

# 1 July 2002

## Changes for importers and exporters

### *Are you ready?*

By Stephanie Sammut



Importers and exporters will need to adjust their business practices as of 1 July 2002 as new Customs legislation to modernise trade starts to come into effect.

The legislation underpins Customs Cargo Management Re-engineering (CMR) and the new integrated cargo system (ICS). The ICS will replace the existing export system in November 2003 and import system from March 2004.

However, the parts of the legislation that change from July are not dependent on the introduction of the ICS.

"Even though the new cargo system is down the track, there are still major changes for industry occurring on 1 July 2002, business changes which need to occur for a smooth introduction to the ICS," Customs National Manager Commercial Compliance Stephen Goggs said.

Owners of goods will still need to retain commercial documents for five years but from 1 July this requirement will extend to include some service providers.

"Shipping lines, airlines, depots and stevedores must also keep their cargo reporting documents for five years," he said.

Communicators of information to Customs (including Customs brokers and bureaus) must keep records verifying the contents of the information communicated to Customs for one year.

"People should be mindful that all documents and records must be readily translated into English, legible and easily accessible by Customs if required."

The 1 July changes have additional requirements for exporters.

Threshold values for export entries have also been aligned at \$2000 per consignment, but all goods that require a permit must be entered, regardless of the consignment value.

"Exporters need to be aware that all goods for export will now be subject to Customs control from the time they arrive at the wharf, airport or Customs depot," Mr Goggs said.

"Also with the consent of the occupier of the premises, Customs will be able to examine export goods before they reach a Customs - controlled place—this may be at the place of packing if necessary.

"We see this as a very important way of helping exporters comply with Customs requirements without slowing them down unnecessarily at the wharf."

For goods that do not require an export entry, manifest reporters must report the exporter's name, country of destination and goods description on the ship or aircraft's outward manifest.

New depot licensing arrangements also take effect on 1 July, with small depot operators to benefit from some cost savings arising from the lower fee of \$1500 per annum applying to depots with less than 300 transactions per annum (previously the threshold was 100). Depot operators will also be required to advise Customs 30 days before any changes to the physical security of their premises or keeping of their documents.

An infringement notice scheme for importers and exporters will also be

introduced on 1 July. This scheme will replace the current penalty system and be used by Customs only as a last resort when dealing with non-compliance.

"Our main focus is increasing industry's awareness of Customs compliance issues," Mr Goggs said.

"We want to help industry adjust to the new requirements and at the same time ensure the data we receive from them is accurate.

"We will be working in partnership with industry to ensure they understand the infringement notice scheme and what they must do to comply with Customs laws as of 1 July.

"Under this new scheme Customs has the option of issuing an infringement notice—it is under no obligation to issue a notice for every single offence.

"Before issuing notices Customs will look at the company's total compliance performance and in some cases a phone call from Customs may be all that is needed to fix the problem.

"Notices will only be issued as a last resort. This is certainly not a revenue raising exercise."

While the scheme will eventually apply to a range of strict liability offences, only four of them are starting from 1 July. A six-month moratorium or grace period will apply to most offences, including two of the four offences starting 1 July.

Importers need to be aware that it will still be an offence to provide false or

misleading statements resulting in a loss of duty and the infringement notice scheme will apply.

A new offence applying to importers and exporters, as well as to other people who communicate with Customs, is providing false or misleading statements that do not result in loss of duty. This offence is covered by a six - month moratorium.

It will remain an offence to move, alter or interfere with goods subject to Customs control without authority but the scheme will now apply to these offences, too.

For exporters, the existing offence of allowing goods to be exported without an authority to deal will also be subject to the scheme, but is covered by the moratorium.

New monitoring powers will also replace Customs commercial audit powers. The new powers will allow authorised Customs officers to enter any premises, with the consent of the occupier, to monitor compliance with Customs - related laws. Monitoring warrants may also be obtained if it is necessary to enter premises and exercise powers without consent.

Further information about the changes are available on the Customs website at [www.customs.gov.au](http://www.customs.gov.au) or by calling 1300 363 263.

## **We want to help industry adjust to the new requirements.**

