AUSTRALIAN CUSTOMS NOTICE NO. 2005/57

Formal import entry and revenue collection thresholds in the ICS

On 8 October 2005, the *Customs Amendment Regulations 2005 (No. 6)* - No. 230 of 2005 – and Customs By-laws Numbers 0540003 and 0540004 will commence.

Entry/declaration

The Amendment Regulations prescribe a value of $1,000 for subparagraph 68(1)(f)(iii) of the *Customs Act 1901*. This means that goods imported other than by post, that is by sea and air cargo, that have a value not exceeding $1,000 will not have to be the subject of a formal import entry. This amendment aligns the threshold value of such goods with those imported into Australia by post.

Revenue liabilities

New Customs By-laws Numbers 0540003 and 0540004 apply the ‘Free’ duty rate under Item 32A or 32B of Schedule 4 of the *Customs Tariff Act 1995* to a consignment of goods imported into Australia if the customs value does not exceed $1,000. Section 42-5 of the *A New Tax System (Goods and Services Tax) Act 1999* specifies that if these goods are duty free, they are also non-taxable importations. As with the By-laws they replace (Numbers 0040019 and 0040020, which have been revoked), the new By-laws specifically exclude consignments containing tobacco, tobacco products or alcoholic beverages. This means that duty and tax must be paid on these products, irrespective of value.

By increasing the formal entry threshold for air and sea cargo from the levels established in 1975, and directly aligning the formal entry and revenue collection thresholds, the Government intends to simplify the customs clearance process for a large number of importers of low value goods.

Application provisions within the regulations and the by-laws apply the new formal entry and revenue collection thresholds to goods due to arrive at or after the import cut-over time for the Integrated Cargo System that is planned for 12 October 2005.

The amendment regulations and by-laws can be viewed on the Attorney General’s Department’s ComLaw website (http://www.comlaw.gov.au).

For queries concerning this ACN, please contact the Manager, Legislation and Development by phone on 02 6275 5977 or by fax on 02 6245 5446.

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