# DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION NOTICE

**No.2017/11**

# Reporting of warehoused petroleum importations to the Department of Immigration and Border Protection

The purpose of this notice is to remind industry of their reporting obligations to the Department of Immigration and Border Protection (the Department) when importing some petroleum products.

Certain petroleum products produced or manufactured in Australia are liable for excise duty. Apart from biodiesel and denatured ethanol, an equivalent rate of import duty is imposed on like importations, termed excise equivalent goods or EEGs. The duty is imposed to ensure consistency in treatment for both imported and domestic goods in the Australian market.

## General Reporting Obligations for EEGs under Customs Control that Undergo Manufacture

Part VAA of the *Customs Act 1901* provides that EEGs entered for warehousing on a warehouse declaration (Nature 20) may lawfully undergo manufacture while they are under customs control and duty unpaid. Under this provision, further manufacture can only occur at a premises appropriately

licensed both for excise manufacture under the *Excise Act 1901* and as a warehouse under the *Customs Act 1901.* When that manufacture takes place, the import duty equivalent to the excise duty is extinguished, provided the product is not biodiesel or denatured ethanol. The resulting manufactured product, if excisable, becomes subject to excise duty. Excise duty is collected by the Australian Taxation Office (ATO).

An acquitting return in the form of a Nature 30 ex-warehouse Import Declaration that cites Treatment Code 444 (termed a 444 Nature 30 Import Declaration) is required for the EEG used in this manufacture. This pays any ad valorem import duty and GST liability to the Department. The 444 Nature 30 Import Declaration must be lodged within 8 days after the end of the manufacture period; a manufacture period being a 7 day period beginning on a Monday unless the regulations prescribe otherwise.

## Accuracy of Declarations involving Liquid Petroleum made to the Department

The quantity of petroleum or petroleum like product loaded onto the importing vessel and initially declared to the Department is normally different to the quantity discharged. Importers need to ensure the quantities actually discharged are correctly measured and reported on any declaration made to the Department by amending declarations accordingly. This includes statements made on Sea Cargo Reports, Sea Cargo Outturn Reports and Nature 10, Nature 20 and Nature 30 Declarations.

Nature 30 Import Declarations that subsequently report the quantities that went into home consumption or, if they are 444 Nature 30 Import Declarations, underwent excise manufacture, must also declare those quantities correctly. The quantities declared on a Nature 20 must equal those declared on the acquitting Nature 30 Import Declarations unless some or all of those imports are still being kept in the licensed premises, have been exported or are otherwise accounted for.

## Compliance Approach

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Importers and their representatives are reminded that they are responsible for the accuracy of information reported to the Department. Making a false or misleading statement to the Department, including underreporting of volumes or values, can result in importers and their representatives being liable to financial penalties under the Infringement Notice Scheme or prosecution.

You are encouraged to review your previous importing history. In the event that you identify an error, you can make a voluntary disclosure to the Department. Making a voluntary disclosure will protect you from penalty or prosecution.

## Useful resources

ACN 2006/33 - Legal changes and new administrative arrangements for excise manufacturers that use

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| imported excise equivalent goods from 1 July 2006  Sea Cargo Outturn Reports – A Quick Guide | |
| [SIGNED] | [SIGNED] |
| Stephen Hledik Acting Commander  Customs Compliance Branch CANBERRA ACT | Joshua Hutton  Acting Assistant Secretary Trade and Customs Branch CANBERRA ACT |
| 12 July 2017 | 14 July 2017 |