Australian Customs Notice 2001 03

**ARRANGEMENTS REGARDING THE REVOCATION OF PASSENGER MOTOR VEHICLE ORIGINAL EQUIPMENT BY- LAWS (ITEM 41B) AND TERMINATION OF END USE SECURITY**

As outlined in Australian Customs Notice 2000/38, the previous arrangements for the importation of original equipment (OE) components duty free for use in the manufacture of passenger motor vehicles (PMVs) ceased at midnight 31 December 2000.

This notice outlines, for security holders, the termination arrangements associated with the wind-up of the export facilitation scheme (EFS) and has been prepared in consultation with the Department of Industry, Science and Resources (ISR).

With effect from 1 January 2001 by-laws, made under Item 41B of Schedule 4 to the *Customs Tariff Act 1995* (the Tariff), which allowed the duty free importation of original equipment (OE) components designated for use in the manufacture of passenger motor vehicles (PMVs), have been revoked. These by-laws required an end use security that was conditional on the OE components being used in the local manufacture of PMVs. Please note that assistance under the Automotive Competitiveness and Investment Scheme (ACIS) for OE components imported after 1 January 2001 will not be affected by the following arrangements.

Additionally, importers may be able to offset duty liabilities at the time of importation by the use of EFS credits through Item 41A until 31 December 2001 and ACIS credits through Item 41E from 1 January 2001. Transitional arrangements have been introduced to allow participants to reduce their Item 41B stock and introduce duty paid stock during the first quarter of 2001. Under these arrangements, imports that have been entered under Item 41B prior to 1 January 2001 can continue to be used as OE in the production of certain PMVs until 31 March 2001.

Security holders will however be responsible for providing details of usage of Item 41B goods after 1 January 2001 Security holders will need to provide a report to Customs by 30 April 2001, detailing the amount (including a nil report when appropriate) of Item 41B stock on hand as at 31 March 2001.

This report should be submitted, in the format normally used to acquit security liabilities and volunteering of damages, to the Inspector Securities, Import/Export Management in the respective State or Territory.

Contact details are contained in the Attachment to this notice.

Customs, in conjunction with ISR, have monitored imports in the lead-up to the repeal of Item 41B and its by-laws and reserves the right to undertake or require comprehensive audits of particular companies and or component producers as part of its ongoing compliance program.

Any inquiries concerning the arrangements in this notice should be directed to the Customs Manager Automotive and Transport, on telephone(03) 9244 8369, or to one of the contact officers listed on the Attachment.

Jeff Buckpitt

National Manager Import Export Management for Chief Executive Officer

9 January 2001