



# REFUNDS OF CUSTOMS IMPORT DUTY

This fact sheet explains what a refund of Customs duty is and how to apply for a refund if you consider yourself eligible to have some or all of your duty refunded.

The *Customs Act 1901* (the Customs Act) and the *Customs Regulations 1926* (the Customs Regulations) provide Customs and Border Protection the authority to refund duty in certain circumstances.

The information contained in this fact sheet is a guide only and you should make your own enquiries or seek independent expert advice to determine whether you are eligible for refunds. Refund applicants self-assess their eligibility for refunds. Customs and Border Protection conducts audits and other activities to ensure the integrity of the scheme, which may result in demands for unpaid duty and sanctions where the processed refund application contained mistakes accidental or otherwise.

## ELIGIBILITY

A person may be entitled to a refund of some or all of the Customs duty paid on imported goods if they satisfy the requirements of any one of the circumstances described in the Customs Regulations in regulations 126(1), 126B, 126C and 126D. These regulations are summarised in the table below with the relevant refund reason code that applies to each regulation. Applications for a refund must also meet the conditions set out in regulations 127 to 128F inclusive.

## HOW TO LODGE A REFUND APPLICATION

You can lodge an application for refund of duty yourself or you can use the Customs broker or other agent that originally cleared the goods for you. If clearance of your goods occurred electronically, it is preferable that you or your broker apply for a refund by amending the original electronic import declaration or self-assessed clearance declaration, quoting the appropriate refund reason code and completing the 'change reason' description field.

If you are unable to arrange for electronic lodgement of your refund application through that process, you can lodge your application by submitting a completed and signed Refund Application Form (B653) and a copy of a new Import Declaration (B650) or Import Declaration (out of warehouse - B369). These forms are available for download from the Customs and Border Protection website at <http://www.customs.gov.au/site/page4229.asp>

You will need to identify which particulars have changed. You can then post the form or deliver it to the nearest regional Customs and Border Protection office, Client Information Centre who will send it to the National Refund Centre for processing.

For a list and the location of Customs offices – please refer to the Customs and Border Protection website at <http://www.customs.gov.au/site/page5439.asp>

## REVIEW OF REFUND APPLICATIONS

Through audit and other activities, Customs and Border Protection may review your refund application. If this happens, Customs and Border Protection may ask you to provide the commercial documents relating to the application that are in your possession or under your control, or information that is within your knowledge or that you are reasonably able to obtain. This requirement is set out in regulation 128AAA of the Customs Regulations.

You will have 30 calendar days to provide the information or respond to Customs and Border Protection. Customs and Border Protection will verify the particulars of the application and make a decision regarding the refund application within a further 30 calendar days of receiving all the necessary information.

If you are not registered to defer GST, your application for refund of duty may also result in the refund of GST, Wine Equalisation Tax (WET) or Luxury Car Tax (LCT). Refunds of GST greater than A\$10,000 may be subject to additional approval by the Australian Taxation Office. If approved, Customs and Border Protection will refund the relevant amount of duty and/or tax by electronic funds transfer (EFT) to your nominated bank account, or a bank account of your Customs broker.

## PERIOD FOR LODGING A REFUND APPLICATION

Generally, the period for lodging a refund application is four (4) years after the date on which the duty was paid. If you are applying for a refund of import duty for goods that have deteriorated or been damaged, lost or stolen (reason codes A, B, C and D) or goods that were not consigned (one of the circumstances for reason code E), you must lodge your refund application within fourteen (14) days of the goods being released from Customs and Border Protection or Quarantine control (refer Regulation 128A).

However, if you consider there to be exceptional circumstances, please contact Customs and Border Protection for advice.

If you are dissatisfied with the outcome of your application for a refund of duty, you have access to both internal and external review of the decision. Further details on these review options are contained in the 'Refund of Customs Import Duty' Practice Statement available on the Customs and Border Protection website.

## FOR MORE INFORMATION

If you need more information on refunds, please refer to the 'Refund of Customs Import Duty' Practice Statement at <http://www.customs.gov.au/webdata/resources/files/refunds-customs-import-duty.pdf>

The 'Export Concessions Duty Drawback Scheme' fact sheet provides information on obtaining refund of import duty on goods for export.

For information on any Customs and Border Protection matter, including refunds, contact the Customs and Border Protection Information and Support Centre on 1300 363 263, or email [information@customs.gov.au](mailto:information@customs.gov.au).

## REFUND REASONS

You can claim a refund in specific circumstances only. These circumstances are set out in Customs Regulations 126, 126B, 126C and 126D summarised in the table below.

Regulation	Reason code	Description
126(1)(a)	A	The goods have deteriorated or been damaged, lost or destroyed after being received at the place of export and before the goods became subject to Customs control.
126(1)(b)	B	The goods have deteriorated or been damaged or destroyed while subject to Customs control.
126(1)(c)	C	The goods have been lost while subject to Customs control, or stolen after being received at the place of export and before leaving customs control.
126(1)(d)	D	The goods have deteriorated or been damaged under quarantine treatment after directly leaving Customs control.
126(1)(da)	DA	The import entry in relation to the goods is withdrawn under section 71F of the Act and the amount of duty specified in the import entry has been paid.
126(1)(e)	E	Duty has been paid through manifest error of fact or patent misconception of the law.
126(1)(ea)	EA	A decision has been reviewed by the Administrative Appeals Tribunal which held that the amount of duty payable (if any) is less than the amount of duty paid.
126(1)(eb)	EB	There is a reduction of the duty payable on goods entered for home consumption on which duty has been paid in consequence of a Customs Tariff alteration or an amendment of the <i>Customs Tariff Act 1995</i> .
126(1)(f)	F	After duty has been paid, a by-law or determination has been made, or a Commercial Tariff Concession Order has been made, the effect of which is that duty is not payable, or duty is payable at a rate that is less than the rate that was applicable when the goods were entered for home consumption.
126(1)(fa)	FA	The price of the goods, used in determining the Customs value, had a rebate of or other decrease which was not taken into account in determining the Customs value [other than for 126(1)(g)].
126(1)(g)	G	The goods are re-valued because of fault or defect in the goods, or because the goods did not conform to contract specifications given by the importer to the manufacturer or supplier, which resulted in a rebate or decrease in the price which accrues to the importer and the rebate or decrease was not taken into account in determining the Customs value of the goods.
126(1)(h)	H	The goods are re-valued as 'g' but there is no rebate or decrease to the importer from the supplier, and all reasonable attempts at redress must have been sought.
126(1)(p)	P	Duty has been paid on petrol and that petrol, in whole or in part, is returned to a warehouse or to a manufacturer.
126(1)(r)	R	Duty has been paid on goods that were first entered for home consumption at a time when a tariff concession order, made in respect of those goods, was in force or was taken to have come into force.
126(1)(ra)	RA	The interim duty paid is more than the interim duty payable.
126(1)(w)	W	Dumping duty was paid on the goods and the goods were subsequently exported.
126(1)(x)	X	Duty has been paid on a new or unused passenger motor vehicle that was used for evaluation/testing and then donated to an education institution.
126(1)(y)	Y	Duty has been paid on an automotive component that is donated to an education institution.
126(1)(z)	Z	Duty credit has been applied in accordance with the Automotive Competitiveness and Investment Scheme (ACIS) against Customs duty that has already been paid.
126B	126B	Duty has been paid on Thai originating goods (Australia-Thai Free Trade Agreement).
126C	126C	Duty has been paid on Chile originating goods (Australia-Chile Free Trade Agreement).
126D	126D	Duty has been paid on AANZ originating goods (ASEAN-Australia-New Zealand Free Trade Agreement).