



Australian Customs Cargo Advice

Number 07/22

RETURNED GOODS – TRANSPORT & INSURANCE COSTS

Goods that have been sent overseas for repair or renovation and are returned to Australia, may be eligible to claim concessional treatment under item 20A or 20B of Schedule 4 of the *Customs Tariff Act 1995*. The GST legislation requires the value of the transport and insurance for the international transport of these goods, be applied to the cost of the repair or renovation and not apportioned to both the original goods and the cost of the repair/renovation (section 117-5 of *A New Tax System (Goods and Services Tax) Act 1999* refers).

When entering goods on an import declaration in the Integrated Cargo System (ICS), or through a third party software product, users have the ability to nominate the value of the transport and insurance at the header level or at the header and line level. If nominated at the header level only, the ICS automatically apportions the cost of T&I across all lines for importations.

When claiming the concessional treatment under item 20A and 20B, the importer/broker should nominate the transport and insurance at the header level and at the line level for the lines quoting item 20A and 20B. The transport and insurance value for the line quoting the original goods should be zero, and the total transport and insurance value is attributed to the repair/renovation line. Where a consignment has a mix of returned goods and other goods the transport and insurance value of the repair/renovation line should be proportional, based on Customs value (including the value of the original goods and the repair/renovation) to the entire consignment.

The following message advice (for treatment codes 320, 329 and 920, 929) has been inserted in the ICS to highlight this requirement:

The transport and insurance costs for these goods must be attributed to the tariff line for the cost involved in the repair or renovation (Section 117-5 of *A New Tax System (Goods and Services Tax) Act 1999* refers).

[An example with only one item being returned and no other lines on the Import Declaration:](#)

2 Line Example:

To enter goods returning after repair you must enter 2 tariff lines.

On tariff line 1 you enter the goods with their value as at export and quoting a treatment code (320 for Item 20A; 920 for Item 20B). For Item 20B, a valid instrument must be used (currently only one By-law exists #9740004).

Line 2 should be the same tariff/stat as line 1 with the costs of the repair and quoting treatment code 329 for Item 20A or 929 for Item 20B. In the valuation elements, add the total value of the Transport & Insurance (T&I).

This will override the calculation of T&I across both lines.

An example of a multi line Import Declaration with lines 1 and 2 relating to the returning goods and the successive lines being unrelated:

Multi-line Example:

To enter goods returning after repair you must enter 2 tariff lines.

On tariff line 1 you enter the goods with their value as at export and quoting a treatment code (320 for Item 20A; 920 for Item 20B). For Item 20B a valid instrument must be used (currently only one By-law exists #9740004). In the valuation elements, specify a T&I of "0".

Line 2 should be the same tariff/stat as line 1 with the costs of the repair and quoting treatment code 329 for Item 20A or 929 for Item 20B. In the valuation elements, add the T&I value that would otherwise have been applicable to lines 1 and 2.

For all remaining lines, the T&I will be apportioned based on the balance of the T&I amount specified or calculated at header level

Further Information

Further information can be obtained by contacting CI&SC on 1300 558 099 or email cargosupport@customs.gov.au

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