



## INSTRUCTIONS AND GUIDELINES

**Title: Remissions – Processing of a Remission Claim**

**Date: April 2011**

**This Instruction & Guideline refers to Practice Statement: 2009/29 Goods Compliance**

**Published date:** 22 June 2011

**Availability:** Internal and external

**Subject:** Processing of a Remission Claim

**Purpose:** To provide processing procedures for claiming a remission of duty

**Owner:** National Director Trade and Compliance

**Category:** Operational procedures (OP)

**Contact:** Compliance Capability and Framework. Compliance Assurance Branch

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

## **Summary of main points**

This Instruction and Guideline has been developed to provide guidance for :

- Application for Remission of Duty
- Risk Assessment of a remission application
- Requirements for destruction of goods

## **This Instruction and Guideline applies to staff in:**

- Compliance Assurance Branch (CAB)
- Cargo Division

## **Introduction**

Goods subject to Customs control may be stored in warehouses licensed under Section (s) 79 of the *Customs Act 1901* (the Customs Act).

Warehoused goods which have deteriorated or have been damaged while under Customs control may be eligible for a remission of duty.

To waive the duty liability of such goods, the owner or an agent of the owner (the owner) may apply to Customs and Border Protection for a remission of duty.

Section 94 of the Customs Act stipulates that warehoused goods with a duty liability in excess of the value of the goods can be subject to a request for remission of duty by the owner.

Goods with a value being less than the duty liability are described in regulation 126 of the *Customs Regulations 1926* (the Regulations) which includes goods under Customs control that are damaged, deteriorated, destroyed, lost or stolen.

Under s35A of the Customs Act the licence holder is required to ensure that dutiable goods are stored safely, therefore owners of the goods making a remission claim, who are also the operator of a licensed premises, will not be granted a remission for goods that are stolen or lost.

It is important to note that a remission of duty will only be granted after an application to Customs and Border Protection has been approved and the goods have subsequently been destroyed to the satisfaction of Customs and Border Protection.

## **Instructions and Guidelines**

### **Applying for Remission of Duty**

Applications for Remission of Duty must comply with s 94 and s 163 of the Customs Act and Regulation 126 - 128 of the Customs Regulations.

The application for a remission of duty is made by the owner of the goods by completing an Application for Remission of Duty form and a Remission Application Details form (Attachment 1).

Applications may be lodged either by mail (see Customs and Border Protection website for contact details of local state or territory) or in person (see Customs and Border Protection website for local state or territory shop front details).

If a client lodges a remission claim in person they are required to present 100 points of identification including a primary document and a letter of authority to lodge manual documents on behalf of the relevant owner.

Customs and Border Protection will undertake an assessment of the applicant's request for remission of duty and notify the applicant of the decision.

### **Risk assessment of a remission application**

Customs and Border Protection will undertake a risk assessment to mitigate the risk of possible fraud or diversion of the goods subject to the remission claim. The assessed risk level will determine if Customs and Border Protection supervision is required for the destruction of the goods subject to remission.

### **Requirements for Destruction of Goods**

#### *Unsupervised Destructions*

Where Customs and Border Protection have assessed the risk level of the application as low, an unsupervised destruction may proceed without the presence of Customs and Border Protection officers. For example, if the amount of possible revenue loss is low and the client has a good history of compliance and/or the client is using a reputable waste disposal unit as their destruction premises and the client can provide a certificate of destruction, the risk level will be low.

The applicant must complete a *Declaration for Unsupervised Destruction* document and provide to Customs and Border Protection within seven (7) working days after the destruction takes place.

In lieu of a Customs and Border Protection Officer, an authorised person from the relevant company who witnessed the destruction within the warehouse must complete the *Declaration for Unsupervised Destruction* (attachment 2). Where a waste disposal premises is used, an authorised certificate of destruction from the waste disposal premises is to be supplied to Customs and Border Protection.

#### *Supervised Destructions*

A supervised destruction requires the presence of Customs and Border Protection officers. This will occur where Customs and Border Protection have assessed the risk level of the application as high. For example, if the details of the claim are unclear the applicant is a first time client without an established history and the duty liability is of significant value.

Customs and Border Protection will charge the applicant a fee where the destruction is carried out at a location that is not a Customs Licensed premises this fee includes supervision time, travel time and any overtime.

## **Related Policies and References**

### **Practice Statements:**

- 2009/29 Goods Compliance
- Compliance Powers and Penalty Schemes Practice Statement number PS2009/28
- 2011/TBA Licensing – Warehouse, Depot and Broker

### **Other Instructions & Guidelines**

- *PCI Examination advice instructions*

### **Associated Documents**

- *Customs Act 1901*
- *Customs Regulations 1926*

## **Key Roles and Responsibilities**

### *Customs and Border Protection*

- Validate the remission application for correctness
- Approve/reject the request for remission of duty
- Risk assess the destruction method
- Liaise with client for the destruction
- Attend supervised destruction if required
- Follow up with owner to ensure destruction has been completed

### *Client/applicant*

- Correctly complete and submit relevant forms
- Pay any associated fees

## **Consultation**

### **Internal**

The following internal stakeholders have been consulted in the development of these Instructions and Guidelines.

#### *Cargo Division*

- Cargo Examinations
- Client Engagement & Client Services
- Sea Cargo & International Mail
- Cargo Business Improvement & Support

#### *Compliance Assurance Branch*

- Compliance Executive Group
- Cargo Control & Accounting
- Compliance Capability & Framework

**External**

NIL

**Approval**

<b>Approved on</b>	29 April 2011	
<b>By</b>	Sue Pitman ND Trade and Compliance	
<b>Review Period</b>	Annually	

**Remission Application Details**

Owner/Agent Name:.....  
Postal Address: .....  
Contact Number:.....  
Place of Destruction:.....  
Method of Destruction:.....

**Reason for remission of Duty:**

- Broken in Transit
- Broken in Warehouse
- Rejected by quality Control
- Rejected as past Use by Date
- Damaged Packaging
- Goods are stale
- Wine has oxidized
- Other (Please Specify)

.....  
.....  
.....  
.....

Signature..... Date:.....

## DECLARATION FOR UNSUPERVISED DESTRUCTION

REMISSION NUMBER: (insert number)

DESCRIPTION OF GOODS:

.....  
.....  
.....

ENTRY NUMBER/BOND MARK:.....

DATE DESTROYED: .....

METHOD OF DESTRUCTION: .....

AMOUNT: Customs duty \$......

I,..... (PRINT NAME)

Certify that the goods described above were destroyed to my satisfaction.