Australian Customs Notice 2001 35

**TEMPORARY IMPORTS REMISSION OF DUTY/TAX IF GOODS ARE DAMAGED OR DESTROYED**

The purpose of this Customs Notice is to advise of changes to the *Customs Regulations 1926* (the Regulations) that will take effect on 6 June 2001. These changes are contained in the Customs Amendment Regulations (No. 4) 2001 (SR No. 119) (the amending Regulations).

These changes amend the Regulations to provide in effect a power to fully remit the duty and taxes which would have been payable, in situations where temporary imports have been accidentally damaged or destroyed, or in the case of an animal, it has died or been destroyed because of accident or illness.

Section 162 of the *Customs Act 1901* (the Act) provides that where certain goods are imported and the importer intends to export those goods, the Collector may grant the importer permission to take delivery of those goods upon giving a security or undertaking for the payment of duty, goods and services tax (GST) and/or luxury car tax (LCT) payable on those goods.

Similarly, section 162A of the Act provides that the regulations may specify that certain goods may be brought into Australia on a temporary basis without the payment of duty, GST or LCT if the goods are eligible under certain international conventions on temporary admission acceded to by Australia.

Where goods are temporarily admitted under section 162 or 162A of the Act, and these goods have not been exported, the importer is required to pay duty, GST and/or LCT. The amending regulations set out the circumstances in which duty and/or taxes will not be payable on temporarily admitted goods even though those goods are not exported from Australia.

Duty and/or taxes are will not be payable in respect of temporary imports in the following circumstances:

where goods, temporarily admitted under section 162 or 162A of the Act, are accidentally damaged or totally destroyed, this includes damage or destruction due to an accident or *force majeure*; or

in the case of an animal, that animal dies or is destroyed due to an accident or illness which occurred whilst in Australia; and

the goods or animal have no value as a direct result of the damage, destruction or death.

The Securities/Auxiliaries section in the region where the security is held must be contacted immediately if damage occurs. In the event of an animal being euthanised, the animal should be destroyed under the supervision of a qualified veterinarian and a report submitted to Customs stating why destruction was necessary.

Applications for the remission of duty, GST and LCT will be considered on a case by case basis. Evidentiary material supporting the application for remission could include, but is not limited to, veterinarian reports, police reports, insurance claims, photographs, video or television footage, newspaper articles or statutory declarations.

Remission of duty is not available when goods have been lost or stolen. In such cases the goods are deemed to have entered the commerce of Australia, and duty, GST and/or LCT will be payable. This is consistent with world best practice on temporary admission and is based on Article 14 of the Istanbul Convention (entered into force for Australia on 27 November 1993).

**Inquiries**

Questions on the operation of the temporary import provisions may be directed to the Securities / Auxiliaries area in the port of import, or to Mr Mark Jarratt, Manager (Temporary Imports &amp; Broker Licensing) on telephone

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For Chief Executive Officer Canberra

May 2001

File: C01/03675