AUSTRALIAN CUSTOMS NOTICE NO. 2006/20

Extension of refund application period

Recent changes to the Customs Regulations have extended the period for lodgement of refund applications from twelve months to four years from the date of duty payment (refer *Customs Amendment Regulations 2006 (No.1)*). This action was foreshadowed in the Explanatory Memorandum to the Bill for the *Customs Legislation Amendment and Repeal (International Trade Modernisation) Act 2001* (the ITM Act)*.*

This now means that the period for refund applications aligns with the time limit for Customs to collect short levied duty under section 165 of the *Customs Act 1901* and the time limits for the refund and recovery of the Goods and Services Tax under legislation administered by the Australian Taxation Office.

The four year refund application period applies to any eligible transaction processed under the import related aspects of the ITM Act. This means that the extended refund application period will apply to:

* entries processed in the Integrated Cargo System;
* entries processed in COMPILE after the import cut-over date of 12 October 2005 (as part of the contingency arrangements in place until 3 February 2006); and
* information provided to Customs under new sections 71AAAB (which relates to personal or household effects of a passenger of a ship or aircraft) and 71AAAF (which relates to certain low value goods) of the Customs Act.

Where refund applications previously had to be made within twelve months of a specified event (such as a decision by the Administrative Appeals Tribunal or the making of a Tariff Concession Order), the new arrangements allow for an extended period. This means that where the relevant event occurs more than three years after the duty was paid, the owner of the goods will still have twelve months from the date of the event to apply for a refund. This ensures that an owner of goods covered by these circumstances is not disadvantaged by the changes.

The change does not alter the 14 day period applicable to refund claims relating to the deterioration, damage, loss or destruction of goods.

Customs fact sheet "*Refund applications and post warrant amendments made in the Compile system*" (issued in November 2005) provided guidance on the documentary process for refund applications relating to COMPILE entries. Customs is currently reviewing those guidelines to determine whether any alteration will be required following the complete turn-off of legacy systems in February 2007.

For queries concerning this ACN, please contact Refund Policy on telephone (02) 6275 6117.

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