



## **Integrated Cargo System – claiming preferential tariff rates**

To claim preferential tariff rates under the Integrated Cargo System (ICS) you should follow the steps set out below:

1. Refer to Schedule 3 to the Customs Tariff (the Tariff) to identify the tariff classification and the general tariff rate that applies to those goods.
2. To identify the preferential tariff rate that applies under a trade arrangement, refer to Schedule 3, 4, 5, 6, 7, 8, 9, 10, 11 or 12 depending on the country of origin, to the Tariff. To establish whether goods from an external territory are of a kind eligible for duty-free entry, refer to the relevant Commonwealth enactment that applies to that territory.
3. If the preferential tariff rate for the good is less than the general tariff rate, refer to the rules of origin for the relevant trade arrangement set out in Divisions 1A to 1L of the Customs Act or in the SPARTECA (TCF Provisions) Scheme.
4. Establish that the goods meet the rules of origin for the relevant trade arrangement.
5. Once you have established that the goods meet the rules of origin for the relevant trade arrangement, you must complete, at a minimum, the following fields in the Origin/Preference box on the Tariff Line Information Screen of the import declaration:

**Origin Country** – the two-digit Country Code for the country of origin determined for non-preferential purposes (eg trade statistics)<sup>1</sup>. Most Country Codes reflect the corresponding United Nations (UN) – International Standard Organization (ISO) codes.

All Country Codes can be found by selecting the icon next to the Origin Country field on the import declaration.

**Preference Origin Country** – the two-digit Country Code for the relevant country or territory in which the goods originate for preferential tariff purposes. Only one Preference Country Code can be specified for each tariff line. If a Preference Origin Country is not input, it will default to the first Origin Country input.

All Country Codes can be found by selecting the icon next to the Preference Origin Country field on the import declaration. The ICS Country Codes for Least Developed Countries, Forum Island countries and various classes of Developing Countries can also be found in Schedule 1 to the Tariff.

**Preference Scheme** – the relevant abbreviation for the trade arrangement that applies to the goods. Most of these abbreviations reflect the abbreviations used in the Tariff. A complete list is at Part 1 of the Attachment to this document.

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<sup>1</sup> The ICS allows up to ten Country Codes to be specified in the Origin Country fields. This facility should be used where different goods must be classified together within a single tariff classification (eg sets of goods put up for retail sale). The origin of the good that determines the tariff classification should be input first. The multiple Origin Country facility should not be used to input goods of different origins falling within the same classification onto a single tariff line. These goods must be input on separate tariff lines.

**Preference Rule (nature 10, nature 30 and nature 10 lines of nature 10/20 import declarations only)** – the relevant abbreviation for the rule of origin that applies to the goods. A complete list is at Part 2 of the Attachment to this document. A matrix showing the Preference Rules that apply to each Preference Scheme is at Part 3 of the Attachment. The legislative provision(s) for each Preference Scheme/Preference Rule combination is set out in Part 4 of the Attachment.

The relevant Preference Rule abbreviation appears on Certificates of Origin (COO) issued in accordance with Australia's Free Trade Agreement's (FTA) with Thailand, Singapore, Chile, Korea, Malaysia, and New Zealand and the ASEAN Member States under the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) and on the COO or origin certification document in accordance with Australia's Economic Partnership Agreement (EPA) with Japan.

6. If one of the special Preference Rules listed below is input on the import declaration (natures 10, 10/20 and 30 only), ensure that the following additional requirements or conditions associated with that rule are met:

**Preference Rule "P25" or "P30B"** – a Tariff Concession Order (TCO) must be input in the Preference Instrument Type and Preference Instrument Number fields of the Additional Tariff Line Information Screen.

**Preference Rule "A30B"** – a Tariff Concession Order (TCO) must be input in the Preference Instrument Type and Preference Instrument Number fields of the Additional Tariff Line Information Screen; and tariff classification restrictions apply, as set out in ACN 2003/49 and in the relevant ICS Preference Rule Reference File.

**Preference Rule "P40"** – the Local Content % field on the Additional Tariff Line Information Screen must be completed; the Preference Origin Country must be "WS"; the goods must be classified within 8544.30; and the goods must be entered for home consumption on or before 22 October 2010.

**Preference Rule "TCF"** – the ELAC Number field on the Additional Tariff Line Information Screen must be completed; Treatment Code "731" must be input on the Tariff Line Information Screen; and tariff classification restrictions apply, as set out in the SPARTECA (TCF Provisions) Scheme (administered by the Department of Industry) and in the relevant ICS Preference Rule Reference File.

**Preference Rule "A30A", "A50" or "P30A"** – tariff classification restrictions apply, as set out in ACN 2003/49 and in the relevant ICS Preference Rule Reference Files.

7. Provided Steps 5 and 6 are completed, customs duty should be calculated in accordance with the preferential tariff rate.
8. If appropriate evidence that the goods meet the rules of origin for preferential tariff purposes cannot be found, or if the preferential tariff rate is the same as the general tariff rate for the goods, preference details should not be input on the import declaration. Only the Origin Country field in the Origin/Preference box on the Tariff Line Information Screen of the import declaration must be completed. Duty will be calculated in accordance with the general tariff rate.

## Frequently asked questions

### Q1. What is a preferential tariff rate?

Australia has a number of trade arrangements with other countries. Under those arrangements, Australia may have agreed to provide some or all goods that originate in those countries and places with rates of customs duty that are lower than those that apply to imports from other countries. Those lower rates are called preferential tariff rates. The tariff rates that apply to other countries are called general tariff rates.

For the purposes of ICS import declarations, the SPARTECA (TCF Provisions) Scheme and the duty-free provisions for certain goods that originate in Norfolk, Christmas and Cocos (Keeling) Islands (external territories) will be treated as trade arrangements.

### Q2. When can I claim a preferential tariff rate?

A preferential tariff rate can be claimed only where that rate is less than the general tariff rate that would otherwise apply to the goods.

### Q3. Where can I find general and preferential tariff rates?

General tariff rates, and some preferential tariff rates (such as for developing countries), are set out against the tariff classifications found in Schedule 3 to the *Customs Tariff Act 1995* (the Tariff).

Preferential tariff rates that apply under Australia's FTA with the United States can be found in Schedule 5 to the Tariff. Preferential tariff rates that apply under Australia's FTA with Thailand can be found in Schedule 6 to the Tariff. Preferential tariff rates that apply under Australia's FTA with Chile can be found in Schedule 7 to the Tariff. Preferential tariff rates that apply under AANZFTA can be found in Schedule 8 to the Tariff. Schedule 9 sets out the excise equivalent rates of duty in relation to goods imported under Australia's bilateral FTA with Malaysia. Preferential tariff rates that apply under Australia's FTA with Korea can be found in Schedule 10 to the Tariff. Preferential tariff rates that apply under Australia's EPA with Japan can be found in Schedule 11 to the Tariff. Preferential tariff rates that apply under Australia's FTA with China can be found in Schedule 12 to the Tariff.

*General and preferential tariff rates for tariff concessions can be found in Schedule 4 to the Tariff.*

Goods imported under Australia's bilateral FTAs with New Zealand and Singapore are free of duty. Goods from parties to other FTAs with Australia that are not listed in Schedules 5, 6, 7, 8, 9, 10, 11 or 12 of the Tariff are free of duty.

Duty-free entry for certain goods that originate in the external territories is provided through the following Commonwealth enactments that apply to each of those territories, not through the Tariff:

*Norfolk Island Act 1979* (section 64);

*Christmas Island Act 1958* (section 21);

*Cocos (Keeling) Islands Act 1955* (section 18A).

### Q4. When do goods originate in a country for preferential tariff purposes?

Goods originate in a country for preferential tariff purposes if they meet the rules of origin that apply under the relevant trade arrangement. The rules of origin for Australia's trade arrangements are set out in Divisions 1A to 1L of Part VIII of the *Customs Act 1901* (the Customs Act). Those rules are explained in more detail in the Instructions and Guidelines for each FTA.

**Q5. How can I establish that the goods meet the rules of origin for preferential tariff purposes?**

You must not claim preferential tariffs unless you can establish that the goods meet the relevant rules of origin. Depending on the trade arrangement, you may be able to establish in a variety of ways.

For claiming preference under Australia's FTA's with Thailand, Singapore, Chile, New Zealand, Malaysia, Korea or AANZFTA, you can use a COO issued in accordance with that FTA as prima facie evidence that the goods satisfy the rules of origin. The COO will indicate the rule of origin that the goods have met. Sample COO for these FTAs may be available on the Department of Foreign Affairs and Trade or the Department of Immigration and Border Protection websites.

Australia's EPA with Japan allows for a COO or origin certification document as prime facie evidence that the goods satisfy the rules of origin.

Australia's FTA with China allows for a COO, or a Declaration of Origin for goods that are covered by an Advance Ruling from the importing country.

For Australia's preferential trade arrangements with other countries, there is no specific requirement for a Certificate of Origin. For example, under Australia's FTA with the US, you need to have sufficient information or knowledge that the goods meet the relevant rules of origin. One way to demonstrate that you have this information or knowledge is to obtain a declaration from the manufacturer/producer that specifies the particular rule of origin that the goods meet.

More information on Certificates of Origin, Declarations of Origin and origin certification documents can be found in the Instructions and Guidelines relevant to each FTA.

## Part 1: Preference Scheme Types

Type	Description of Preference Scheme	Scheme
<b>GEN</b>	General Rate (no preference)	
<b>AANZ</b>	ASEAN-Australia-New Zealand Free Trade Agreement	AANZFTA
<b>CA</b>	Canada-Australia Trade Agreement	CANATA
<b>DC</b>	Australian System of Tariff Preferences – Developing Countries – DC Rate	ASTP
<b>DCS</b>	Australian System of Tariff Preferences – Developing Countries – DCS Rate	ASTP
<b>DCT</b>	Australian System of Tariff Preferences – Developing Countries – DCT Rate	ASTP
<b>EXT</b>	External Territories	
<b>FI</b>	Forum Islands – South Pacific Regional Trade and Economic Cooperation Agreement	SPARTECA
<b>LDC</b>	Australian System of Tariff Preferences – Least Developed Countries – LDC Rate	ASTP
<b>MYT<sup>2</sup></b>	Malaysia-Australia Trade Agreement	MATA
<b>NZ</b>	Australia-New Zealand Closer Economic Relations Trade Agreement	ANZCERTA
<b>PG</b>	Papua New Guinea-Australia Trade and Commercial Relations Agreement	PATCRA
<b>SG</b>	Singapore-Australia Free Trade Agreement	SAFTA
<b>TH</b>	Thailand-Australia Free Trade Agreement	TAFTA
<b>US</b>	Australia-United States Free Trade Agreement	AUSFTA
<b>CL</b>	Australia – Chile Free Trade Agreement	ACI-FTA
<b>MFTA</b>	Malaysia-Australia Free Trade Agreement	MAFTA
<b>KFTA</b>	Korea – Australia Free Trade Agreement	KAFTA
<b>JEPA</b>	Japan – Australia Economic Partnership Agreement	JAEPA
<b>CFTA</b>	China-Australia Free Trade Agreement	ChAFTA

<sup>2</sup> This replaces Preference Scheme Type “MY” on 1 January 2013

## Part 2: Preference Rule Types

Rule Type	Description of Preference Arrangement	Condition
<b>A30A</b>	Minimum 30% content accumulation rule	Tariff classification
<b>A30B</b>	Minimum 30% content accumulation rule	Tariff classification Tariff concession
<b>A50</b>	Minimum 50% content accumulation rule	Tariff classification
<b>CTH</b>	Change in tariff heading (“General Rule” goods only – AANZFTA)	
<b>P25</b>	Minimum 25% content rule	Determination* Tariff concession
<b>P30A</b>	Minimum 30% content rule	Tariff classification
<b>P30B</b>	Minimum 30% content rule	Tariff concession
<b>P40</b>	Minimum 40% content rule	Determination* Country Code WS Tariff Classification Local Content 40-50%
<b>P50</b>	Minimum 50% content rule	
<b>P75</b>	Minimum 75% content rule	
<b>PE</b>	Produced entirely from originating materials	
<b>POM</b>	Produced entirely from originating materials	
<b>PS</b>	Product specific rules	
<b>PSR</b>	Product specific rules	
<b>RVC</b>	Regional value content of 40% (“General Rule” goods only – AANZFTA)	
<b>TCF</b>	SPARTECA (TCF Provisions) Scheme for certain textiles, clothing and footwear products – 25% to 50% content required – Schedule 4 item 31 applies	Treatment code 731 Tariff classification ELAC ID number
<b>URP</b>	Unmanufactured raw products	
<b>WMD</b>	Wholly manufactured goods with determined manufactured raw materials	Determination*
<b>WMN</b>	Wholly manufactured goods with no determined manufactured raw materials	
<b>WO</b>	Wholly obtained goods	
<b>WP</b>	Goods produced entirely from originating materials only	

### Part 3: Preference Scheme Type and Preference Rule Type Matrix

	A30A	A30B	A50	CTH	P25	P30A	P30B	P40	P50	P75	PE	POM	PS	PSR	RVC	TCF	URP	WMD	WMN	WO	WP	
GEN																						
AANZ				Y							Y			Y	Y						Y	
CA					Y					Y							Y	Y	Y			
DC									Y								Y					
DCS									Y								Y					
DCT									Y								Y					
EXT					Y				Y								Y	Y	Y			
FI								Y	Y							Y	Y					
LDC									Y								Y					
MYT <sup>3</sup>									Y								Y					
NZ												Y	Y				Y	Y	Y	Y		
PG									Y								Y	Y	Y			
SG	Y	Y	Y			Y	Y		Y									Y	Y	Y		
TH													Y								Y	
US												Y	Y								Y	
CL												Y	Y								Y	
MFTA												Y	Y								Y	
KFTA											Y			Y							Y	
JEPA											Y			Y							Y	
CFTA														Y							Y	Y

<sup>3</sup> This replaces Preference Scheme Type "MY" on 1 January 2013

## Part 4 – Legislative Provisions for Preference Scheme/Rule Combinations

Legislative Provision ( <i>Customs Act 1901</i> unless otherwise stated)	Scheme Abbreviation	Rule
153H and s.4 definition of <i>unmanufactured raw products</i>	CA, DC, DCS, DCT, EXT, FI, LDC, MY, NZ, PG	URP
153ZIH(1)(a) and/or (b) [NOT (c)]	NZ	WMN
153ZIH(1)(c) CEO Determination [and/or 153ZIH(1)(a) and/or (b)]	NZ	WMD
153ZII (Note: repealed on 1 January 2012; not to be used for imports on or after this date)	NZ	P50
153ZID	NZ	POM
153ZIE	NZ	PS
153ZIC	NZ	WO
153L(1)(a) and/or (b) [NOT (c)]	PG	WMN
153L(1)(c) CEO Determination [and/or 153L(1)(a) and/or (b)]	PG	WMD
153L(2) and (4)(a)	FI, PG	P50
153L(2) and (4)(b) CEO Determination for goods of 8544.30 with a local content of between 40% and 50% manufactured in Samoa and entered for home consumption by 31 December 2016	FI	P40
153M	DC, DCS, DCT	P50
153N	DC rate for FI countries	P50
153NA	LDC	P50
153P(2)(a) and/or (b) [NOT (c)]	CA	WMN
153P(2)(c) CEO Determination [and/or 153P(2)(a) and/or (b)]	CA	WMD
153P(3) and (4)(a)	CA	P75
153P(3) and (4)(b), and 153R CEO Determination that requires a valid TCO	CA	P25
153Q(1)(a) and/or (b) [NOT (c)]	EXT	WMN
153Q(1)(c) CEO Determination [and/or 153Q(1)(a) and/or (b)]	EXT	WMD
153Q(2) and (4)(a)	EXT	P50
153Q(2) and (4)(b), and 153R CEO Determination that requires a valid TCO	EXT	P25
153V(2)(a)	SG	WO
153V(2)(b) and 153VA(a) and/or (b) and/or (c) [NOT (d)]	SG	WMN
153V(2)(b) and 153VA(d) CEO Determination [and/or 153VA(a) and/or (b) and/or (c)]	SG	WMD
153V(2)(b) and 153VB(2)(a) and (b)(i), Annex D(i) to SAFTA	SG	P30A
153V(2)(b) and 153VB(2)(a) and (b)(i), Annex D(ii) to SAFTA	SG	P30B
153V(2)(b) and 153VB(2)(a) and (b)(ii)	SG	P50
153V(2)(b) and 153VB(5)(a)-(c) and (d)(i), Annex D(i) to SAFTA	SG	A30A
153V(2)(b) and 153VB(5)(a)-(c) and (d)(i), Annex D(ii) to SAFTA	SG	A30B
153V(2)(b) and 153VB(5)(a)-(c) and (d)(ii)	SG	A50
153YB	US	WO
153YC	US	POM
153YE, 153YF, 153YH or 153YI, and <i>Customs (Australia-United States Free Trade Agreement) Regulations 2004</i>	US	PS



## Part 4 – Legislative Provisions for Preference Scheme/Rule Combinations

(CONTINUED)

153ZB	TH, THSS	WO
153ZD or 153ZE, and <i>Customs (Thailand-Australia Free Trade Agreement) Regulations 2004</i>	TH, THSS	PS
153ZF	TH	Rule for underlying goods
153ZJD	CL	WO
153ZJC	CL	POM
153ZJE, and <i>Customs (Chilean Rules of Origin) Regulations 2008</i>	CL	PS
153ZKC	AANZ	WO
153ZKD	AANZ	PE
153ZKE, and <i>Customs (ASEAN-Australia-New Zealand Rules of Origin) Regulations 2009</i>	AANZ	PSR
153ZKF	AANZ	CTH or RVC
153ZLC	MFTA	WO
153ZLD	MFTA	POM
153ZLE, and <i>Customs (Malaysian- Rules of Origin) Regulation 2012</i>	MFTA	PS
153ZMC	KFTA	WO
153ZMD	KFTA	PE
153ZME and <i>Customs (Korean Rules of Origin) Regulation 2014</i>	KFTA	PSR
153ZNC	JEPA	WO
153ZND	JEPA	PE
153ZNE and <i>Customs (Japanese Rules of Origin) Regulation 2014</i>	JEPA	PSR
Item 31 of <b>Schedule 4</b> to the <b><i>Customs Tariff Act 1995</i></b>	FI	TCF
153ZOC	CFTA	WO
153ZOD	CFTA	WP
153ZOE	CFTA	PSR