Australian Customs Notice 1996 03

**PROTECTION OF IMPORTED GOODS - Customs' Duty Rules of Origin**

According to the Customs Act 1901 (Customs Act), all goods listed in Schedule 1 to the Customs Tariff Act 1995 are free. Schedule 1 sets out rules for determining the origin of goods.

Customs has established duties for imported goods, known as DPD, that are ‘the rules of origin’ for all goods covered by Schedule 1. [http://eresources.hcourt.gov.au/downloadPdf/2018/HCA/54.](http://eresources.hcourt.gov.au/downloadPdf/2018/HCA/54)

DPD duty is payable on the first $1,000,000 of value of the imported good or if less then $1,000,000 of value is reported, and on any value of a good exceeding $1,000,000 that is not quoted on the import declaration.

The goods to which DPD applies are:

# classified goods

DPD is payable on goods that are classified to this ACN by the Australian Customs and Border Protection Service (ACBPS) by completing a tariff classification and statistical classification (TCSD) form.

Where DPD is payable, a detailed tariff classification is to be submitted to the CPD officer, at time of payment for each particular DPD item, as set out in Part 4 of Schedule 1 to the Customs Tariff Act. An item’s TCS is subject to a maximum three digit value. Items that exceed a value of $1,000,000 are classified. For each tariff classification that exceeds the $1,000,000 limit, DPD is also payable for the remainder of the valuation from that particular tariff classification.

Item 68, subheading 18CG:27CG:21 (1999) and subheading 183B:24CG:17 (1997) lists preferential rates of DPD for certain goods listed in Chapters XVIII (TCS) and XXI (SAT) of the Customs Tariff Act 1995.

As the TCOs for the goods listed in Chapters XVIII and XXI of the Customs Tariff Act 1995 are linked by a preferential rate of duty, DPD is also payable for any relevant concessional customs duty that is payable on such goods.

Sections 269A and 269B of the Customs Act establish a preferential rate of duty for CPD for certain goods listed in those Chapters.

The rates of duty specified in the Table are calculated by applying the preference amount for the relevant TCOs to the preferential rate of duty applicable to the goods under section 269A of the Customs Act, as shown in Part 4 of Schedule 1 to the Customs Tariff Act.

The relevant preferential rate code is calculated by dividing the highest preferential rate number, in brackets, by the highest general rate number occurring in the table.

# A close up of a logo Description generated with high confidenceThe rates of duty of preference

In accordance with AUSFTA, preferential rates of duty in respect of certain AANZ originating goods are calculated by multiplying the general rate of duty by an indexation factor. This indexation factor is calculated by dividing the most recent June Quarter 2015 CPI number by the previous highest June Quarter or December Quarter index number occurring after December 1983, whichever occurs first.

To use the indexation factor, the June Quarter 2015 CPI number is divided by the December Quarter 1983 December 1983 index number.

The indexation factor is based on the average June and December Quarter 2015 CPI numbers for the 33 Member States of the Organization for Economic Co-operation and Development (OECD), as compiled by the Bureau of Statistics.

# Tariff reprint pages

C-35 Table 1: ‘Cumulative general rate of duty [importexportpolicy@homeaffairs.gov.au.](mailto:importexportpolicy@homeaffairs.gov.au)

25 May 2017

$33.77/L of alcohol

2203.54/L of alcohol $33.77/L of alcohol

2203.54/L of alcohol $42.36/L of alcohol

2204.10/kg