



Australian Customs Cargo Advice

Number 2012/01

A Risk Based Approach to administering Securities

Overview

As part of its business improvement activities, the Australian Customs and Border Protection Service (Customs and Border Protection) conducted a review of the efficiency and effectiveness of current practices in administering securities. Key recommendations arising from that review were to:

- implement a risk based approach to the administration of the securities function for the future;
- introduce a monitoring/compliance based future operating model for lower risk securities; and
- centralise the securities functions in one region.

Implementation of a risk based approach to Securities administration

In order to efficiently manage the administration of securities, Customs and Border Protection will apply a risk based approach to certain types of securities (specifically, securities relating to goods imported on a temporary basis). This approach will commence on 27 February 2012.

With this change, Customs and Border Protection will apply a tolerance level to securities aligned to Treatment Codes 351, 352 and/or 354 that are applied to an import declaration (FID). This means those goods subject to security that fall under the tolerance amount (currently set at \$50,000) may not have to apply for a documentary security and be granted a security identifier.

“.... goods subject to security that fall under the tolerance amount (currently set at \$50,000) may not have to apply for a documentary security”

Where the total security amount determined by the ICS against any of the above treatment codes on a FID does not exceed the threshold amount (\$50,000), a security identifier will not automatically be required. For FIDs in this category, a risk based approach will apply to determine if a security identifier will be required after lodgement.

Part of the risk based approach is the requirement for a new declaration question to be answered during lodgement. The question will be generated on a FID which would normally require a security identifier, but which will now qualify under these arrangements to be entered without the security identifier.

Importers (or Customs Brokers acting on their behalf) should note, that answering “Yes” to this question, means the FID may be subject to “red line” processing, and that they must adhere to the requirements and conditions associated with the relevant temporary importation. A “No” answer will require a security identifier and the completion and lodgement of a Form 46 or B46AA, as per the current process.

The Import Declaration Advice will notify users if the FID is subject to “red line” processing. If the FID receives a CLEAR status then a security identifier will not be required.

Where the total security amount determined by the ICS against the treatment code on the FID exceeds the threshold amount (\$50,000) then a security identifier will be required as per the current process.

Centralisation of Securities function

In addition to implementing a risk based approach to the administration of securities, another key outcome of the review was to centralise the location of the securities function. Customs and Border Protection can confirm that the centralised securities function is currently being established in the Brisbane office and will be known as ‘National Temporary Imports & Securities’ (NTIS).

ICS Securities Report

In order to aid industry in managing securities lodged with Customs and Border Protection an on demand report (by ICS users) will be available when it is fully developed and tested in the ICS. It is expected that this report will be available late 2012.

In the interim Customs and Border Protection will generate reports when a written request is submitted.

For reports please email ntis@customs.gov.au

Parameters to be specified are:

Selection Parameter	Description	Valid Values
1. FID Date of Finalisation	From - To	
2. Security Date of Finalisation	From - To	
3. TRT Code		Either: All, 351, 352 or 354
4. Port of Destination		All, then each capital
5. Security ID	Optional	
6. Importer ABN/CCID	Optional	
7. Tariff Chapter and/or Heading	Optional	2-digit (chapter) or 4-digit (heading)
8. Customs Value (CVAL) range	Optional	
9. Total Security Liability Amount (Header) range	Optional	

Compliance Assurance

Customs and Border Protection will continue to undertake audits and other compliance activities in relation to FIDs that make use of Treatment Codes 351, 352 and/or 354. FIDs that are “green lined” will also be subject to normal compliance assessment and review.

Amendment of Import Declarations

Where goods are to lawfully remain in Australia then the related FID should be amended to remove the treatment code/s (351, 352 and/or 354) on each affected line. The liability that is then created for duty and/or GST on the new version of the FID will be payable immediately.

Temporary Import Security Applications (Form 46 or B46AA)

You can lodge a *temporary import security* application (Form 46 or B46AA) by any of the following ways:

- By email to ntis@customs.gov.au (*preferred method*)
- By facsimile to 07 3835 3494, or
- By post to;
Australian Customs & Border Protection Service
GPO Box 1464
BRISBANE QLD 4001

Other Security Types

Procedures for lodgement and processing of other security types such as Dumping/Countervailing securities and end-use securities under various Customs Tariff Schedule 4 By-laws will continue as per existing arrangements.

Contact for Further Information

For operational information relating to the changes outlined above, you may contact either;

- By email to ntis@customs.gov.au or
- By phone to Customs Supervisor NTIS on 07 3835 3378 or Customs Manager Trade Services, Victoria on 03 9244 8365

For policy related information, please contact Import/Export Policy by email importexportpolicy@customs.gov.au

Australian Customs and Border Protection Service
Cargo Division/Trade and Compliance Division
CANBERRA
8 February 2012