



**Australian Government**  
**Australian Customs and  
Border Protection Service**

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**INSTRUCTIONS AND GUIDELINES**

**Exchange Rates  
February 2009**

**INTERNAL AND EXTERNAL USE**  
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**THIS INSTRUCTION AND GUIDELINE REFERS TO:**  
**PRACTICE STATEMENT NO: PS2009/01**  
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**AVAILABILITY: INTERNAL AND EXTERNAL**

**SUBJECT:** EXCHANGE RATES

**PURPOSE:** To outline the procedures to be followed by Customs when publishing the ruling rate of exchange in relation to a particular foreign currency; and the legislative requirements for publishing the ruling rate of exchange in relation to a particular foreign currency.

**Owner:** National Director Trade

**Category:** Operational Procedures

**Contact:** Inquiries about this Instruction and Guideline may be directed to the Valuation and Origin Section

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***The electronic version published on the intranet/internet is the current Instruction and Guideline.***

## **INTRODUCTION**

This Instruction and Guideline specifies the procedures followed by Customs when publishing the ruling rate of exchange in relation to a particular foreign currency; and the legislative requirements for publishing the ruling rate of exchange in relation to a particular foreign currency.

## **INSTRUCTIONS AND GUIDELINES**

### ***Policy Statement***

When goods imported into Australia are invoiced in a foreign currency, the invoiced amount must be converted to Australian dollars using the prevailing rate of exchange for that particular currency on the 'day of exportation'. This direction is contained in s 161J [Value of goods to be in Australian currency] of Division 2, Part VIII of the *Customs Act 1901*.

The 'day of exportation' in relation to imported goods is defined in subsection 161(4) of the *Customs Act 1901*. This definition provides that the 'day of exportation' is:

- the day the goods left the place of export; or

- if posted, the day the goods were posted.

In both of the above cases, the Collector must be satisfied as to the correctness of the dates. If the Collector is not satisfied, then the Collector must determine a day of export.

For goods packed in a container, the 'day of exportation' is the day the container leaves the place where it was packed. Containerised goods, whether transported as air or sea cargo, are often packed for export at the manufacturer's premises or at a containerisation facility. While the date the goods are packed may be known, the date the container is removed from the premises may not readily be available to the importer at the time the goods are entered for home consumption.

Where the owner has no reliable and reasonably available information at the time the goods are entered for home consumption to establish the actual day of departure or transportation from the place of export, Customs will accept the day of departure of the vessel/aircraft from the loading port/airport, as shown on the bill of lading or sea/air waybill

For goods not containerised, the 'day of exportation' is the day the vessel or aircraft departs from the port or airport at which they were loaded for export to Australia.

### ***Procedural Statement***

Each working day the Reserve Bank of Australia (RBA) transmits to Customs a schedule of the prevailing exchange rates for 28 selected countries. This prevailing exchange rate is then determined by Customs to be the ruling rate of exchange for that particular foreign currency as per subsection 161J(3) of the *Customs Act 1901*.

The 28 prevailing rates of exchange are directly uploaded into the Integrated Cargo System database upon receipt from the RBA. The prevailing rates of exchange are valid for twenty-four hours from one minute after midnight on the day after they were uploaded excepting weekends, where Friday's rates of exchange are valid for Saturday, Sunday and Monday. For public holidays and bank holidays, the exchange rate is valid from one minute after midnight on the day before the public holiday or bank holiday until the RBA's next working day.

Customs loads prevailing rates of exchange onto the Customs website for access by clients at: <http://www.customs.gov.au/site/page.cfm?u=4277>.

In addition to the daily exchange rates, a compilation seven-day report is published as the Weekly Rates of Exchange in the Government Notices Gazette and the Australian Financial Review newspaper. There is a legislative requirement under subsection 161J(2) of the *Customs Act 1901* to publish rates in the Gazette that are deemed to be the ruling rates of exchange. The weekly rates of exchange are also published on the Customs website at: <http://www.customs.gov.au/site/page.cfm?u=4277>.

### **RELATED POLICIES AND REFERENCES**

Practice statement – Valuation

Instructions and guidelines – Valuation Advice Rulings

## **KEY ROLES AND RESPONSIBILITIES**

The policy owner of this Instruction and Guideline is:

Director Valuation and Origin Section  
Trade Services Branch  
Australian Customs Service

## **CONSULTATION**

### **Industry Consultation**

Not required.

### **Internal Consultation**

The following internal stakeholders have been consulted in the development of this Instruction and Guideline:

- Customs Legal Unit

## **APPROVAL**

Approved on 13 February 2009

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Trade Division