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Advance Rulings in Australia



Background

An advance ruling is a ruling (or advice) provided by a Customs administration to traders on the:

- Tariff classification;
- Origin; or
- Valuation

of goods before importation.



Types of Advance Ruling

Tariff Classification

- An Advance Ruling on tariff classification is a binding ruling in relation to the classification of imported goods.
- Accurate tariff classification supports the collection of accurate trade statistics, monitoring of controlled goods, collection of revenue and effective administration of some industry assistance schemes.



Types of Advance Ruling

Origin

- Rules of origin advice assists importers and exporters to determine whether goods are eligible for preferential tariff treatment.
- It provides business operators with certainty, when entering into a commercial transaction, as to whether a particular good will be eligible for preferential tariff treatment.



Types of Advance Ruling

Valuation

- Valuation advice assists importers with specific issues relating to the assessment of customs value of imported goods.
- Valuation advice are binding rulings on:
 - valuation methodology; or
 - whether certain costs (eg. packing costs, royalties and licence fees) should be included or excluded from customs value of imported goods.



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Notification of Advance Rulings

- Advance Rulings are provided to applicants in writing. They are also published on the TAPIN system for the internal use of Customs and Border Protection staff.
- Due to the confidential and commercially sensitive nature of the information provided by applicants, Advance Rulings are not disclosed to anyone other than the applicants.



Tariff Precedents and Classification Guides

- Customs and Border Protection issues public guidance on tariff classification issues for various types of goods.
- This public guidance provide information about Customs and Border Protection's current thinking on the tariff classification of a type of goods or class of goods.



Appeal Provisions – Internal Review

- Where an applicant is dissatisfied with an advance ruling the applicant may ask Customs and Border Protection to review the decision.
- This internal review of an advance ruling provides a low cost avenue for re-examination of the ruling.
- To ensure the independence and transparency of the review process, the review is conducted by a different decision-maker.



Appeal Provisions

– External Review

- Where an applicant for an advance ruling is dissatisfied with the original decision and/or Customs and Border Protection's review of that decision, the applicant can apply for a review of the merits of the decision by the Administrative Appeals Tribunal (AAT).
- An applicant has to make a payment of duty under protest before they may seek a review by the AAT.
- Applicants dissatisfied with the decision of the AAT may appeal to the Federal Court on a question of law.



Timeframes for Appeal/Review

- There is no timeframe for the lodgement of an internal review.
- Customs and Border Protection provides the review decision within 30 days for valuation and origin rulings and 60 days for tariff classification rulings.
- The applicants may apply for an external review by the AAT and an appeal to the Federal Court within 28 days after the reviewable decisions are provided to the applicants.



Benefits

Advance rulings are a proven trade facilitation tool for both traders and Customs administrations that:

- enhance the certainty and predictability of Customs' treatment of goods;
- encourage co-operation and build confidence between Customs and traders; and
- enable traders to conduct just-in-time operations more efficiently.



Implementation

- The advance ruling system in Australia is set up under administrative arrangements.
- Australia issues advance rulings at the request of traders.
- Applications can be lodged either electronically or manually, using a standard application form.
- Australia honours a ruling for 5 years from the date of notification.



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Resourcing

- Australia has centralised advance ruling units.
- A total of 27 staff are responsible for delivering Australia's advance rulings.



Development

For staff:

- Online and face to face training in the tariff, rules of origin and valuation are provided.

For traders:

- Detailed guidelines are published on the Customs and Border Protection website.



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Lessons Learned

- Essential to maintain high quality and consistent advice for traders.
- Establish and maintain centres of excellence.
- Establish procedures for quality assurance and internal review.



Recommendations

- Maintain a high level of capability and expertise in the work area that provides rulings.
- Advance rulings should be issued within a specified time frame.
- Advance rulings need to be binding for a specified period.
- Establish procedures for quality assurance and internal review.



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Thank you.