AUSTRALIAN CUSTOMS NOTICE NO. 2005/09

Customs value of Chinese textiles and clothing to include export tax

# Introduction

On 1 January 2005, the Government of China imposed an export tax on certain textiles and clothing. The export tax is valid for three years.

The export tax must be paid before the goods are exported from China. The person or company that makes the declaration to Customs in China must pay the export tax.

# Customs value

In those circumstances where:

1. the customs value of Chinese textiles or clothing is determined under the transaction value method, the most common method of valuing imported goods (refer to section 161 of the *Customs Act 1901*); and
2. the amounts paid or payable by the Australian importer in relation to those textiles or clothing include any amount for the export tax,

the customs value should include the amount paid or payable for the export tax.

In the above circumstances, the amount paid or payable for the export tax would form part of the “price” as defined in subsection 154(1) of the *Customs Act 1901*.

The amount of export tax would usually be included in the customs value determined under any of the other methods of valuing imported goods, given that there is no provision under any of the methods of valuing imported goods for deducting export taxes from the customs value. The result is that the customs value should usually include the export tax.

Where the amounts paid or payable by the Australian importer in relation to Chinese textiles or clothing do not include any amount for the export tax (e.g. the exporter pays the export tax but does not raise the price of the goods or otherwise require any additional payment from the importer due to the export tax), the customs value should not include an amount for the export tax.

Where an importer has paid an amount for the export tax but has not included that amount in the customs value of the goods, the importer should lodge a Post Warrant Amendment for those goods as soon as possible. Correction of the customs value and payment of any additional customs duty payable before Customs seeks to verify the accuracy of the entry will protect the importer from the imposition of penalties (refer to Australian Customs Notice

No. 2004/05).

# Enquiries

Any enquiries in relation to this Notice should be directed to the valuation mailbox, [valuation@customs.gov.au](mailto:valuation@customs.gov.au), or to Valuation, Trade Branch on telephone number (02) 6275 6556.

Andrew Rice National Manager Trade Branch CANBERRA ACT

March 2005

