Australian Customs Notice 2000 38

**TERMINATION OF THE ADMINISTRATIVE ARRANGEMENTS TO THE YEAR 2000 FOR THE AUTOMOTIVE INDUSTRY**

On 31 December 2000, the export facilitation scheme ('EFS') under the Administrative Arrangements for the automotive industry will expire. A new scheme, the Automotive Competitiveness and Investment Scheme ('ACIS') will be introduced on 1 January 2001. The commencement of ACIS will see the cessation of the passenger motor vehicle ('PMV') producers' 15 per cent entitlement to duty-free importation.

In order to effect the closure of the EFS and PMV producers' entitlement, the following actions are proposed:

1. Item 41A of Schedule 4 to the *Customs Tariff 1995* (the Customs Tariff) will be revoked with effect from midnight on 31 December 2001. Determinations made for the purposes of this concession will allow export credits to be used to offset duty payable on eligible imports up until this date. By-law BL 9640015 made for the purposes of item 41A of Schedule

4*,* supporting the operation of the EFS, will be revoked with effect from midnight on 31 December 2001.

1. Item 41B of Schedule 4 to the Customs Tariff will be replaced with a narrower concession, with changes to take effect from midnight on 31 December 2000. The narrower concession will not extend to goods previously covered by the PMV producers' 15 per cent entitlement to duty-free importation. As a result, from 1 January 2001, the importation of original components for use in the manufacture of vehicles by PMV producers will be subject to the relevant duty rates set out in Schedule 3 to the Customs Tariff. However, duty liabilities will be able to be offset at the time of importation by the use of:

EFS export credits through item 41A until 31 December 2001; or ACIS credits through item 41E from 1 January 2001 (see below).

*The narrower concession will continue to assist the Australian heavy commercial motor vehicle (HCMV) and HCMV component industries. It will cover original components for use in the assembly or manufacture of vehicles of a kind, which if imported, would be classified under one of the following headings or subheadings of Schedule 3 to the Customs Tariff (as prescribed by by-law):*

|  |  |
| --- | --- |
| 8701.20.00 | *Road tractors for semi-trailers* |
| 8701.90.20 | *Tractors for dumpers* |
| 8702 | *Motor vehicles for the transport of ten or more persons* |
| 8703.22.20 | *Motor vehicles of various engine types and capacities principally designed for the transport of persons, excluding vehicles of 8702, PMVs and vehicles such as those* |
| 8703.23.20 | *specially designed for travelling on snow and golf cars* |
| 8703.24.20 |  |
| 8703.31.20 |  |

|  |  |
| --- | --- |
| 8703.32.20  8703.33.20  8703.90.20 |  |
| 8704 | *Motor vehicles for the transport of goods* |
| 8705 | *Special purpose motor vehicles, other than those principally designed for the transport of persons or goods* |

1. Item 41B by-law BL 9640025, which currently gives effect to the HCMV concession, will be revoked and replaced with a similar by-law, with effect from midnight on 31 December 2001.
2. The following by-laws made for the purposes of items 41A and 41B of Schedule 4 to the Customs Tariff, which support the operation of the PMV producers' 15 per cent entitlement to duty-free importation, will be revoked with effect from midnight on 31 December 2000:

|  |  |  |
| --- | --- | --- |
| BL 0040002 | BL 0040003 | BL 0040004 |
| BL 0040005 | BL 0040008 | BL 0040009 |
| BL 0040010 | BL 0040011 | BL 0040012 |
| BL 0040013 | BL 9840023 | BL 9640012 |
| BL 9640014 |  |  |

1. The final acquittal of securities held by the Australian Customs Service in relation to use of the PMV producers' entitlement will be performed in March 2001.
2. Item 41C of Schedule 4 will be amended with changes to take effect from midnight on 31 December 2000. Reference to manufacturing of PMVs and motor vehicle components under the PMV plan will be replaced by reference to PMVs and motor vehicle components for inclusion in PMVs manufactured by motor vehicle producers registered under ACIS. This item shall continue to provide concessional entry for goods for use in testing, quality control, manufacturing evaluation or engineering development of domestically manufactured PMVs.
3. The following by-laws made for the purposes of item 41C of Schedule 4 to the Customs Tariff, which support the operation of the testing concession, will be amended with changes to take effect from midnight on 31 December 2000. Reference to the PMV plan will be removed:

|  |  |  |
| --- | --- | --- |
| BL 0040006 | BL 0040014 | BL 0040015 |
| BL 0040016 |  |  |

8. Item 41E has been created to allow ACIS credits to be used to off-set duty liabilities assessed upon eligible imports. A by-law(s) made for the purposes of Item 41E of Schedule 4 to the Tariff to support the operation of ACIS will be introduced.

Any inquiries concerning the changes proposed in this ACN should be directed to:

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