



AUSTRALIAN CUSTOMS NOTICE NO. 2004/50

Thailand-Australia Free Trade Agreement – Customs Tariff Amendments

The *Customs Tariff Amendment (Thailand-Australia Free Trade Agreement Implementation) Act 2004* (the TAFTA Tariff Act) received the Royal Assent on 26 November 2004. It contains amendments to the *Customs Tariff Act 1995* (the Tariff) to implement the duty reductions contained in the Thailand-Australia Free Trade Agreement (TAFTA) by:

providing duty-free access for certain goods and preferential rates of customs duty for other goods that are Thai originating goods (in accordance with Division 1D of Part VIII of the *Customs Act 1901*);

phasing the above preferential rates of customs duty for certain goods to Free by 2015;

creating a new Schedule 6 to the Tariff to accommodate those phasing rates of duty; and

providing the mechanism to initiate safeguard measures on sensitive products including canned tuna, processed pineapple and pineapple juice, if necessary.

The amendments to the Tariff contained in the TAFTA Tariff Act provide that a Free rate of duty applies to Thai originating goods, unless a rate is specified in new Schedule 6 opposite the tariff classification that applies to those goods.

Reference should be made to ACN No. 2004/51, which sets out the rules for determining whether goods are Thai originating goods, for the purposes of the Tariff.

It is expected that the amendments will come into effect on 1 January 2005. A COMPILE news message will be issued when the exact date is confirmed.

The introduction of the TAFTA will affect entry procedures for goods from Thailand. In particular, a new preference code will apply for Thai originating goods when the TAFTA enters into force.

Entry procedures for goods from Thailand

Where goods are Thai originating goods, the preference indicator "H" should be used on Customs entries to access the preferential rate of duty.

Where goods are manufactured in Thailand, but are not Thai originating goods, the preference indicator "T" should be used where a Developing Country (DCS) rate of duty applies.

Where safeguard provisions are invoked (see below) preference indicator "I" will be available for those goods.

The preference indicator "X" should be used where the general rate of duty applies.

Where preference is claimed and Customs finds that the imported goods are not Thai originating goods, Customs will demand the duty short-paid and may impose penalties. Additional action may be taken where fraud is indicated.

Safeguard Goods

Importers should note that, under new section 16A of the Tariff, special safeguard provisions apply to certain Thai originating goods that are listed in the Table below (safeguard goods). Where the volume of safeguard goods imported in a particular calendar year exceeds the volume specified in the Table, special safeguards may be imposed. If special safeguards are imposed, the duty rate for safeguard goods will return to the general rate for the remainder of the calendar year.

Tariff Reference	Description	Unit	2005	2006	2007	2008
1604.14.00	Prepared or preserved tunas, skipjack and bonito (<i>Sarda spp.</i>).	kilograms	21,366,277	22,434,591	23,556,320	24,734,136
ex 2008.20.00	Pineapples, otherwise prepared or preserved, canned.	litres	6,083,197	6,387,357	6,706,725	7,042,061
ex 2008.20.00	Pineapples, otherwise prepared or preserved, not canned.	kilograms	2,137,189	2,244,048	2,356,251	2,474,063
2009.41.00 and 2009.49.00	Pineapple juice, unfermented and not containing added spirit.	litres	2,080,116	2,184,122	2,293,328	2,407,994

The Minister for Agriculture, Fisheries and Forestry will be responsible for deciding whether to impose special safeguards. If the Minister decides to impose special safeguards, that decision will be published in the *Government Notices Gazette*. The general duty rate would then apply to safeguard goods imported on and from the day after the gazettal day until the end of the calendar year.

The preferential rate will, however, continue to apply to:

- (a) goods that had been imported on or before the gazettal day, but that had yet to be entered for home consumption; and
- (b) goods that had been exported on or before the gazettal day under a contract settled on or before that day, but that had yet to be imported (in-transit provisions).

However, the quantity of safeguard goods set out in (b) above must be counted towards the quantity applicable for the next calendar year in relation to the same type of goods. To enable those goods to be identified for this purpose, preference indicator "I" must be input in the preference indicator field on import entry lines for those goods.

For more information on the administration of special safeguards under TAFTA and to register as an importer of safeguard goods, please refer to the following website:

www.daff.gov.au/FTA

Other duties and taxes

While Thai originating goods will be eligible for preferential rates of duty, excise-equivalent duties, goods and services tax, dumping duties and other taxes and levies, including cost recovery charges, if relevant, will still be payable.

Tariff Reprint Pages

Tariff reprint pages relevant to the above amendments will be issued progressively as other changes are made. Those pages containing the *Customs Tariff Act 1995* and Schedule 6 (Thailand Originating Goods) will be issued as soon as possible.

Enquiries concerning this notice may be directed to:

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