



AUSTRALIAN CUSTOMS NOTICE NO. 2006/45

HS 2007 proposed tariff changes – implications for Tariff Concession Orders and tariff/origin advices and precedents

Australian Customs Notice No. 2006/44 provides advice on the amendments to the *Customs Tariff Act 1995* contained in the Customs Tariff Amendment (2007 Harmonized System Changes) Bill 2006, which was introduced into the House of Representatives on 7 September 2006. Those amendments reflect the changes arising out of the third review of the World Customs Organization (WCO) International Convention on the Harmonized Commodity Description and Coding System, to enter into force on 1 January 2007 (the HS 2007 changes).

Subject to parliamentary passage of the Bill, the HS 2007 changes will impact on a number of Customs' instruments and decisions, including Tariff Concession Orders (TCOs), Tariff Precedents, Tariff Advices (TAs) and Origin Advice Rulings.

Tariff Concession Orders

Customs has commenced a review of TCOs potentially affected by the HS 2007 changes. Many TCOs will need to be revoked on 31 December 2006 and replaced with one or more new TCOs under the appropriate HS 2007 tariff classifications, with effect from 1 January 2007.

TCOs intended to be revoked will be valid until 31 December 2006. However, once preparations for the revocation of a TCO have commenced, that TCO will no longer appear in the general TCO lists found on the Customs website Import/Export Customs Tariff page (<http://www.customs.gov.au>). The Customs website does not list TCOs that are in the process of revocation.

Customs will provide further information on TCOs affected by the proposed HS 2007 changes before 1 January 2007. That information will be posted on a special HS 2007 page on the Customs internet website (see **Enquiries** below), and will include:

- a list of all TCOs to be revoked, including their descriptions (until 31 December 2006, those relying on the internet to identify TCOs that may apply to their imports should refer to this new list, as well as to the general TCO lists); and
- a concordance showing the current and proposed TCO reference numbers and their relevant tariff classifications.

Tariff Precedents

Customs will shortly commence a review of Tariff Precedents potentially affected by the HS 2007 changes. Many Tariff Precedents will need to be voided. Where possible, voided Tariff Precedents will be replaced after 1 January 2007. There will be circumstances, however, where this will not be possible.

Customs will provide further information on Tariff Precedents affected by the HS 2007 changes. That information will also be posted on the special HS 2007 page on the Customs website (see **Enquiries** below), and will include:

- a list of all Tariff Precedents to be voided; and
- a concordance showing the old and the new Tariff Precedent reference numbers and their relevant tariff classifications (to be provided after 1 January 2007).

Tariff Advices

In December 2006, Customs intends to void all TAs potentially affected by the HS 2007 changes. Importers who wish to seek new TAs to replace those to be voided will need to submit new applications through TAPIN on or after 1 January 2007. TAPIN will reject TA applications submitted before 1 January 2007 that refer to new tariff classifications operative from that date. Importers should review new Tariff Precedents before applying for new TAs.

Origin Advice Rulings

Customs is currently reviewing all Origin Advice Rulings to determine if any Rulings will be affected by the proposed HS 2007 changes. Where a Ruling is potentially affected by the HS 2007 changes, the applicant will be contacted by Customs by 31 October 2006.

All importers should be aware that any Ruling containing a tariff classification affected by the proposed HS 2007 changes will no longer be valid for goods entered for home consumption on or after 1 January 2007.

Import declarations

Once the TA voiding process commences in December 2006, importers should take care when quoting TAs on import declarations. The Integrated Cargo System (ICS) will reject an import declaration that quotes a voided TA in the TA field of a tariff line. Importers who need to rely on a TA after it has been voided as part of the HS 2007 process should quote that TA in the goods description field of the relevant tariff line, rather than in the TA field, until 31 December 2006. From 1 January 2007, importers will not be able to rely on TAs voided as part of the HS 2007 process, and should not quote those TAs on import declarations made on and from that date.

Importers should also take care when quoting tariff classifications and TCOs on import declarations made on and from 1 January 2007, as the ICS will not accept those declarations if they quote tariff classifications repealed or TCOs revoked as a result of the HS 2007 changes.

Care should also be taken when relying on an Origin Advice Ruling to claim preferential tariff rates. The tariff classification quoted in the Ruling may be affected by the HS 2007 changes, resulting in the Ruling no longer being valid for goods entered for home consumption on or after 1 January 2007.

Enquiries

In the first instance, those seeking information on the HS 2007 changes and their consequential amendments should refer to the special HS 2007 page on the Customs website, at <http://www.customs.gov.au>, accessible from the Import/Export Customs Tariff page. The HS 2007 page contains links to all available information relevant to the proposed changes.

Any further questions relating to TCOs, Tariff Precedents and TAs affected by the HS 2007 changes should be directed to email address TARLEG@customs.gov.au, or to the Director HS 2007 Implementation Project on telephone (02) 6275 6551.

Any further enquires relating to Origin Advice Rulings should be directed to email address origin@customs.gov.au or to telephone (02) 6275 6556.

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