Australian Customs Notice 1998 72

**DECLARING GOODS TO BE EXPORTED FROM DIFFERENT CONSIGNORS NOTICE TO EXPORT SERVICE INDUSTRY**

# Background

Some companies in the export service industry are offering services to their clients known as 'assembly services'. Assembly services may be described as follows:

*An overseas consignee, that is, the person or organisation that takes final physical possession of the goods, orders goods from a number of different companies in Australia. For example, an overseas consignee fitting out a shop orders cash registers from one consignor, clothing racks from another consignor, signage from yet another consignor, and so on. The exporter/freight forwarder, acting as the middle agent in Australia, includes their own name on one export declaration as the owner of all the goods and ships all goods under one Airway Bill/Bill of Lading, with the intention of receiving one Export Clearance Number (ECN) from Customs.*

This service does not satisfy the requirements of s.114 and s.114A of the Customs Act 1901 ('the Act') for export entries and information and documents relating to export entries.

# Definition of owner

While the definition of 'Owner' in the Act includes persons with some control over, or right to, the goods, it is the intention of an export entry to record the details of the 'common law' owner of the goods, that is, the consignor.

Users of Customs' Export Integration (EXIT) system are therefore to declare whether they are the 'Owner' or the 'Agent acting on behalf of the Owner' by completing the 'Owner/Agent' field as outlined in the EXIT User Manual. Hence:

# If the user is the owner of the goods to be exported, input 'O';

**If the user is acting as an agent on behalf of the owner, input 'A'.**

The EXIT User Manual also provides the following instruction for completing the 'Owner Name' field: **If the user is not the owner of the goods (i.e. an agent) input the owner's name.**

Consequently, for the purposes of an export entry, the details to be entered in the 'Owner Name' field are to be that of the consignor.

Following these instructions will ensure that the common law owner of the goods is clearly identified in an export entry as the consignor.

# Correct procedure

Those currently involved in the activity of 'assembly services' as outlined above are to discontinue the practice of 'assembling' goods from different owners and obtaining only one ECN for these assembled goods.

This is because the agent acts on behalf of each of the common law owners and there are separate contracts of sale for the goods between the consignors (the common law owners) in Australia and the consignee overseas.

The correct procedure is for the agent to obtain an ECN for **each** consignor and **all** of these ECNs must be manifested.

For those in the export service industry wanting to provide assembly services for their clients, it is recommended that they compile a sub-manifest of the various consignments.

Please direct any queries concerning this notice to Asha Murphy on (02) 6275 6168. R J Mitchell

National Manager

Import-Export Management Branch For Chief Executive Officer

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