment process and encourages businesses who have not yet applied, or withdrawn in the past due to time constraints to lodge an application now. The Department has postponed all physical site validations until pandemic restrictions are relaxed.

In the spotlight – Australian Trusted Traders boosting Australia's COVID-19 response capacity

ResMed, which manufactures medical appliances including ventilators, was one of the first Australian businesses that engaged with ATT. They were granted Australian Trusted Trader status in May 2017 and were named recently as one of the key domestic business supporting Australia's response to COVID-19. The company has committed to supplying Australia with an additional 1000 ventilators and has said it expects to at least double its domestic production to supply additional machines.

In addition, a number of our Australian Trusted Trader service providers have assisted in the procurement and distribution of personal protective equipment (PPE) needed by our front line health workers. TOLL Group helped facilitate the movement of critical materials to produce Australian-made PPE. One recent example involved transportation of two tonnes of inner-cover material, allowing an Australian-owned and operated company in regional Victoria to continue to produce surgical face-masks.

New benefit update

Origin Waiver benefit expansion

At the final Industry Advisory Group Meeting of 2019, Trusted Trader announced the **Origin Waiver Expansion benefit** to include Least Developed Countries (LDCs). The Origin Waiver benefit expansion will make it easier for Trusted Traders to claim Preferential Tariff Treatment (PTT) on goods originating from developing and least developed countries, under Australia's system of tariff preferences (ASTP).

The benefit applies to countries listed in Parts 1 to 5 of Schedule 1 of the *Customs Tariff Act 1995*, covering more than 90 per cent of the world. Just like the Origin Waiver benefit, the expansion removes the requirement for Trusted Traders to obtain Certificates or Declarations of Origin to claim Preferential Tariff Treatment.

The expansion does not exempt Trusted Traders from meeting the rules of origin of the nominated Free Trade Agreement or ASTP. Instead, it removes the requirement for Trusted Traders to hold either a Certificate or Declaration of Origin for originating goods eligible to claim PTT under ASTP.

Trusted Trader **Hugo Boss** proposed the Origin Waiver Expansion benefit in July 2019, and in November, they actively participated in piloting the benefit. Managing Director Matthew Keighran said: *"Being able to speak directly with Government on issues which affect our business is a rare opportunity. The Australian Trusted Trader team really listen. More than that, we estimate that this benefit will save us money over the next twelve months, given the reduced paperwork, and improved cost of compliance. I am pleased the Australian Border Force was able to implement this benefit so soon after we suggested it, and look forward to partnering with them on future initiatives."*

The expansion of the origin waiver benefit is evidence of ABF's commitment to listen to ideas put forward by Trusted Traders. Being a Trusted Trader gives businesses a 'seat at the table' with government policy makers.

The Trusted Trader team can be contacted by email at: ATTBusinessDevelopment@abf.gov.au or by calling (02) 6264 3313.



Customs Licensing Update

Customs broker licensing disciplinary matters

The previous Customs Licensing update focused on disciplinary matters related to Continuing Professional development (CPD). This article will focus on other disciplinary matters identified and referred to the National Customs Brokers Licensing Advisory Committee (NCBLAC) for investigation and report. S183CQ of the Customs Act 1901 (Act) specifies the grounds for investigating matters relating to a customs brokers licence and includes: *The customs broker has ceased to perform the duties of a customs broker in a satisfactory and responsible manner; and the customs broker is guilty of conduct that is an abuse of the rights and privileges arising from his or her licence.*

Over the past 18 months the Australian Border Force (ABF) identified the following four disciplinary matters, involving corporate licensed customs brokerages, which resulted in referral to the NCBLAC for investigation and report to the Comptroller-General of Customs (Comptroller-General):

1. A brokerage was referred to NCBLAC and suspended, pending the outcome of the investigation, for repeated Dumping non-compliance. The brokerage did not renew their licence prior to NCBLAC completing their investigation.
2. A brokerage was identified as misusing IT systems when a suspended broker was identified using the credentials of another licensed broker to enable system access. The brokerage implemented a range of controls and procedures to ensure this would not occur again, including terminating the employment of the suspended broker. Due the nature of the breach, previous compliance history and the fact that the brokerage had put procedures in place to ensure it would not reoccur, the brokerage received a reprimand in this instance. Of note, this investigation stemmed from a Border Watch referral.
3. A brokerage referred to NCBLAC were identified defaulting on substantial payments of revenue. Prior to completion of the NCBLAC investigation the brokerage went into liquidation and surrendered its licence.
4. The fourth referral to NCBLAC was in regards to a licence brokerage application. It was identified that the licence applicant was taking over the business of a related company that had their licence cancelled for failing to advise the ABF that they had gone into liquidation. This referral led to the licence application being denied.

During the same period the ABF identified the following seven disciplinary matters involving nominee customs brokers that resulted in referral to NCBLAC for investigation and report to the Comptroller-General:

- Three nominee brokers were referred to NCBLAC and suspended, pending the outcome of the investigation, for the sharing of licence credentials and the misuse of IT systems. These referrals resulted in two nominees surrendering their licence prior to the finalisation of the NCBLAC investigation while the third nominee was issued with a reprimand in light of the considerable suspension served and the unintentional involvement in the breach.
- Two nominee brokers were referred to NCBLAC and suspended, pending the outcome of the investigation, for sharing licence credentials and knowingly using EFT bank accounts with insufficient funds. This referral resulted in the cancellation of both nominee broker licences.
- One nominee broker was referred to NCBLAC and suspended, pending the outcome of the investigation, for failing to pass on refunds to their client after claiming Tariff Concession Orders (TCO). This referral resulted in the nominee broker's licence being cancelled.

- One nominee broker was referred to NCBLAC after it was identified that they had falsified quarantine import documents. This referral resulted in the nominee broker receiving a serious reprimand.

Customs brokers are key service providers in the supply chain and play a significant role in the protection of Australia's borders and economy. A customs broker licence is granted subject to the conditions specified under S183CG of the Act and encompass a requirement to remain fit and proper.

Depot and warehouse disciplinary action

ABF has also undertaken a number of enforcement activities on customs licensed depots and warehouses. Recently, two men had been arrested following an ABF led investigation into allegations of large scale customs fraud and alcohol smuggling totalling an estimated \$28 million. The ABF worked closely with the Australian Federal Police and the Australian Taxation Office (ATO) to target and disrupt the individuals and groups involved in this alleged deception. As a result, one S77G depot licence was suspended and revoked. Additionally, the Australian Taxation Office, also suspended and revoked a S79 Warehouse licence.

In addition, the ABF has undertaken pre-emptive measures on a number of customs licensed depots and warehouses, to bar individuals that pose a threat to the supply chain from entering and interacting with customs licensed depots and warehouses. The measures have been codified into the licence conditions to which all S77G depots and S79 warehouses are bound by. Breaches of licence conditions can result in infringements or the suspension and revocation of a licence.

For licensing queries please contact licen@abf.gov.au.

Customs Compliance Reminders

Cargo control

Movement of goods under customs control

The ABF published revised guidance on '[Movement of goods under customs control](#)' on 20 February 2020. The revised guidance replaces the previous 'Correct use of Underbond Movements' document. The ABF thanks members of the [Compliance Advisory Group](#) for their contribution to developing the revised guidance.

Overweight containers at Port Botany NSW

ABF recently published the guide '[Movement of goods under customs control](#)', which clarifies the obligations of members of the supply chain in regards to underbond and Nature 20 (N20) movements.

It is timely to remind operators how this guide aligns with the newly published National Heavy Vehicle Regulator (NHVR) [New South Wales Class 3 Port Botany Container Transportation Mass Exemption Notice 2019](#) and the accompanying [Operator's Guide](#). The notice provides allowances for over mass heavy vehicles leaving CTOs in Port Botany. The accompanying Operator's guide provides additional practical information to assist with operational matters. Both documents update processes implemented in 2012 to address overweight trucks leaving CTOs in Port Botany.

At that time, Sydney Ports Corporation coordinated stakeholders' input into the process whereby a group of s77G Container Freight Stations (CFSs) were created to allow overweight containers (up to 20%) to divert to a CFS for repacking or staged onto suitable trailer configurations.

In 2012, the Australian Customs and Border Protection Service (ACBPS) took a pragmatic approach to dealing with containers under customs control diverting from their approved underbond/N20 movements. While a diversion of these goods to a CFS would normally be a breach of s33 of the Customs Act 1901, ACBPS agreed not to take punitive action in very limited circumstances. ABF continues to apply this approach and will not pursue INS action if an over-mass freight container with a HELD status in the Integrated Cargo System (ICS), is diverted from a Port Botany NSW Container Terminal Operator (CTO) to a CFS, only if the following occurs:

- the CFS is a s77G depot
- the receiving CFS or Reporting Party must arrange for the withdrawal of the original underbond movement request and submission of a new one specifying the CFS as the destination.
 - Note: The CFS must not break the seals and start unpacking until ABF approves the request.
- the receiving CFS submits a Receival Outturn Report in ICS as soon as possible after each underbond container arrives at their premises.
- ABF is notified of the above as soon as practicable, via:
 - Office Hours: Email to SCO.Sea.NSW@abf.gov.au
 - Out of Hours: Contact Cargo Systems Support on (02) 6275 6100
 - If accredited as an Australian Trusted Trader (ATT) – cc your account Manager

This maintains an auditable record of the underbond movements, does not compromise border security and enables swift rectification of overweight trucks.

An overarching principle is that ABF should be contacted as soon as possible. Investigations by our ABF Supply Chain Operations team regularly reveal customs brokers and freight forwarders only contact ABF when they can't resolve anomalies in ICS. In many instances this is many days after underbond/N20 diversions occur - this is not considered 'as soon as practicable' and INS action may be instigated.

Export declaration reporting

Export declaration required for small craft departing Australia

All small craft departing Australia for a place overseas are considered exported and require an export declaration to be lodged. This is also the case for Australian-owned vessels. When an Australian-owned and registered vessel returns to Australia and has ceased its international voyage the vessel may be imported on a formal import declaration quoting GST exemption code 417 (GST417) for returned Australian goods.

There are circumstances where an export declaration may not be required, such as for a foreign owned yacht with a control permit departing Australia for a place overseas; or when an Australian owned yacht departs Australia to participate in a race and returns to Australia without visiting multiple ports overseas.

Incorrect reporting of goods owners on Export Declarations (EDNs)

The ABF has detected errors involving the incorrect reporting of 'Goods Owner' on export declarations by reporting parties. This means that the ABF is unable to easily identify the actual owners of these exported goods.

The following information provides guidance relating to the fields used to identify who is communicating the export transaction as opposed to who is the actual exporter i.e. 'Goods Owner'.

Reporting Party:

- *The name of the registered ICS user lodging the Export Declaration.*
- *The identifier of the party lodging the declaration.*
- *The identifier must be either an Australian Business Number (ABN) or Customs Client Identifier (CCID)*

Goods Owner Party Id:

- *The owner party ID of the common law owner of the goods.*
- *The identifier used to identify the owner of the goods.*
- *This is required if an agent is lodging the declaration on behalf of the owner, otherwise the party reporting is assumed to be the owner.*
- *The identifier can be either an Australian Business Number (ABN) or Customs Client Identifier (CCID).*

This is a reminder that if you submit export declarations (EDNs) on behalf of exporters you are the 'Reporting Party'. If you fail to include the 'Goods Owner Party' you are making a formal declaration indicating that as well as being the 'Reporting Party' you are also the 'Goods Owner Party'.

A failure to correctly report the correct details under 'Goods Owner Party Id' may be considered a false or misleading statement not resulting in the loss of duty under s243U. This strict liability offence presently attracts 45 penalty units for a corporate entity. A penalty unit is currently \$210. Infringement Notice Scheme (INS) delegates can issue an administrative penalty of \$9,450 for every EDN not correctly declaring the 'Goods Owner Party' or other required details. If you are reporting on behalf of clients that are owners of export goods, please review your business practices and implement changes where required to ensure that you include the correct 'Goods Owner Party id'. Further information can be found here:

<https://www.abf.gov.au/exporting-subsite/files/fact-sheets/exporter-obligations-reporting-requirements.pdf>

<https://www.abf.gov.au/exporting-subsite/files/fact-sheets/export-control-manual.pdf>

Import declaration reporting

Incorrect reporting of online import transaction consignor and consignee details

The ABF has recently encountered frequent misreporting of the logistics company as the consignor for import transactions completed online via auction websites and similar platforms. Section 64AB(5a) and (5aa) of the *Customs Act 1901* (the Act) defines a consignor as a supplier of goods who is located outside of Australia and who either initiates the sending of goods to a person in Australia, or complies with a request from a person in Australia to send goods to the person.

As detailed in [ACN 2009/47](#), the reporting of logistics service provider details in the consignor and consignee fields of a cargo report will not meet the requirements of section 64AB (5) of the Act if:

- the logistics service provider is not the supplier of the goods or ultimate recipient but an intermediary or service provider; and
- the required information is available to the cargo reporter.

For example, Person (A) in Australia purchases goods from Supplier (B) from an online auction website or other third-party website. After completion of the online transaction, the goods are collected by, or sent to, an unrelated logistics company that arranges carriage of the goods to Australia via air cargo express shipment. In this instance, Person (A) is the consignee and Supplier (B) is the consignor of goods and must be reported as such.

The ABF reminds cargo reporters a separate cargo report must be lodged for each consignee/consignor combination of goods that are imported. The ABF may take Compliance action against entities that continue to incorrectly report consignor and/or consignee details in accordance with the ABF Compliance Framework.

Further information and details can be found in ACN 2009/47: <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2009-47.pdf>

GST exemption codes – general information

GST is payable on imported goods unless the goods are covered by a specified Customs duty concession Item or GST exemption (GSTE). Each GSTE is based on legislation that provides the basis for the exemption. Before claiming an exemption licensed customs brokers and importers should ensure the goods they claim a GST exemption for meet the requirements for the exemption claimed.

Further information is available on our website at: <https://www.abf.gov.au/importing-exporting-and-manufacturing/importing/cost-of-importing-goods/gst-and-other-taxes/gst-exemptions>

Misuse of GST food exemption

ABF is actively targeting misuse of the GST FOOD exemption, after identifying that the GST FOOD exemption is being incorrectly claimed against foods listed in Schedule 1 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act). As per section 38.3 (1)(c) of the GST Act, 'food of a kind specified in the third column of the table in clause 1 of Schedule 1, or food that is a combination of one or more foods at least one of which is food of such a kind' is **not** GST-free. Before claiming the GST FOOD exemption licensed customs brokers and importers should ensure the food they claim the exemption for meets the requirements for the exemption claimed. Further information on Schedule 1 of the GST Act is available at: http://classic.austlii.edu.au/au/legis/cth/consol_act/antsasta1999402/sch1.html.

The use of GST exemptions for temporary imports

National Temporary Imports and Securities (NTIS) have identified an increase in misreporting relating to the use GST Exemption code 421 (GST421), which allows for goods to be imported temporarily for repair or alteration. The misuse of GST421 occurs when the goods are not exported after the repair or alteration has been completed. Any goods not exported after repair or alteration are no longer subject to GST421 and are therefore liable for payment of GST.

The GST Act subsection 42-5(1) under Item 21 allows for goods imported for repair or alteration to be prescribed by by-law as exported goods under the conditions that they are imported for repair or alteration, and that they will be exported from Australia.

As these goods are subject to temporary import provisions, when they are exported the corresponding export declaration requires two (2) lines to acquit GST421:

- the goods value before repair, alteration or renovation that should be classified to 9901.20.10 (as per import); and
- the value of the repair, alteration or renovation (in Australia) that should be classified to 9901.20.20.

The Temporary Import Number should also be recorded.

Misuse of Schedule 4 exemptions

The Guidelines to Schedule 4 of the *Customs Tariff Act 1995* (the Customs Tariff) are designed to explain the administration and eligibility of Schedule 4 concessions and can be located on our website at: <https://www.abf.gov.au/tariff-classification-subsite/files/guidelines-schedule-4.pdf>

It is important that **before** claiming a concession licensed customs brokers and importers ensure goods meet the requirements of any concession claimed and that they are able to provide evidence to support this should the ABF request documents.

Recent detections of the misuse of Schedule 4 Item 20 relating to goods exported for repair or renovation, includes the following:

- Goods were not eligible as they were new and not returned for repair;
- Goods found to be 'warranty repairs' and should have been reported under Item 18;
- Only one line was quoted on the import declaration where it should have two lines;
- Transport and Insurance were not correctly apportioned, or incorrectly applied on the goods line without reporting a separate line for the cost of repairs; and
- No evidence was provided in the first instance of goods having been exported and terms of the arrangement (i.e. reasons for export and value of repairs).

A recent detection of the misuse of Schedule 4 Item 17 for goods exported and returned to Australia in an unaltered condition, includes a case where the goods were never exported from Australia.

Luxury Car Tax (LCT) on re-imported refurbished vehicles

The *A New Tax System (Luxury Car Tax) Act 1999* has been amended to remove liability for luxury car tax on cars that are exported and then re-imported following service, repair or refurbishment overseas.

Further details about this change is available on our website at: <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2019-36.pdf>

Refunds

New tobacco refund code 2021

The ABF has detected multiple errors in refunds lodged using the new refund reason code 2021 for duty paid tobacco that has been on sold to duty free operators.

Brokers and importers are reminded of the need to:

- Ensure that the quantity of tobacco sold to a duty free operator is accurately calculated and reflected in the amendment against the original and additional lines; and
- If requested, when supplying confirmation of receipt from the duty free operator, the confirmation must include sufficient information to verify the changes made and the recipient of the tobacco. To do this the confirmation must include information such as the description and quantity of tobacco received from the importer, name of the duty free operator, name and signature of person confirming receipt of the tobacco and date tobacco was received.

Detailed information on how to obtain a refund for duty paid tobacco sold to duty free operators is available on the ABF website at: <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2019-14.pdf>

Drawbacks

Evidentiary requirements for duty drawback claims

The ABF administers the Duty Drawback Scheme in accordance with relevant legislation, using a risk-based approach. On 29 November 2019, the ABF published Australian Customs Notice (ACN) No. 2019/41 to provide guidance on the evidentiary requirements for duty drawback claims, including claims made using the imputation method (also known as Method C).

The ABF can only approve duty drawback claims where it is satisfied that, among other requirements, import duty was paid on the goods subject to a drawback claim. Records must be available showing import duty has been paid on the goods. The ABF may request a range of information to satisfy the decision-maker that a claim meets the regulatory requirements. These requirements apply to all drawback claims.

The ABF may take a range of enforcement actions, including duty recovery, where non-compliance of previously paid duty drawback claims are identified.

ACN No. 2019/41 is available through the ABF Website at www.abf.gov.au/help-and-support-subsite/CustomsNotices/2019-41.pdf. For further information about duty drawback claims, please contact drawbacks@abf.gov.au.

Trade Compliance

Entering permit numbers correctly into ICS

Permit holders and their reporters are reminded that they need to enter the permit number into ICS **exactly** as it appears on the permit when required. The clearance of goods is often delayed because a permit number has been incorrectly entered into ICS. To minimise unnecessary clearance delays please ensure permit numbers are entered into ICS exactly as stated on the permit (including any hyphens).

Requests for commercial documents and proforma invoices

The ABF has identified a significant increase in the use of pro-forma invoices supplied by licensed customs brokers in response to requests for commercial documents. Often the details included in pro-forma documents, including the value of the goods, are found to be inaccurate. Licensed customs brokers, and all reporters, are reminded that they should not rely on pro-forma invoices to support statements made in declarations without having first verified the nature and quantity of the goods.

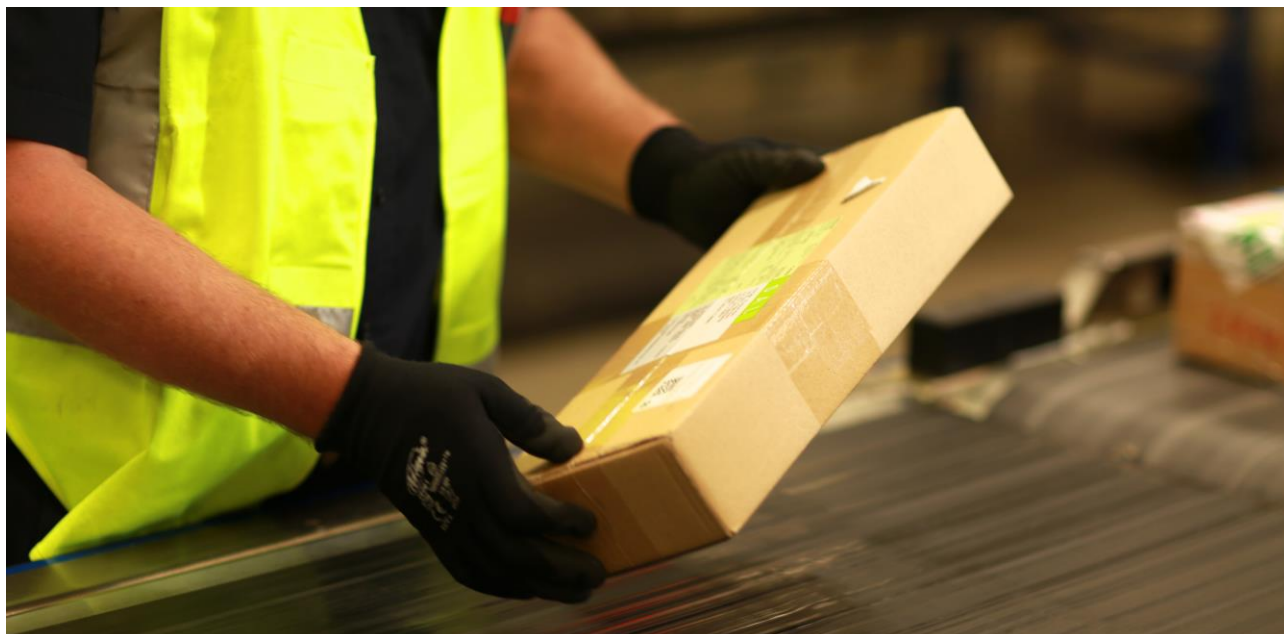
Commercial invoices record the trade terms between a seller and a buyer and stipulate price and payment requirements. A pro-forma invoice is an abridged or estimated invoice sent by a seller to a buyer in advance of a shipment or delivery of goods. It notes the kind and quality of the goods, their value, and other important information such as weight and transportation charges. Pro-forma, or shippers' invoices, are sometimes used during initial negotiations as a preliminary invoice between parties and while they might contain important information, they do not represent the contract of sale and are not a demand or request for payment.

Traders have a statutory obligation to ensure that information provided in the statements made to the ABF are not false or misleading, and penalties may apply including having Infringement Notices issued under subsections 243T or 243U of the *Customs Act 1901* (the Act). If the ABF has requested you produce documents to verify particulars of the goods declared, pro-forma and shippers' invoices may not be accepted as evidence of the import sales transaction.

The ABF recommends all licensed customs brokers conduct regular reconciliations to ensure the quantities and values declared correspond with goods imported and the payments made. The customs value must include any price related costs as defined in section 154 of the Act.

A list of documents that should be made available for presentation to the ABF when requested is available on the ABF website: <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2013-46.pdf>

Compliance program results 1 October 2019- 31 March 2020



Note: Statistics were accurate at the time of publishing. System upgrades and reviews may result in variances if published for the same timeframe in the future.

Infringement Notice Scheme

Table 1 - Infringement Notice Scheme offences

Offence	Description
33(2)	Moving, altering or interfering with goods subject to Customs control without authority
33(6)	Moving, altering or interfering with goods subject to Customs control without authority
36(2)	Failure to keep goods safely or failure to account for goods
36(6)	Failure to keep goods safely or failure to account for goods
64(13)	Failure to meet reporting requirements for the impending arrival of a ship or aircraft
64AB(10)	Failure to meet reporting requirements for the report of cargo
64ABAA(9)	Failure to meet reporting requirements for outturn reports
64ACD(2)	Failure to report on passengers and crew
77R(1)	Breach of conditions of depot licence
112(2B)	Prohibited exports
113(1)	Failure to enter goods for export and loading/exporting without authority to deal
115(1)	Goods taken on board without authority to deal

Offence	Description
116(2)	Failure to withdraw or amend export declarations when necessary
233(1)(b)	Prohibited imports
233(1)(c)	Prohibited exports
233(1)(d)	Possession of prohibited imports or prohibited exports
240(1)	Failure to keep commercial documents
243SB	Failure to produce documents or records
243T(1)	False or misleading statements resulting in a loss of duty
243U(1)	False or misleading statements not resulting in a loss of duty
243V(1)	False or misleading statements in cargo reports or outturn reports

Figure 1 - Number of Infringement Notice Scheme offences 1 July 2018 – 30 June 2019

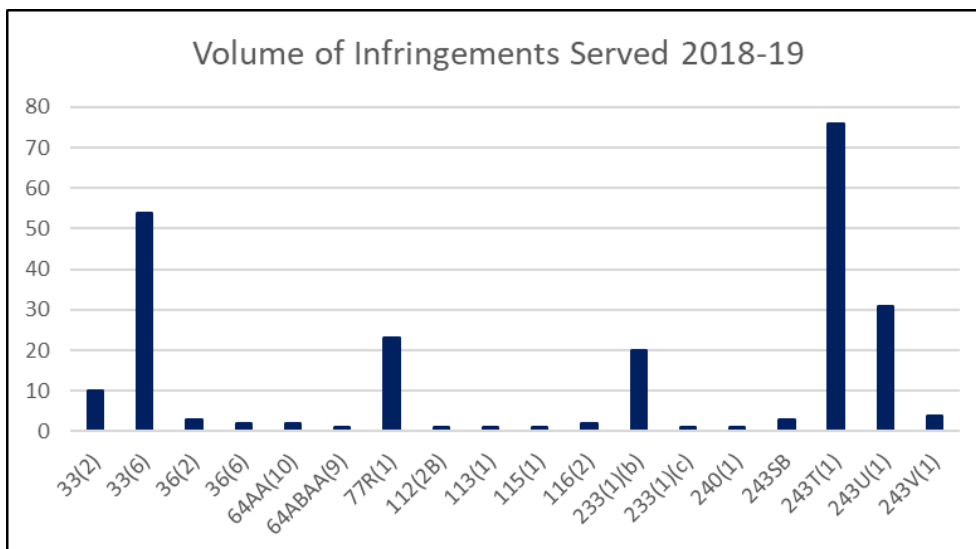


Figure 2 - Number of Infringement Notice Scheme offences 1 July 2019 – 31 March 2020

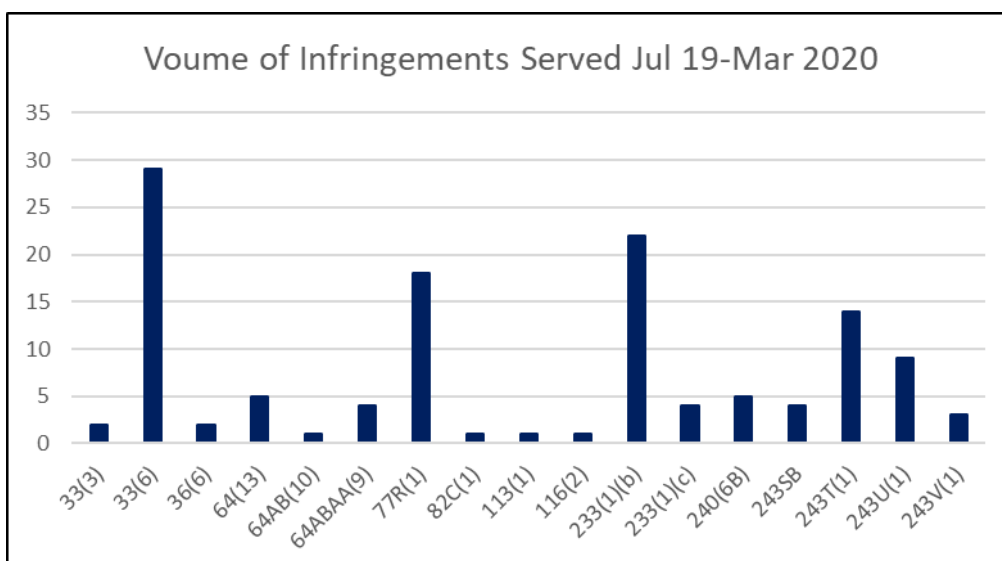


Figure 3 - Value of Infringement Notice Scheme offences full FY 1 July 2018 – 30 June 2019

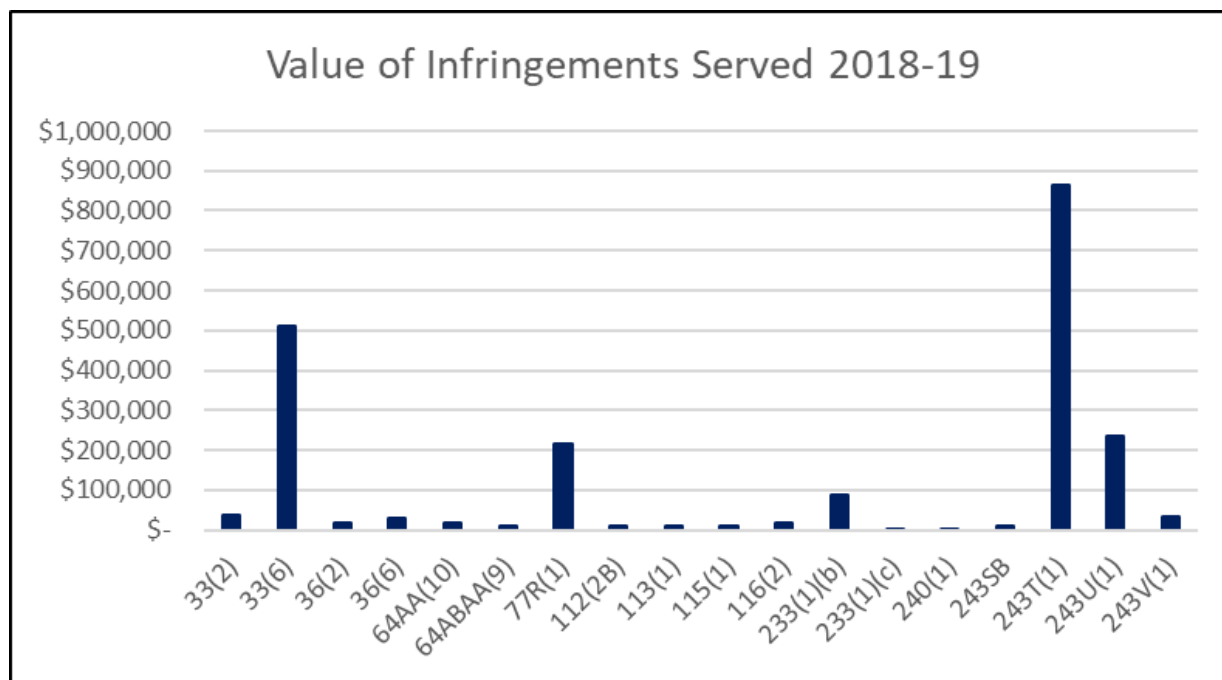
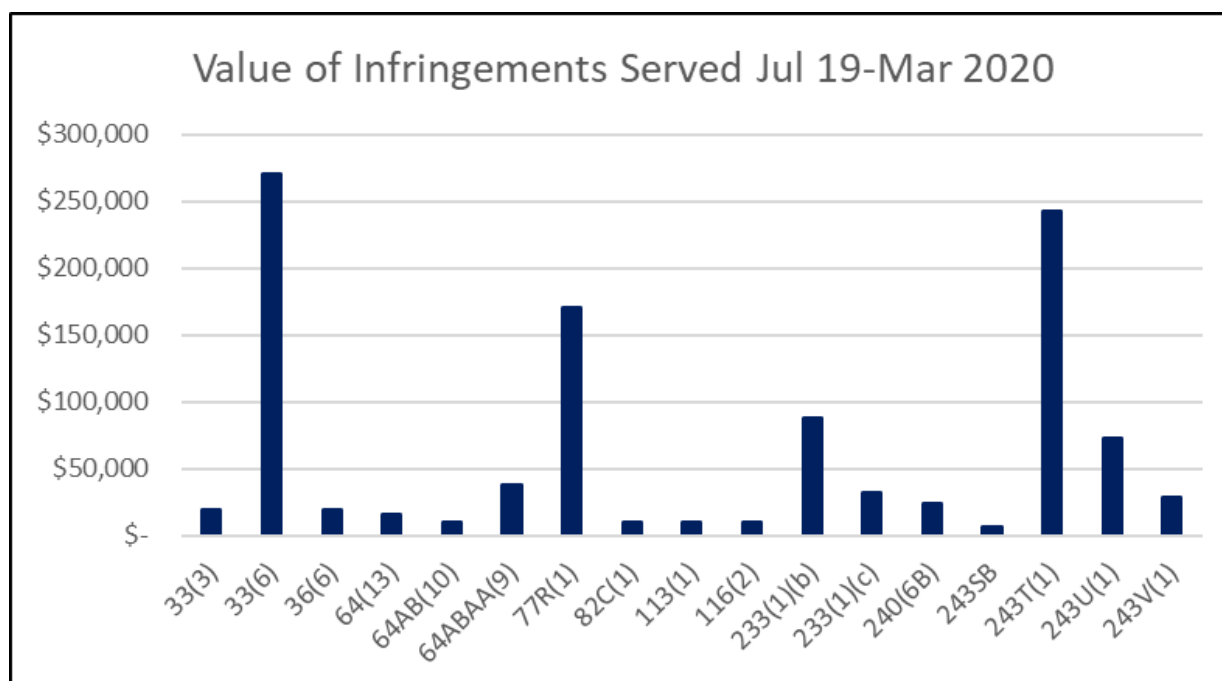


Figure 4 - Value of Infringement Notice Scheme offences 1 July 2019 – 31 March 2020



Note: Some INS data in the previous issue was not accurate, the new data above has been verified for accuracy.

Revenue understatements – General

Table 2 - Value of revenue understatements identified from Investigations and Compliance activities (Australian Dollars)

Activity	Financial year 2018-2019	1 October to 31 December 2019	1 January 2020 to 31 March 2020	FY to date 2019-20
Post Transaction Verification	\$40,943,533.07	\$3,967,317.54	\$21,577,805.09	\$30,171,760.07
Pre-Clearance Intervention	\$14,639,995.90	\$3,277,614.09	\$3,053,655.73	\$10,014,979.18
General Monitoring Program	\$405,569.59	\$137,348.76	\$55,315.86	\$792,440.58
Voluntary Disclosures	\$74,305,441.10	\$7,312,935.05	\$9,887,135.22	\$27,625,835.61

Note: Voluntary disclosures are currently tracking closer to the 18-19 figure than the figures above would suggest as a number of high value revenue cases have been reported in April and May 2020, later than they were last year.

Revenue understatements – Trade remedies

During the 2019 – 2020 financial year to the end of April 2020, Trade Compliance officers undertook 49 targeted activities to ensure a level playing field in relation to the enforcement of trade remedy measures for:

- Aluminium extrusions,
- Clear float glass,
- Hollow Structural Sections (HSS),
- Wire rope, and
- Steel racking

Seven infringement notices under the infringement notice scheme were issued to encourage voluntary compliance for \$73,666.45.

Table 3 - Value of revenue understatements identified from trade remedies investigations and compliance activities (Australian Dollars)

Trade remedies understatements identified	Financial year 2018-2019	1 October to 31 December 2019	1 January 2020 to 31 March 2020	Financial year 2019-2020 to date
Customs duty	\$436,749.86	\$209,157.97	\$59,786.87	\$300,732.14
Dumping duty	\$16,272,065.58	\$1,003,853.31	\$1,237,936.94	\$5,756,993.72
Countervailing duty	\$5,167,520.16	\$769,922.21	\$129,664.36	\$1,774,683.48
GST	\$2,243,554.22	\$198,090.78	\$142,599.49	\$782,899.01

Supply Chain Integrity Compliance

The purpose of cargo control and accounting activity is to monitor the level of compliance of cargo terminal operators, licensed depots and warehouses with their respective legislated and licence conditions.

Table 1 – Supply Chain Integrity compliance activity

Activity	Financial year 2018-2019	1 October to 31 December 2019	1 January 2020 to 31 March 2020	Financial year 2019-2020 to date
Number of cargo compliance checks undertaken	24,012	2,252	2,104	7,025
Total number of breaches	1,012	25	204	250
Proportion of breaches identified against lines checked	4.21%	1.11%	9.70%	3.56%

Refund scheme

Table 2 - Administration of the Refund scheme

Description	1 October to 31 December 2019	1 January 2020 to 31 March 2020	Financial year 2019-2020 to date
Number of refunds lodged	30,988	31,042	92,783
Number of approved refunds	32,712	32,240	98,468
Value of approved refunds	\$83,645,294	\$70,183,397	\$215,341,832
Value of refunds claimed	\$73,870,814	\$64,044,951	\$193,345,681
Number of refunds rejected (non-compliant)	813	901	2,678
Value of refunds rejected (non-compliant)	\$33,340,203	\$2,209,993	\$37,404,378

Note: Figures for financial year 2018-19 are under review and not available for comparison at the time of publication. The approved refunds figures include claims lodged in past periods.

This period ABF saw an increase in the value of refunds rejected. A significant portion of this increase is due to broker data entry and calculation errors. The ABF would like to remind brokers of the need to exercise care and to have adequate checking processes in place prior to lodgement for any amendments to Full Import Declarations (FIDs). Drawbacks data is not available for this issue, and is expected to be available for the next publication.

Compliance Monitoring Program

The Compliance Monitoring Program (CMP) monitors the accuracy and quality of import and export declarations and cargo reports to assess overall levels of industry compliance.

Import declarations

Table 6 - CMP import declaration results

Description	Financial year 2018-2019	1 October to 31 December 2019	1 January 2020 to 31 March 2020	Financial year 2019-2020 to date
No. of Lines Checked	5,720	1,310	1,234	3,826
No. of Lines Detected to Have Error/s	1,407	397	334	1,146
Error Rate	25%	30.31%	27.07%	30%
No. of Detections	2,081	617	459	1,703

Table 7 - Most common errors on import declaration lines (CMP)

Description	Financial year 18-19	Financial year 19-20 to date
Incorrect Delivery Address	318	244
Val - Valuation Date	307	204
Tariff Classification	204	189
Val - Price (Invoice Total)	150	149
Val - Invoice Terms	146	121
Gross Weight	98	81
Other	94	59
Quantity	75	76

Export declarations

Table 8 - CMP export declaration results

Description	Financial year 2018-2019	1 October to 31 December 2019	1 January 2020 to 31 March 2020	Financial year 2019-2020 to date
No. of Lines Checked	668	9	9	149
No. of Lines Detected to Have Error/s	328	6	4	89
Error Rate	49%	67%	44%	60%
No. of Detections	673	9	5	170

Note: The reduction in export declaration assessments since October 2019 has occurred due to ABF resources being allocated to more critical priorities

Table 9 - Most common errors on export declarations (CMP)

Description	Financial year 18-19	Financial year 19-20 to date
FOB Value	183	48
Gross Weight	121	32
AHECC - Misclassification	66	23
Consignee City	50	12
Net Quantity	50	9
Origin	46	14
AHECC - Multi-Lines	41	8
Consignee Name	33	8
Other Export Data Inaccuracy	43	12

Cargo reporting

Table 3 - CMP cargo report results

Description	Financial year 2018-2019	1 October to 31 December 2019	1 January 2020 to 31 March 2020	Financial year 2019-2020 to date
No. of Lines Checked	5,525	1,310	1,234	3,826
No. of Lines Detected to Have Error/s	236	62	32	167
Error Rate	4%	4.73%	2.59%	4.36%
No. of Detections	254	72	36	191

Table 4 - Most common errors on cargo reports (CMP)

Description	Financial year 18-19	Financial year 19-20 to date
Gross Weight	71	57
Consignee Incorrect	62	25
Consignor Incorrect	29	35
Goods Description	22	14
Declared Value	16	18
Cargo Report Data Inaccuracy (Other)	11	30

Australian Customs Notices and Industry Guidance

Australian Customs Notices

The following table contains details of the information ACNs that have been issued this year to date. The full details can be found here: <https://www.abf.gov.au/help-and-support/notices/australian-customs-notices#>

Number	Title
2020-20	New Concessional Item 57 and By-law No. 2019608 to Schedule 4 of the Customs Tariff Act 1995 with Addendum
2020-18	Extension of origin waiver benefit for Australian Trusted Traders
2020-17	Cheese and Curd Quota Scheme – Allocations for 2020-2021
2020-16	Tablet Presses and Encapsulators – Amendments to the Customs (Prohibited Imports) Regulations 1956
2020-15	Export control on goods essential to controlling and preventing the spread of COVID-19
2020-14	Firearms changes to the Customs (Prohibited Imports) Regulations 1956
2020-13	Application for Customs Broker Licences
2020-12	Amendments to Schedule 4 of the Customs Tariff Act 1995 Item 1 by-law
2020-10	Biannual indexation of customs duty rates for tobacco and tobacco products – 1 March 2020
2020-09	Working Days and Hours
2020-08	Rates of exchange and the day of exportation
2020-07	Peru-Australia Free Trade Agreement (PAFTA)
2020-06	Application for Customs Broker Licences
2020-05	Indexation of customs duty rates on excise-equivalent goods on 3 February 2020
2020-04	Application for Customs Broker Licences
2020-03	
2020-02	Free Trade Agreement between Australia and Hong Kong, China – Entry into Force
2020-01	Application for Customs Broker Licences

In the news

December 2019

Multi-million dollar alcohol customs fraud exposed

Two men were arrested following ABF led investigation into allegations of large scale customs fraud and alcohol smuggling totalling an estimated \$28 million. The ABF allege that the men used a number of businesses to illicitly import, smuggle and export alcohol, and make fraudulent claims under the Duty Drawback Scheme. While investigations remain ongoing, it is suspected that the total amount defrauded could be in excess of several hundred million dollars. ABF Commissioner Michael Outram said Operation Cabestro was launched following a review of the Duty Drawback Scheme conducted by the ABF Customs Group and the Revenue Analysis Unit. More information can be found here:

<https://newsroom.abf.gov.au/channels/NEWS/releases/6b86b729-32f5-4bcd-b5dd-caca8a8c7d37>



January 2020

International cooperation assists in the seizure of smuggled tobacco

Australia's joint agency Illicit Tobacco Taskforce (ITTF) seized three large shipments of illicit tobacco worth more than \$11 million in evaded duty over the holiday period thanks to the strong partnerships it has built with international counterpart agencies in Hong Kong, Korea and Singapore. More information can be found here: <https://newsroom.abf.gov.au/releases/international-cooperation-assists-in-the-seizure-of-smuggled-tobacco>

February 2020

Customs Advisory Board

Industry leaders will give their perspectives on how to improve the Australian Customs System through the establishment of the Customs Advisory Board (the Board). The Board, whose ten members were selected from across Australian industry, will provide advice to the Australian Border Force (ABF) Commissioner as the ABF takes forward customs and border modernisation. More information can be found here:

<https://newsroom.abf.gov.au/releases/0af8d36c-267e-4e49-9072-e857040d3e98>

March 2020

Singapore MOU

On 20 March 2020, Australian Border Force (ABF) Commissioner Michael Outram countersigned a Memorandum of Understanding on Trade Facilitation with the Singapore Government. The MOU will allow ABF and Singapore Customs to trial the digital exchange of trade documentation and to explore how our trade single windows can be connected to facilitate customs data exchange. More information can be found here: <https://newsroom.abf.gov.au/releases/e2f458e8-4603-4c8d-be43-12e98d726c9f>



Seizure of counterfeit Rubik's Cubes

ABF officers detected a consignment of more than 500 cubes, imported by sea from Hong Kong to Fremantle, that were in breach of trademarks covering Rubik's Cube, one of the best-selling toys in the world. The ABF enforces intellectual property rights through Australia's Notice of Objection Scheme, which enables it to seize importations of counterfeit and pirated goods at the border. The full story can be found here: <https://newsroom.abf.gov.au/releases/c5f34b58-798a-4f6f-9ee7-95c8277bede8>



May 2020

Hydroxychloroquine seized at the border

Australians are being warned not to import and self-prescribe the anti-malarial drug hydroxychloroquine as a possible treatment for COVID-19, following a surge in detections by Australian Border Force (ABF) officers screening medical supplies crossing the border. Dozens of consignments, totalling more than 6,000 tablets, have been intercepted at the border since January. All have been referred to the Therapeutic Goods Administration (TGA) for assessment. More information can be found here: <https://newsroom.abf.gov.au/channels/NEWS/releases/8a8c6e01-1f4f-4923-8223-bc52e66da2c8>

Next Issue and Contact

If you have any comments or queries on this issue or would like to see a particular topic covered in the next issue of Goods Compliance Update, please email goodscompliance@abf.gov.au , attention GCU editor, by 30 June 2020.

If you would like to contact ABF industry engagement in regards to an event or other engagement opportunity they can be contacted at industry.engagement@abf.gov.au .