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**Customs Tariff Amendment Act (No. 1) 2002**

*Customs Tariff Amendment Act (No. 1) 2002* - Act No. 38 of 2002 - received the Royal Assent on 26 June 2002. This Act contains a number of amendments to the *Customs Tariff Act 1995* (the Tariff), as follows:

The insertion of subsection 7(3) into the Tariff to specify that a reference in the Interpretation Rules to "Notes" includes a reference to "Additional Notes". Additional Notes are inserted into the Tariff to clarify the classification of goods and to provide definitions for Australian domestic purposes. This amendment clarifies the intent that Additional Notes have the same force as the international Section and Chapter Notes.

The insertion of a new Additional Note into Chapter 21 of the Tariff to specify that "salsas", a kind of sauce, are to be classified in heading 2103 with other sauces. This Additional Note will ensure that Australia's treatment of these goods is consistent with international practice.

The insertion of a post-2005 phasing rate of duty for item 59 in Part III of Schedule 4 of the Tariff. Item 59 provides for the importation of used or secondhand passenger motor vehicles without the payment of the penalty rate of duty of $12,000, subject to Departmental by-laws. The post-2005 phasing rate of duty for item 59 was omitted in error from the *Customs Tariff Amendment (ACIS Implementation) Act 1999.*

The above changes commence on 10 July 2002.

The remaining amendments in *Customs Tariff Amendment Act (No. 1) 2002* correct errors that were contained in *Customs Tariff Amendment Act (No. 5) 2001*, which also amended the Tariff. That Act gave effect to

approximately 800 changes to the Tariff resulting from the second review of the Harmonized System by the World Customs Organization, effective from 1 January 2002.

One of these amendments corrects the duty rate for tariff subheading 4203.21.10, which applies to mittens and mitts lined with furskin and used for sporting purposes. Following a re-examination of the classification of these goods in the Tariff prior to 1 January 2002, a rate of duty of 5 per cent has been applied to this subheading from that date to reflect the rate previously applicable to these goods.

The remaining amendments in *Customs Tariff Amendment Act (No. 1) 2002* are of an editorial nature and include the correction of spelling, punctuation and the amendment of text to clarify the coverage of headings and subheadings.

The following Tariff reprint pages to reflect these changes will be issued in the week commencing 15 July 2002: Customs Tariff Act page 9 (R.2);

Schedule 3: 21/1 (R.1), 27/1 (R.3), 42/5 (R.4), 48/9 (R.5), 48/11 (R.3), 48/13 (R.5), 48/15 (R.5) 48/31 (R.1) and 48/33 (R.1); and

Schedule 4: 4/33 (R.1).

Any queries relating to *Customs Tariff Amendment Act (No. 1) 2002* should be directed to Robert Moore, Manager, Tariff Legislation and External Review on

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for

Chief Executive Officer July 2002