

AUSTRALIAN CUSTOMS NOTICE NO. 2003/18

# SEEKING SUBMISSIONS RELATING TO CUSTOMS ACCREDITED CLIENT PROGRAM

The Australian Customs Service (**Customs**) is introducing an Accredited Client Program (**ACP**) under the provisions of the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2001. The program is designed to facilitate importers and exporters who have a proven record of compliance with Customs reporting requirements.

The first stage of implementation of the ACP is expected to commence in December 2003 with the introduction of the export reporting phase of Customs integrated cargo system.

The Minister for Justice and Customs, Senator Ellison is convening a working group in Canberra on 6 May 2003. This working group will discuss issues relating to the ACP.

The issues for discussion include:

# Issue 1 - An extension of the ACP to formally recognise the role of ‘Service Providers’ such as Customs Brokers and Freight Forwarders.

Part 1 of the ACP Business Rules details the type of ‘person’ that can enter ACP. At present there are no provisions for Service Providers entering the program in their own right. They may act as an agent for an importer or exporter. In doing so, they are required to enter into a formal contract and abide by the business rules underpinning the program.

# Issue 2 - The addition of a security component to the current ACP.

This issue would involve a commitment by accredited clients to ensure their importing and exporting processes reflect the government’s position on supply chain security as part of its counter-terrorism initiatives. It would entail a consideration to the extension of the program to include to Brokers, Freight Forwarders, Cargo Carriers and Handlers.

# Issue 3 - A review of the commencement audit costs to clients. Feedback is sought on the potential high costs of undertaking the commencement audit in order to meet the assurance standards for participation in the program.

Part 1 of the Business Rules requires a client to produce an audit report, compliance statement and working papers from an auditor, prepared in accordance with standards, which form part of the current Australian Auditing Standards series published by the Institute of Chartered Accountants and CPA Australia’s.

# Issue 4 - A review of the data accuracy standards required by clients to join and remain in the program. Some industry sectors view the data accuracy standard as too high and therefore consider it a barrier to joining the program. The standard set for the auditor is to be 90% confident that the applicant’s entry line data is no more than 2% incorrect.

Accreditation Standard 3 requires an accredited client to comply with all statutory requirements for the entry of goods. They must demonstrate their ability to meet specified accuracy standards in relation to the importation and exportation of the goods over the audit period. Over the relevant reporting period they are required to have no more than a 2% error rate in critical reporting fields.

These critical reporting fields for imported goods are: classification; quantity; Customs Value, transport and insurance costs, country of origin, taxable status, port of discharge and where applicable the correct usage of preferential treatment code. Critical reporting fields for exported goods are: Australian Harmonised Export Commodity Classification (AHECC), quantity, export value, country of destination, and state of origin.

An auditor must have a 90% confidence level that the results of any test sample of entry lines are indicative of the actual amount of error.

# Issue 5 - As a result of the issues before the working group, it may be necessary to review the current information contract and business rules of the ACP.

**Lodgement of Submissions**

Interested parties are invited to make a submission as soon as possible, but no later than **Wednesday 16 April 2003.** Submissions should address the issues under consideration and grant Customs permission to provide copies to other relevant government agencies.

Telephone enquires and submissions should be forwarded to Tania Barrow, Director, Compliance Branch, Australian Customs Service, Customs House, 5 Constitution Avenue, Canberra ACT 2601, ℡ 02 6275 6288, � 02 6275 6227,

� [tania.barrow@customs.gov.au](mailto:tania.barrow@customs.gov.au)

More information about the ACP is available from the Customs Internet Site [www.customs.gov.au](http://www.customs.gov.au/)

# Steven Holloway National Manager Compliance Branch

**March 2003 Ref: C03/01910**