Australian Customs Notice 1996 21

**AMENDMENTS OF SCHEDULE 4 CONTAINED IN THE CUSTOMS TARIFF ACT 1995**

As previously advised in ACN 96/03, the Customs Tariff Act 1995 will commence on 1 July 1996. The new Act contains a number changes to the concessional items in Schedule 4. Some of these changes may affect the coverage of certain items.

The purpose of this ACN is to advise importers and brokers of the amendments to Schedule 4, both major and minor. The changes are summarised at **Attachment "A".** In addition, most amendments have also required changes to the treatment codes/reference numbers and/or statistical codes for Schedule 4 items. Reference should be made to the Working Tariff or TAPIN for these changes.

Changes have also been made to the concessions written to many Schedule 4 items which specify goods as prescribed by by-law (prescriptive), whether or not the items have been amended. These changes will also operate on and from 1 July 1996, and include:

new by-laws to replace those previously in force for items which have had major textual or item number changes; a by-law for new item 20B;

lapsing of by-laws for items which are no longer prescriptive; lapsing of by-laws which have not been used for over three years;

new by-laws to replace those which were made prior to 1 January 1988; and new by-laws to replace determinations having general application.

A concordance appears at **Attachment "B"** to assist importers and brokers in identifying the correct by-laws applying from 1 July 1996. It lists each concession in force as at 30 June 1996 and specifies the equivalent by-law to take effect on and from 1 July 1996, where applicable. These changes will be reflected in the reference file system, and on TAPIN from 1 July 1996.

It is possible that Part II to the Schedule of Concessional Instruments (SCI) will not be printed in time for distribution prior to 1 July 1996. As the text of some concessions has been altered, importers and brokers should use the concordance in conjunction with TAPIN to verify the concession still applies to the goods to be imported. Any queries regarding these changes may be directed, in the first instance, to Lyndall Milward-Bason on (06) 275 6551.

This ACN does not address the changes to the Tariff Concession System (Schedule 4 - Items 11, 19 and 50) or the Policy By-law (PBL) System (Schedule 4 - Items 43, 45, 46, 47, 52, 55, 56, 57 and 60) recently announced by the Government. Separate ACNs will be issued to explain the future administration of these systems.

RICHARD JANECZKO

National Manager Tariff &amp; Valuation CANBERRA

May 1996

(Tariff Legislation - C96/1123; C96/5893; C96/5900; C96/5911)

# ATTACHMENT "A" TO ACN 96/21 I TEM 1B

This item has been amended through the amalgation of the conditions contained in BL 9140013 (ie. "certified by the Commissioner for Taxation as being eligible for tax- deduction under s.78(1)(a)(xxvii) of the Income Tax Assessment Act 1936), into the the wording of the item. The item is now non-prescriptive and BL 9140013 is no longer necessary.

# I TEM 3

This item now only covers goods for the official use of the Governor-General and his family. The concession for goods for Governors and their families has been transferred to item 10. The item remains non-prescriptive.

# I TEM 4

This item has been split and retains the concession for those goods mentioned in current paragraph (a) of the item (ie. goods owned by a government of a country other than Australia). Goods covered by paragraph (b) of old item 4 have been transferred to item 16. The current by-laws have been replaced.

# I TEM 5

This item has been amended through the amalgamation of the exclusions contained in BL 8332595 - revenue goods and motor vehicles, sea and air craft - into the wording of the item. The item is therefore non-prescriptive and needs no by-law.

# I TEM 6

There are two minor changes to this item; "intended" has been deleted from subparagraph (a) and "Comptroller" has been amended to "Chief Executive Officer" in subparagraph (c). The item remains non-prescriptive.

# I TEM 7

Subparagraph (a) has been amended to read in part "agreement between the Government of Australia and the government of another country or countries". The coverage of the item is unaffected and BL 9640001 remains unchanged.

# I TEM 8

A similar change has been made to this item as in item 7. The legal instruments which were made prior to 1 January 1988 have been rewritten. **I TEM 9**

Another minor change has been made to this item by the inclusion of the words "Government of" before Australia. The by-law which was made prior to 1 January 1988 has been rewritten.

# I TEM 10

This item has been recreated to cover goods for State Governors and their families. This concession was previously included in item 3. The item is non-prescriptive. **I TEM 12**

This item has been amended to read "Aids and appliances, as prescribed by by-law, for people with disabilities". The coverage of the item is unaffected, however, new by- laws have been gazetted to replace the determinations previously issued.

# I TEM 14

The word "Comptroller" occuring 5 times has been amended to "Chief Executive Officer". The item is non-prescriptive. **I TEM 16**

This item has been recreated to accomodate the scientific goods previously contained in subparagraph (b) in old item 4. The previous coverage is unaffected, however, new by-laws have been gazetted.

# I TEM 17

Amendments to the eligibility conditions of this item have been tightened so that the reimported goods, or parts of goods "are returned in an unaltered condition, being goods which have not been subject to treatment, industrial processing, repair, renovation or alteration, or any other process,". For example, this will prevent gemstones which have been sent overseas for cutting and/or polishing being entered under this item. Such goods will be entered under their substantive Schedule 3 items. The item is non-prescriptive.

# I TEM 18A

This new item is similar to the provisions contained in subparagraph (a) of old item 18. However, new exclusions ie. "upgraded goods or goods to replace goods which have reached the end of their operational life" have been added to conditions for entry under this concession. Such goods should be entered under their substantive item without concession. The item is non-prescriptive.

# I TEM 18B

This is another new item which contains provisions in subparagraph (b) of old item 18. It also contains a similar new exclusion as explained in new item 18A. The item is non-prescriptive.

# I TEM 18C

This item recognises the new industry practice of product safety recall. In future goods which are replaced by the manufacturer or exporter because of a defect will be able to claim duty free entry under this item subject to provisions legislated in the item. The item is non-prescriptive.

# I TEM 20A

This is a similar concession to that contained in old item 20. It now contains restrictions which limits work undertaken overseas on the defective goods to that necessary to effect the repair or renovation only. The item is non-prescriptive.

# I TEM 20B

This item is new and recognises industry practice of repair by batch processing. Due to developing technological changes and international best practice, many international manufacturers have instituted batch repair processing and centralised their equipment and overhaul function in one geographic location. Manufacturers replace defective goods or parts with an operational equivalent from the central store at the time the fault occurs. Then, when sufficient defective goods of the same type are at hand, batch repair is undertaken.

Under previous concessions importers would have paid full duty on the replaced good as it was not the article that was exported. The new concession will now allow importers to import these replacement goods by paying Customs duty on the assessed repair cost of the defective exported goods, subject to certain conditions gazetted in BL 9640052.

# II TEM 23A

This item contains the same concession as in paragraph (a) of old item 23. The item is prescriptive. However, it operates by means of determinations issued for specific purposes. No determinations are current.

# I TEM 23B

This item contains the same concession as in paragraph (b) in old item 23. The old by-law has been replaced. **I TEM 23C**

This item contains the same concession as in paragraph (c) in old item 23. The item is non-prescriptive. **I TEM 24**

This item has the same provisions as previously but now has the conditions of the by-law included in the wording of the item. The item is now non-prescriptive and BL 8840068 is no longer necessary.

# I TEM 25A

This item contains the same concession as in paragraph (a) of old item 25. A separate by-law has been gazetted to item 25A to replace paragraph (b) of the former by-law. **I TEM 25B**

This item contains the same concession as in paragraph (b) of old item 25. A separate by-law has been gazetted to item 25B to replace paragraph (a) of the former by-law. **I TEM 25C**

This item contains the same concession as in paragraph (c) of old item 25. A separate by-law has been gazetted to item 25C to replace paragraph (c) of the former by-law. **I TEM 32A**

This item contains the same concession as in paragraph (a) of old item 32. New by-laws have been gazetted to this item replacing those previously in place. **I TEM 32B**

This item contains the same concession as in paragraph (b) of old item 32. New by-laws have been gazetted to this item replacing those previously in place. **I TEM 33A**

This item contains the same concession as in paragraph (d) of old item 25. New by-laws have been gazetted to this item replacing those previously in place. **I TEM 33B**

This item contains the same concession as in paragraph (c) of old item 25. New by-laws have been gazetted to this item replacing those previously in place. **I TEM 35**

The provisions of this item are the same as contained in old item 35A. The item is non-prescriptive and hence does not require by-laws. **I TEM 36**

The conditions of old items 36A and 36B have been combined. There are minor amendments to the listed tariff subheadings due to WCO changes. New by-laws have been gazetted to this item replacing those previously in place.

# I TEM 37

Old item 37A has been renumbered and the provisions are the same. New by-laws have been gazetted to this item replacing those previously in place. **I TEM 38**

Old item 38A has been renumbered and the provisions transferred to this item. New BL 9640079 has been gazetted to replace BL 8840078. **I TEM 39B**

The wording of this item combines that of the old item and of BL 8840092. The item is now non-prescriptive and the by-law is no longer necessary. **I TEM 39C**

The wording of this item combines that of the old item and of BL 8840070 The item is now non-prescriptive and the by-law is no longer necessary. **I TEM 40A**

The same concessions are carried through to the new Act. As announced in ACN 95/73, a new four-for-one by-law (BL 9640095) and lightweight fabrics by-law (BL 9640096) have been gazetted replacing BL 9440042 and BL 9340039 respectively.

# I TEM 41A

This item combines the concessions previously contained in paragraphs (a) and (d) of old item 41A for PMV Plan Producers under the Export Facilitation Scheme. Replacement by-laws have been gazetted.

# TEM 41B

This item contains the same concessions as were provided in paragraph (b) in old item 41A. Replacement by-laws have been gazetted for components to be used in the assembly of vehicles.

# I TEM 41C

This item contains the same concessions as were provided in paragraph (c) in old item 41A. Replacement by-laws have been gazetted for the testing, quality control, manufacturing evaluation and engineering development of passenger motor vehicles by Plan Producers.

# I TEM 41D

The conditions of this item have been transferred from old item 41B. It is non-prescriptive. **I TEM 42**

This item contains the conditions contained in old item 42A but now defines gross construction tons in the same terms as the Bounty (Ships) Act 1989. This item is non- prescriptive.

# I TEM 51

The wording of this item combines that of the old item and of BL 9040037. The item is now non-prescriptive and the by-law is no longer necessary. **I TEM 53**

This item allows importers to claim the phase-down of duty rates where entered goods are not "of a kind used as replacement components in passenger motor vehicles". From 1 July 1996 there is no requirement for both items 53A and 53B as the phase-down to 5% is complete and so the conditions of old item 53B have lapsed. The Table of excluded tariff subheadings appended to this item has been updated to cater for the phase-down of certain textile fabrics to 15% between 1 July 1996 and 30 June 1997.

The item is non-prescriptive. **I TEM 54**

There are some minor changes to the Table of tariff subheadings under which import credits may be used. These amendments are due to WCO changes in Schedule 3. BL 9440005 has been replaced by BL 9640099.

# ATTACHMENT "B" TO ACN96/21

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|  |  |  |  |
| --- | --- | --- | --- |
| I TEM NO. | OLD BY-LAW NO. | NEW BY-LAW NO. |  |
| 1A | 9140012 | 9140012 |
| 1B | 9140013 | Not applicable |
| 1C | 9140014 | 9140014 |
| 1D | 9140015 | 9140015 |
|  | 9540003 | 9540003 |
| 1E - | 9140016 -Part) | 9640031 |
|  | 8431753 (Part) | 9640032 |
| 5 | 8332595 | Not applicable |
| 7 | 9640001 | 9640001 |
| 8 | 7652225 | 9640033 |
|  | 8200717 | 9640034 |
|  | 7262126 | 9640035 |
|  | 7262128 | 9640036 |
| 9 | 8530532 | 9640037 |

|  |  |  |
| --- | --- | --- |
| 12 | 8531956 | 9640039 |
|  | 8535648 | 9640040 |
|  | 8531957 | 9640041 |
|  | 8531948 | Lapsed |
|  | 9204256 | 9640042 |
|  | 8531981 | 9640043 |
|  | 8731961 | 9640044 |
|  | 8732195 | 9640045 |
|  | 8531950 | 9640046 |
|  | 8531958 | 9640047 |
|  | 8531984 | 9640048 |
|  | 8531962 | Lapsed |
|  | 8908985 | 9640049 |
|  | 8531982 | Lapsed |
| 13 | Unchanged |  |
| 15 | 7262132 | 9640050 |
|  | 7262133 | 9640051 |
|  | 9540004 | 9540004 |
|  | 9540005 | 9540005 |
| 16 | 8431753 (Part) | 9640030 |
|  | 8840072 (Part) | 9640038 |
| 20B |  | 9640052 |
| 21 | 7262147 | Lapsed |
|  | 7262149 | Lapsed |
|  | 7262150 | Lapsed |
|  | 7262225 | Lapsed |
|  | 7262148 | 9640053 |
|  | 8062085 | 9640054 |
|  | 8251845 | Lapsed |
|  | 8736244 | 9640055 |
|  | 9440029 | 9640056 |
| 22 | 9003520 | 9640057 |
| 23B | 8532032 | 9640058 |
| 24 | 8840068 | Not applicable |
| 25A | 9440024 (para. b) | 9640059 |

|  |  |  |
| --- | --- | --- |
| 25B | 9440024 (para. a) | 9640060 |
|  |  |  |
| 25C | 9440024 (para. c) | 9640061 |
| 27 | 8840053 | 8840053 |
|  | 9340016 | 9340016 |
|  | 9340047 | 9340047 |
| 28A | 9340068 | 9340068 |
| 29 | 8807579 | 9640062 |
| 30 | 8840003 | 9640063 |
| 32A | 8256166 (Part) | 9640081 |
|  | 9540006 (Part) | 9640082 |
|  | 9240005 (Part) | 9640083 |
|  | 9440012 (Part) | 9640084 |
|  | 7266687 (Part) | 9640088 (Part) |
|  | 9440026 (Part) | 9640088 (Part) |
| 32B | 8256166 (Part) | 9640085 |
|  | 9540006 (Part) | 9640087 |
|  | 9240005 (Part) | 9640100 |
|  | 9440012 (Part) | 9640101 |
|  | 7266687 (Part) | 9640098 (Part) |
|  | 9440026 (Part) | 9640098 (Part) |
| 33A | 7253706 | 9640080 |
|  | 8840081 (Part) | 9640086 (Part) |
|  | 8840081 (Part) | 9640091 (Part) |
|  | 7253708 | 9640089 |
|  | 8736242 | 9640090 (Part) |
|  | 8840002 | 9640090 (Part) |
|  | 8840001 | 9640090 (Part) |
|  | 8736225 (Part) | 9640091 (Part) |
|  | 8736225 (Part) | 9640086 (Part) |
|  | 7363319 | 9640092 |
|  | 7233387 (Part) | 9640093 (Part) |
|  | 9440026 (Part) | 9640093 (Part) |
| 33B | 8736240 | 9640094 |
|  | 9340072 | 9640095 |
|  | 7266687 (Part) | 9640102 (Part) |

|  |  |  |
| --- | --- | --- |
|  | 9440026 (Part) | 9640102 (Part) |
| NB: Items 32A, 32B, 33A and 33B were previously paragraphs within item 32. | |  |
| 34 | 8940017 | 8940017 |
|  | 8840062 | 8840062 |
|  | 8840063 | 8840063 |
|  | 8840064 | 8840064 |
| 35B |  | Not applicable |
| 35C |  | Not applicable |
| 36 (ex 36B) | 9040030 | Lapsed |
|  | 9140104 | 9640064 |
|  | 9140105 | 9640065 |
|  | 9140106 | 9640066 |
|  | 9140107 | 9640067 |
|  | 9140108 | 9640068 |
|  | 9140109 | 9640069 |
|  | 9140110 | 9640070 |
|  | 9140111 | 9640071 |
|  | 9140112 | 9640072 |
|  | 9140116 | 9640073 |
|  | 9140117 | 9640074 |
|  | 9140102 | 9640075 |
|  | 9140113 | Lapsed |
|  | 9240079 | Lapsed |
|  | 9140100 | Lapsed |
|  | 9140101 | Lapsed |
|  | 9140103 | Lapsed |
| 37 (ex 37A) | 9240020 | 9640076 |
|  | 9240021 | 9640077 |
|  | 9240022 | 9640078 |
| 38 (ex 38A) | 8840073 | 9640079 |
| 39A | 9440015 | 9440015 |
|  | 9440017 | 9440017 |
|  | 9440033 | 9440033 |
| 39B | 8840092 | Not applicable |
| 39C | 8840070 | Not applicable |

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| --- | --- | --- | --- |
|  |  |  |  |
| 40A | Unchanged except |  |
|  | 9440042 | 9640096 |
|  | 9340036 | 9640097 |
| 41A | 9640004 | 9640011 |
|  | 9205080 | 9640012 |
|  | 9640005 | 9640013 |
|  | 9208692 | 9640014 |
|  | 9340039 | 9640015 |
| 41B | 9640007 | 9640016 |
|  | 9208994 | 9640017 |
|  | 9640006 | 9640018 |
|  | 9208993 | 9640019 |
|  | 9640008 | 9640020 |
|  | 9209553 | 9640021 |
|  | 9640009 | 9640022 |
|  | 9209552 | 9640023 |
|  | 9640010 | 9640024 |
|  | 9440023 | 9640025 |
| 41C | 9640003 | 9640026 |
|  | 8732233 | 9640027 |
|  | 9640002 | 9640028 |
|  | 8732235 | 9640029 |
| 48 | 9040038 | 9040038 |
| 49 | 9040004 | 9040004 |
| 50 | 8734172 | 8734172 |
| 51 | 9040037 | Not applicable |
| 54 | 9440005 | 9640099 |
| 59 | 9240034 | 9240034 |
|  | 9240035 | 9240035 |