



AUSTRALIAN FEDERATION OF INTERNATIONAL FORWARDERS LTD

Australia – United States Free Trade Agreement.

Please be advised that the Australia – United States Free Trade Agreement (AUSFTA) has been ratified and comes into force on 1 January 2005.

Preferential Rates of Customs Duty

Preferential rates of customs duty will apply for US originating goods that are imported into Australia from 1 January 2005 and Australian origin goods being imported into the US from 1 January 2005. While most items will be free of duty from 1 January the actual rate applicable is determined by the Customs classification of the goods being imported.

Rules of Origin

There are specific rules of origin for the following categories of goods:

- Goods produced wholly produced or obtained entirely in the US or Australia;
- Goods that are produced entirely in the US, in Australia or in Australia and the US exclusively from originating materials;
- Goods that are produced entirely in the US, in Australia or in Australia and the US exclusively from non originating materials or a combination of originating and non originating materials;
- Chemicals, plastics or rubber; and
- Textiles and Clothing.

Where goods incorporate non originating materials there is a transformation test that requires the non originating materials be subject to a change in Customs classification in the production process. The level of transformation is linked to the actual Customs classification of the final product.

In some cases the goods are required to have a specified level of regional value content. Again this requirement and the level of regional value content are specified for each Customs classification.

Consignment Rule

To be eligible for goods to claim preferential rates of duty the goods must be shipped directly to US or Australia or through another country only where the goods are not subject to any operation other than to facilitate the transport of the goods.

Certificates of Origin

A certificate of origin is NOT required to support a claim for preferential rates of duty under the AUSFTA.

However, the importer must possess some form of written advice from the supplier confirming that the goods qualify as an originating good before preferential rates can be claimed.

Customs may request provision of this supporting information at the time of entry or any time after the goods have been cleared and delivered.