Australian Customs Notice 1998 79

**COMPILE USER CREATION OF CODED OWNER AND**

**SUPPLIER (COS) CODES**

In June 1996 the Australian Customs Service made the Coded Owner and Supplier (COS) code creation facility available to registered COMPILE users enabling those users to create COS codes from their own office COMPILE terminal.

This facility has proven to be a valuable saving of time and effort for COMPILE users as well as a resource saving for the ACS itself. It is of some concern however that COS code allocation data has in some instances not been of a good quality nor have all entries been created using correct COS codes. This initially appears to be due to a combination of failure of some COMPILE users to take due care in the COS allocation and/or entry creation process as well as some performance problems within the COS software itself.

The purpose of this Australian Customs Notice is to remind COMPILE users of their responsibility to correctly create COS codes and import entries. It further advises industry of the commencement of a Customs review of the COS system which focuses on the COS allocation system software and industry's COS business requirements.

## COS codes

The import entry process requires two COS codes for each entry. One code identifying the owner of the goods (Owner Code) and one identifying the supplier of the goods (Supplier Code). The ideal situation is that the COS system holds only one current COS code per owner or supplier.

In respect of **owner codes**, there are 4 types of code that apply to the entry process: Owner code types are:

Government Diplomatic Business

Individual/Partnership (not being a business) There is only a single type of supplier code.

## COS Allocation Process:

Government and Diplomatic codes can only be allocated by the ACS. All applications for Government or Diplomatic COS code MUST be made by the COMPILE user to the appropriate ACS regional office.

For Business and Individual/Partnership COS codes, COMPILE users are able to create codes directly from their own terminal.

Upon receipt of relevant commercial documentation and prior to the creation of a Customs entry, the registered COMPILE user should ideally consult internal office records to see if COS codes for the entry owner and supplier already exist. If so, COMPILE users must use the existing COS codes on the entry. (In certain situations the COS system may have made a code 'non-current'. In this case the COMPILE system will advise that fact during the entry creation process).

If no COS code is found, the COMPILE user may then attempt to create a new code. Likewise, if an existing COS code proves to be 'non-current' at the time of entry creation a new COS code may be created.

The COS allocation process will compare the input data with existing COS records and where matching details exist, the system will return a message to the screen advising the number of an existing COS code. If the input data does **not** correspond with an existing COS record, the system will allocate a new COS code. This new code is to be used on the entry.

COMPILE users may find benefit in including the new and existing codes in their internal records for future reference.

The data requirements for COMPILE user allocated COS codes are as follows:

Supplier Codes:

*Name and Full Address* AND *Country code.*

# Business Codes:

*Business Name and Full Address* AND *Australian Company Number (ACN). If no ACN allocated then the Owner's Phone number and if Trading Name used, also the Owner's full name.*

Individuals or Partnerships (not being businesses): *Full Name and Address details* AND *Phone number.*

## The ACS Reliance on Industry

In providing a facility allowing COMPILE users to create COS codes from their own office, the ACS is relying upon the responsibility and good judgement of COMPILE users to provide honest and accurate information.

The lack of accurate information being input into the COS and COMPILE system can impact adversely on Customs ability to perform its role and will flow through to delays in COS system computer transaction times and potentially, cargo release times.

It is a legislative requirement that entry details (including COS codes) are correct and that they represent the true owner and supplier of the entered goods. In no circumstances should false entry details be provided to Customs by using a code belonging to another owner or supplier.

The ACS keenly embraces the system of COMPILE users allocating their own COS codes as it is clearly a benefit and timesaving to the ACS and industry alike. There is certainly no intention to generally revert the COS system to the previous manual process, however in identified cases of continuing and obvious breach of obligation of care, consideration may be given to reverting specific COMPILE users to manual COS allocation.

## COS Review

The ACS has recently commenced a review of the COS allocation system. The review recognises that the software involved in the COS allocation process can, in certain situations, return a questionable result.

This uncertainty may be due to the COMPILE user misinterpreting COS allocation requirements or alternately, a legitimate system problem may exist relating to elements of the 'tuning' process of the COS name matching software.

In situations where a COMPILE user does question the information the COS system has supplied, it is the user's responsibility to contact the regional User Liaison support area and advise of the problem. User Liaison staff will in the first instance be able to help overcome the problem and will subsequently provide valuable feedback in relation to identified problems to the COS system review.

## Consultation

A key component of the COS review will be discussion with representatives of all stakeholders in the COS process. This will obviously include the representatives of the importing community. The review itself is expected to be complete by February 1999 and is being coordinated in Customs by Mr. **Len Gibson** of the Customs Commercial Applications Section, Import/Export Management Branch CANBERRA.

Industry participants interested in providing comments or written submissions in relation to the COS Review should contact Mr Gibson by 11 December 1998.

Mr. Gibson's contact details appear below: Mr. Len Gibson

Customs Commercial Applications

Customs House

5 Constitution Ave

CANBERRA ACT 2601

Phone: 02 62756567

Facsimile: 02 62755893

Email: [len.gibson@customs.gov.au](mailto:len.gibson@customs.gov.au)

R J Mitchell National Manager

Import-Export Management Branch for

Chief Executive Officer 11 November 1998

(Import/Export Management: C98/04491)