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**MANUFACTURING IN BOND (MiB)**

In December 1997 the Government announced the introduction of Manufacturing in Bond (MiB) as part of its Investment For Growth industry statement. MiB will exempt exporters from duty on imported goods which are intended for re-export or used as inputs to exports.

Firms seeking to access MiB will need to demonstrate that an important part of their business plan is to use Australia as a base for export operations. Those goods that enter the domestic market will incur a duty liability when the product leaves the MiB facility.

The Regulations giving effect to this scheme came into force by gazettal on 20 March 1998.

Persons or companies wishing to manufacture in bond will require approval from the Department of Industry, Science and Tourism (DIST) and must also hold a Customs warehouse licence.

Applications to manufacture in bond should be submitted to DIST together with a detailed business plan and an application for a Customs warehouse licence if the premises intended for manufacture are not already licensed.

When an applicant receives MiB approval from DIST, Customs will process the warehouse licence application. If the MiB approval holder already holds a warehouse licence for the premises in which the manufacture is to take place, the licence will automatically convert to an MiB licence.

DIST has the power to re-assess an approval at any time and to condition or withdraw it.

Detailed information on the Scheme's arrangements is available from all DIST and Customs regional offices.

All initial enquiries concerning MiB should be directed to Trevor Apolloni, DIST, Central Office ((02) 62136526). Enquiries regarding Customs licensing can be directed to Derrick Andrews, Excise Branch, Customs, Central Office ((02) 62756133).

Richard Hunt

Acting National Manager Excise Branch

for Chief Executive Officer Canberra ACT

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