



Export Controls and Duty Drawback

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Export Controls

Overview – Export Controls

Definition:- ensuring an accountable level of compliance within your business

- Record Keeping:
 - Systems required for compliance – Trusted Trader
 - Logistics centres – systems that need to be in place

- Export Declarations:
 - Export invoices and cargo reports
 - Export entry
 - HS Codes – importance of accuracy

Export Controls (continued)

- Non-Tariff Barriers and issues they pose:

Definition:- barriers to trade that are not related to import Tariffs

- Export Restrictions
- Import Quota of the Trading Partner
- Distribution Hub Issues
- Packaging, Labelling and Product Standards
- Import Licensing
- Trade-Related Investment Measures (TRIMs)
- Intellectual Property Laws (patents, copyrights)

Duty Drawbacks

Overview

- Four years to lodge from date of export.
- Claim via the ICS or 'Claim for Drawback' Form (B807).
- ABN/CCID required.
- Must tie back to export declaration number (EDN) that has a minimum FOB value of \$2,000.
- Three methods of claim:
 - Method A – Shipment by shipment.
 - Method B – Representative.
 - Method C – Imputation.
- Processed on a 'self-assessment' basis.
- GST can not be refunded via the duty drawbacks scheme.

Challenges

- Accurate record keeping is paramount.
- Discrepancies in data.
- Exported goods composed of various imported goods.
- Adequate systems in place.
- Document retention.
- Not visible in the ICS.
- Double dipping.
- Ability to demonstrate methodology.
- Exposure to penalties.
- Limitations of time, labour or technical expertise.

Case Study 1 – High volume vehicle importer

- Car company XYZ imports 50,000 vehicles annually, all of which attract 5% duty
- They export, on average, 500 vehicles annually.
- Each imported vehicle is entered using it's VIN.
- Upon export, the VIN is also recorded.
- Method A can be used for drawback, as it can be demonstrated, shipment for shipment, when the exported vehicle was imported.
- Accurate record keeping is required in order to ensure the correct vehicles have the duty drawbacks applied.
- Systems need to be in place to enable adequate checks and balances.
- Double dipping
 - Has a duty refund been performed on the vehicles in the past – check the ICS!
 - If duty refunds are performed in future, what systems will ensure they are not performed on vehicles that were previously subject to duty drawbacks.

Case Study 2 – Clothing Retailer

- Clothing retailer XYZ imports high volumes of garments seasonally from their DC
- At end of season, unsold and unused garments are exported to their overseas outlets.
- Due to the high volume of garments, the wide variety and the frequency of importation; method B must be used.
- Adequate systems need to be in place to ensure the representative method can be used.
- Accurate record keeping is required; data extract need to reconcile to documentation. Discrepancies may lead to potential loss of refund potential.
- Export commercial invoices tied to EDNs using suppliers, dates and values.
- Sampling of imported goods used to ascertain a value of average duty paid.
- Must be able to demonstrate that not over-claiming duty drawbacks – what checks and balances are in place.

Thank You & Questions



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