

JJL**J. J. LAWSON**

CUSTOMS • FREIGHT • TRANSPORT



Bare Facts

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Matt's top tip

FREE TRADE AGREEMENTS

Free Trade Agreements will dominate this column, not that they have not in the past but a lot has happened since my last article was published.

At this time, Australia currently has Free Trade Agreements with New Zealand, USA, Thailand, Singapore (currently being reviewed), Chile, Malaysia, the ASEAN countries, Japan, South Korea and China. Some countries, including New Zealand, Singapore, Malaysia and Thailand, are involved with more than one FTA with Australia and this list will grow in the future.

Where a country is involved in more than one FTA with Australia, an importer needs to decide which is the most beneficial, or easiest, FTA to use. In some circumstances, goods may be duty free under one FTA but still subject to duties under another FTA.

We also have Preferential Duty Arrangements for goods from Canada, the Forum Island Countries and Developing/Least Developed Countries

ChA-FTA

The China-Australia Free Trade Agreement (ChA-FTA) commenced on 20 December 2015. Goods made in China that are Entered for Home Consumption on or after this date and which comply with the rules of Origin for ChA-FTA are eligible for the preferential duty rates that apply under ChA-FTA.

If an importer had goods that were on the water or were in Australia but unentered on 20 December 2015, they may be entitled to duty refunds if a Certificate of Origin can be obtained. Check with your supplier to see if they are willing to apply for a Certificate of Origin for you.

Where China-origin goods were still subject to Customs Duty on 20 December 2015, they received a duty rate reduction on that day and a second duty rate reduction also occurred on 1 January 2016. Where China origin goods are still subject to Customs Duty, a further duty rate reduction is scheduled to occur on 1 January 2017.

Please be aware that if you import China origin goods that are subject to Dumping and/or Countervailing Duties, these duties remain in force, as do the GST, Wine Equalisation Tax and the Luxury Car Tax.

The ChA-FTA applies to all goods made in China that are exported from China to Australia but does not apply to goods made in Hong Kong, Macau or (depending upon your politics) Taiwan. Except in some very limited circumstances, ChA-FTA does not apply to goods made in China that are exported from other countries or places (please note, there are special rules for goods exported via Hong Kong).

Continued on page 2



JJL in the News

Greg & Jerry go back to School!

and other bare bits!



Matt's top tip

Continued from page 1



Under ChA-FTA, most goods made in China will be eligible for Duty Free entry. However, for some goods, the duty free rates will be phased in over a number of years – this mainly applies to motor vehicles and motor vehicle parts, some electrical components, water heaters, aluminium bars, rods, profiles, pipes, tubes and structures, including parts thereof, copper tube and pipe, various articles of steel including steel pipe and tube and steel structures, wire, steel angles shapes and flat rolled products, footwear, bed linen, curtains, clothing, carpets and textile floor coverings, some coated and uncoated paper products, leather apparel, some articles of rubber and plastic, herbicides, tinned pineapples, apricots and peaches, peanuts.

The three basic requirements for claiming preferential duties once the ChA-FTA commences are

- (a) the goods need to be made in China (and be China Originating goods),
- (b) a ChA-FTA Certificate of Origin (the ordinary chamber of commerce Form A will not suffice) – must be supplied for each shipment; and
- (c) the shipment of goods will have to comply with the Consignment Provisions – basically, the goods will need to be shipped directly from China (there are a couple of exceptions to this rule – such as transshipping through Hong Kong – call us for more details on these exceptions).

Certificates of Origin (COO) for goods made in China must be issued by one of the following two organisations

- (a) AQSIQ (General Administration of Quality Supervision, Inspection and Quarantine) where the actual certificates will be issued by provincial Entry-Exit Inspection and Quarantine Bureaus, which are administered by AQSIQ; or
- (b) the China Council for the Promotion of International Trade.

There have already been some issues with COO's that importers need to be aware of:

- (a) Third Party Invoices - this occurs where the party you are purchasing from is not the producer or exporter named on the COO; that is a third party is invoicing the goods to you. Where this occurs, it is a requirement that the name and address of that third party needs to be included in Box 5 of the COO. Where this does not occur, we will be requesting the importer to obtain an amended COO with these details.
- (b) The correct Tariff Classification (to six figures) must be quoted on the COO. Where this does not occur, we will requesting the importer to obtain an amended COO with the correct details.

Trans Pacific Partnership (TPP)

The TPP free Trade Agreement, which was originally meant to be up and running two years ago, was signed by all parties on 4 February 2016. The parties to the TPP are Australia, Brunei Darussalam, Chile, Canada, Japan, Mexico, Malaysia, New Zealand, Peru, Singapore, the United States, and Vietnam.

However, before it can come into force, all the parties need to complete their domestic legislation to implement it. Based on current time frames, we anticipate the earliest implementation would be the end of 2016.

Regional Comprehensive Economic Partnership (RCEP)

The RCEP covers about 30% of the global economy and involves Australia, Brunei, Cambodia, China, India, Indonesia, Japan, Republic of Korea, Laos, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, Thailand and Vietnam.

The DFAT hopes that negotiations on this FTA will be concluded sometime in 2016.

Australia-EU FTA

On 15 November 2015, Australia and the European Union agreed to start the process for negotiating a Free Trade Agreement. How long it will take is anyone's guess.

Other FTA's and similar agreements are under negotiation with the following countries:

- Environmental Goods Agreement – this aims to remove duties on a range of environment goods. Countries involved include Australia, Canada, China, Costa Rica, the European Union, Hong Kong, Iceland, Israel, Japan, Korea, New Zealand, Norway, Singapore, Switzerland, Chinese Taipei, Turkey and the United States.
- Gulf Co-Operation Council countries;
- India;
- Indonesia;
- PACER Plus, which South Pacific Island Nations

DEPARTMENT OF AGRICULTURE

A suite of new Quarantine legislation is due to be implemented this year. As more comes to hand, we will let you know.

AFAS

Methyl Bromide fumigation of goods from countries that operate under the Australian Fumigation Accreditation Scheme must be conducted by a treatment provider who is accredited under the AFAS Scheme. The list of providers can be found at <http://www.agriculture.gov.au/import/general-info/pre-border/afas/providers?>

The countries that operate under AFAS are Fiji, India, Indonesia, Malaysia, Papua New Guinea, Peru, Philippines, Sri Lanka, Thailand and Vietnam.

ILLEGAL LOGGING

Importers of goods subject to the Illegal Logging requirements should by now have completed and documented their due diligence requirements to assure themselves that the products they imports are not sourced from illegally logged timber.

The type of product that is covered by the Illegal Logging requirements are - timber and timber articles, Wood Pulp, Paper, Paperboard and articles thereof, Wooden Chairs and Wooden Furniture, Prefabricated Wooden Buildings.

ANTI-DUMPING COMMISSION

The following products are currently subject to Dumping and/or Countervailing measures – Aluminium Road Wheels from China; 2,4-Dichlorophenoxyacetic acid (2,4-D) from China; Aluminium Extrusions from China; Ammonium Nitrate from Russia or from Russia via Estonia; Aluminium Zinc Coated Steel from China and South Korea; Biodiesel from USA; Clear Float Glass from China, Indonesia and Thailand; Dried Processed Currants from Greece; Deep Drawn Stainless Steel Sinks from China; Steel Hollow Structural Sections from China, South Korea, Malaysia, Taiwan and Thailand; Hot Rolled Plate Steel from China, Indonesia, Japan South Korea; Hot Rolled Coil Steel from Japan, Malaysia, South Korea and Taiwan; Hot Rolled Structural Steel Sections from Japan, South Korea, Taiwan and Thailand; Pineapple Fruit from the Philippines and Thailand; PVC Resin from Korea, USA and Japan; Power Transformers from Indonesia, Taiwan and Thailand; Rod in Coil from Indonesia and Taiwan; Quenched and Tempered Steel Plate from Finland, Japan And Sweden; Silicon Metal from China; Steel Reinforcing Bar from China, South Korea, Singapore, Spain and Taiwan; Prepared or Preserved Tomatoes from Italy; Wind Towers from China and South Korea; Zinc Coated Galvanised Steel (Flat Rolled) from China, South Korea and Taiwan.

If you intend to import these products, please contact to us prior to doing so and we can provide further details in regard to these Duties. These Duties still apply even if Australia has a Free Trade Agreement with the exporting country.

BEAR BITS



For generations, Aussies have enjoyed scaring foreign tourists with tales of 'drop bears' – sharp-clawed bears that hide in trees and drop onto your head when you least expect it, unless you smear Vegemite behind your ears to repel them. Armed with this information and feeling bold, many a backpacker headed off on their tour around our shores coated in sunscreen and our favourite breakfast spread.

But there is rarely smoke without fire... Last month, researchers in Western Australia found evidence, including skeletal remains and claw marks high on the walls of caves, that 'drop bears' once existed and were not quite as cute as koalas, but tree-climbing 100kg predatory marsupials. Fortunately for us, they died out about 40,000 years ago – no amount of Vegemite is going to save you from a 100kg drop bear!

Bear Torque



ASBESTOS

Asbestos and Goods Containing Asbestos are Prohibited Imports for which import permission is required. The Australian Border Force (ABF) advises that despite the prohibition, building products containing asbestos are being detected.

The ABF is now targeting imported building products that it considers are a high risk of containing asbestos. The ABF also advises that imports of toy sets and children's crayons from China will now require persons to declare that they do not contain asbestos.

The onus is on importers to ensure that their products do not contain asbestos and any costs incurred in Australia for sampling and testing products will be for the account of the importer.

Until next time,
Matt McAuliffe



Spotted on Channel 7 news last month – JJL's Angelo Lemone taking a reporter on a drive through Sydney to explain some of the safety issues facing truck drivers today.

Late last year, Greg, Jerry and Bear Torque (one of our JJL prime movers) paid a surprise visit to a local kindergarten. The children spent the morning learning about the movement of containers from the port to the warehouse.

Greg and Jerry patiently fielded a barrage of questions (how far can a truck travel? how many spare tyres does a truck need? why does it have a bear painted on it? among others!) The children climbed into the cabin for a stationary driving lesson and to test the horn - an absolute dream come true for some of the young boys.



Meet the Bears!



Ian Loy - Compliance and Maintenance

How long have you worked at JJL?

I have been here just over six years now.

What is the most interesting thing about your job?

Hard to say as every day is different in Transport, that's for sure. I guess that is what makes it so interesting and challenging.

What is your greatest achievement?

I would have to say my two kids are my greatest achievement thus far. Although, with my daughter being 16 going on 25 and about to get her licence, I might change my mind soon!

What is your most treasured possession?

My family.

Who is your personal hero?

I am a bit of a soccer nut so I would probably say Steven Gerard. Locally, Steve Waugh was the man. My son, very early on, actually thought he was God at one stage. Not sure who told him that...

What is your favourite sing-along-to song?

I sing along to anything at all; if I know the words I will sing. I do love my country music.

What travel experience is number one on your bucket list?

I have always wanted to go to Anfield to watch Liverpool play a home game. I have been there for a tour of the place but not for a game. A cruise around the Caribbean is up there as well.

What is your idea of absolute happiness?

Sitting on a boat in the middle of nowhere, catching big fish and having a beer.

What do you do in your downtime?

A lot of my down time is spent coaching kids' soccer and I love a Sunday afternoon lazy day by my pool followed by a BBQ for dinner.

Where do you see yourself in ten years' time?

My guess would be right here where I am now, just a little closer to retirement!



On the Net

This and previous Bare Facts Issues are also available for download from www.jjlawson.com.au



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