



AUSTRALIAN FEDERATION OF INTERNATIONAL FORWARDERS

Australia – Thailand Free Trade Agreement.

Please be advised that the Australia – Thailand Free Trade Agreement (TAFTA) has been approved by Parliament and is awaiting Royal Assent and is expected to come into force on 1 January 2005.

Preferential Rates of Customs Duty

Preferential rates of customs duty will apply for Thai originating goods that are imported into Australia from 1 January 2005 and Australian origin goods being imported into the Thailand 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

A good is considered to be an originating good under the agreement if it obtained or produced entirely in Thailand and/or Australia.

If products are not entirely produced in Thailand and/or Australia there are specific rules of origin to determine whether they are qualifying goods.

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.

Certificates of Origin

A certificate of origin IS required to support a claim for preferential rates of duty under the TAFTA. Goods will not qualify for preferential rates unless a Certificate of Origin is obtained from an authorised body. This is a significant difference between the TAFTA and the Aust-US FTA.

To obtain the required Certificate of Origin the exporter must first register the goods to be exported with an authorised body. Once registered, the exporter can apply to have Certificates issued for all future shipments.