Australian Customs Notice 2002 12

**Review of the Customs Valuation Legislation**

In 1999, the then Department of Industry, Science and Resources released a report titled 'The Review of the Customs Valuation Legislation'. The recommendations in that report are attached to this Australian Customs Notice.

The first four recommendations propose amendment of the valuation provisions of the *Customs Act 1901* (Customs Act).

The Minister for Justice and Customs has sought, and received, support from the Prime Minister and from relevant Ministers for the amendment of the valuation legislation.

As a first step to amending the valuation legislation, the Australian Customs Service (Customs) has prepared a set of legislative guidelines. A copy of the guidelines can be obtained from the Customs Web page

at [http://cww.customs.gov.au/ecom/prodn/homepage/NOTICES/acn02/legguide2002.pdf](https://borderauthor.border.gov.au/Customsnotices/Documents/legguide2002.pdf). The legislative guidelines are designed to:

emphasise that the transaction value is the principal means of determining the customs value of imported goods, and to direct that, where that method cannot be used, the hierarchy of valuation methods outlined in the World Trade Organization Agreement on Customs Valuation (the Valuation Agreement) must be followed;

ensure that Australia's valuation legislation reflects the language and terminology of the Valuation Agreement;

propose that the revised legislation uses plain English, adopts a more logical structure, and contains fewer and simpler definitions; and

propose, in accordance with current legislative drafting practice, that most definitions will be contained in a dictionary at the end of Division 2 of Part VIII of the Customs Act.

As you will note, the legislative guidelines outline only the nature of the legislative amendments envisaged; they do not outline the proposed wording of the amendments.

The amendments are not designed to change the intent or the coverage of the existing valuation legislation. At this stage, it is planned to introduce a Bill into the Parliament during the 2002 Spring program.

At this stage, it is planned to introduce a Bill into the Parliament during the 2002 Spring program. *Any comments on the legislative guidelines should be sent to*:

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or emailed to [john.arndell@customs.gov.au.](mailto:john.arndell@customs.gov.au) The closing date for comments is Friday, 19 April 2002. Customs will separately consider the other two recommendations of the Review.

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National Manager Tariff

for Chief Executive Officer

(C02/01818)

**Recommendations contained in '*Review of the Customs Valuation Legislation'***

Recommendation 1: Sections 154 to 161 L of the *Customs Act 1901* should be repealed and redrafted in a clear, straightforward and logically organised 'plain English' format that incorporates the language and terminology of the World Trade Organisation (WTO) Agreement on Customs Valuation as far as possible and is consistent with that Agreement.

Recommendation 2: The redrafted legislation should contain clear statements of its purpose and objectives including its primary purpose of specifying the methods for determining the value of all imported goods.

Recommendation 3: The proposed new legislation should make clear the statutory basis on which importers are required to self-assess the value of imported goods.

Recommendation 4: The legislation or its supporting material should clearly explain the principles which underpin Australia's import valuation procedures and the intent behind each of the provisions in the legislation.

Recommendation 5: The Australian Customs Service should examine the feasibility of adopting a system of public valuation rulings.

Recommendation 6: The Australian Customs Service should introduce, at the same time as the new legislation comes into effect, a program to provide public information about the requirements for valuation of imports under the proposed new legislation.