

JJL**J. J. LAWSON**

CUSTOMS • FREIGHT • TRANSPORT



Bare Facts

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Matt's top tip



CARGO REPORTING AND ASSEMBLY ORDERS

There has been much discussion within the Customs Broking and Freight Forwarding industry concerning the release by the Australian Customs and Border Protection Service (AC&BPS) of AC&BPS Notice 2013/20 which advised that the AC&BPS was reversing its policy of not issuing infringement notices in regard to incorrectly reported cargo.

The responsibility for reporting imported cargo falls on the cargo reporter (usually the shipping company or freight forwarder or their representatives in Australia).

The most concerning aspect of this change is the AC&BPS' approach to the reporting of 'assembly orders'.

Put simply, 'assembly orders' is a cargo reporting term used by the AC&BPS to describe a situation whereby a freight forwarder, shipping company or importer sends multiple 'consignments' to Australia in one container or as one shipment.

For cargo reporting purposes a 'consignment' refers to goods sent by a supplier located outside Australia to an ultimate recipient in Australia.

Please note that the AC&BPS does not consider a freight forwarder or overseas distribution centre that merely consolidates shipments for an importer to be the supplier for cargo reporting purposes.

Cargo Report for FCL Consignments

Where a Full Container contains only goods from one supplier to one importer and if there is more than one order and the orders are not paid separately, this is an FCL Consignment and there are no changes to current cargo reporting requirements.

Cargo Reporting for FCX Consignments:

An FCX Consignment refers to an FCL containing goods from multiple suppliers to one importer.

For example, an Australian importer arranges for a full container to be packed overseas with goods from three different overseas suppliers - this is usually referred to as an FCX consignment.

In this example, under the cargo reporting requirements of the Customs Act, this FCX shipment would constitute three consignments and the cargo reporter needs to separately report each consignment.

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China's New Tax Policy

A New Tax Policy concerning China's Value Added Tax (VAT) came into effect on 1st August 2013.

The Ministry of Finance and State Administration of Taxation issued Cai Shui Chinese National Fiscal and Tax Policy (Circular No 37).

This notice proposes that the pilot program that was implemented in Shanghai at the beginning of last year, and then other regions throughout China, will now be implemented as part of a Nationwide VAT reform.

In compliance with the above-mentioned policy, an additional six percent VAT will be levied on any prepaid Freight and local Chinese charges (pre-carriage, warehousing, port charges, handling fees, etc).

We will monitor the implementation of this policy and update clients on any changes that may occur in the early stages.

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