

Please find attached a recent ACN from customs in relation to the AUSFTA that reminds importers of their responsibilities when claiming US Origin.

Please peruse the below information and consider the implications on current cargo you may be importing under preferential duty rates.

The AUSFTA provides for preferential rates of duty for goods originating in the USA that meet certain conditions.

We would like to take this opportunity to remind importers of their responsibilities in relation to claiming preference.

Australian Customs have determined that importers are entitled to claim preferential rates of duty without any written advice at the time of importation. However, we strongly advise that clients obtain confirmation from US manufacturers / producers prior to importation - whether it be by fax email or as a Certificate of Origin.

A recent Australian Customs Notice alerted Brokers that "Customs may require an importer to submit a statement setting forth the reasons why a good meets a particular rule of origin. Customs may also seek to verify that a good meets a particular rule of origin by requesting information from the US manufacturer / producer or exporter of the good." Customs also stated that they may deny an importer a preferential rate of duty if the manufacturer / producer or exporter does not provide information that demonstrates that the good meets the rules of origin. We remind importers that there are, essentially, three categories of goods with their own the rules of origin.

The Categories are as follows:

1. Goods that are wholly obtained or produced entirely in the US. This category includes minerals, plants, live animals, fish, goods taken from the seabed, from outer space, waste and scrap, goods produced entirely in the US from such goods.
2. Goods produced entirely in the US or in the US and Australia exclusively from originating materials. This category includes the same types of goods as above but may have Australian content.
3. Goods produced in the US or in the US and Australia from non-originating materials. These goods have components from origins outside of the US or Australia but because of the Rules of Origin may be considered for preferential duty rates. The rules of origin for this category include the transformation test, de minimis, and regional value content. With regard to chemicals plastics and rubber, process rules may apply. For clothing and textiles, Yarn Forward Rule may apply.

Importers, therefore, need to be confident that they can supply information to Customs that their goods fit into one of these categories.

Our experience is that the majority of goods for which preference rates are requested, in fact, fall in the third category. In such cases suppliers (and importers) will need to be familiar with the particular rules of origin for such goods so that if asked can provide relevant documentation that will support their claim.

If you have any doubts about the application of Rules of Origin for US preference, our clearance staff are available to provide all necessary assistance.

Thanks and best regards

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