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**CHANGES TO PROCEDURES FOR EXAMINING AND APPROVING APPLICATIONS FOR SINGLE TRANSACTION PERMISSIONS (STPs) UNDER SECTION 71E OF THE CUSTOMS ACT AND 61A OF THE EXCISE ACT**

The Australian Customs Service (ACS) has recently reviewed its procedures related to the approval of applications for Single Transaction Permissions (STPs), under section 71E of the Customs Act and section 61A of the Excise Act, for the movement of goods from warehouses licensed under section 79 of the Customs Act and from places approved under section 5A of the Excise Act.

STPs provide Permission Holders with access to goods on which customs or excise duty has not been paid. Such access increases the potential risk of diversion of the goods and the loss of revenue and there have been instances of underbond goods with high duty values being diverted into home consumption while being subject to movement permissions.

The potential risk to the revenue of allowing the movement of goods between bonds has increased significantly with the recent substantial surcharge imposed on import and excise duties on tobacco and petroleum products. These resulted from the Commonwealth putting in place safety net arrangements to protect State and Territory revenue following the High Court's decision on State business franchise fees.

In recognition of the significant duty liability and risks associated with underbond movement permissions, the review focussed on tightening up the procedures for issuing STP's. Changes have been introduced to the processes used for examining and making determinations on applications for STPs, with greater emphasis on the risk assessment of applicants. Where the revenue is considered to be at risk, approval will not be granted.

While the ACS is conscious of the need for quick decisions to meet commercial timetables, there may be circumstances under which further investigation is required on an application and a same day decision is not possible. There will be no automatic approval of STP applications and each application will be assessed as to its risk.

Applicants for STP's can assist in this process by providing all the required information and by lodging applications sufficiently in advance of the intended movement of the goods.

The STP Application Form has been revised and will be available for use shortly. The Application Form seeks additional information on the owner, the goods and the premises to which the goods are to be moved, to assist Customs to evaluate the application. An incomplete application may result in delays in providing a decision or in the application being refused.

Approvals for STP's will be issued **only to the owners of the goods.**

There is provision for Customs to take security with surety in circumstances where this is considered appropriate.

The changed procedures relate only to applications for the movement of underbond goods under the authority of an STP between premises licensed under section 79 of the Customs Act and places approved under section 5A of the Excise Act. Other forms of application under section 71 E of the Customs Act, such as those for Query Memo examination, made on form B614a, or the movement of goods for the purpose of public exhibition under section 97(1) of the Customs Act, are not covered by these procedures.

Any queries concerning these changes should be directed to the Director, Alcohol, Tobacco and Warehousing, Excise Branch, Canberra, on (02) 6275 6109.

R. Hunt

A/g National Manager Excise for

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