1. I think I qualify for the Scheme - what next?
Importers who think they qualify for Tradex should complete an application form, available at business.gov.au, and lodge it with an AusIndustry Office. If you qualify for the Scheme, you will be given a Tradex Order instrument number. Quote this number on your Customs Import Declaration lodged with the Department of Immigration and Border Protection when importing the nominated goods. This will allow you to import the goods without paying Customs duty and GST.

2. What does it cost?
There are no charges to join or use the Scheme, however, a recording and accounting system consistent with the requirements of a well-managed business will be necessary, sufficient to be able to track the goods from import through to export.

3. Who is NOT eligible to apply for a Tradex Order?
A person or a company that is insolvent or under external administration is ineligible to apply for, or hold, a Tradex order.

4. My application has been assessed and I am not happy with the decision - what rights of review exist?
The Tradex Program Manager should be contacted in the first instance to try and resolve the issue. If necessary, you can apply for formal internal review of the decision, and if you are still unhappy with the decision after that, you can apply for review by the Administrative Appeals Tribunal.

5. What goods can be imported under my Tradex Order?
Only goods shown on the Tradex Order issued to you by AusIndustry.

6. What goods can NOT be included on a Tradex Order?
The following goods cannot be included on a Tradex Order:
- goods intended for sale in an establishment that offers goods for sale free of duties of customs and other taxes
- goods which, if produced in Australia, would be subject to duties of excise, for example, certain alcoholic, fuel and tobacco products.

7. How does the concession work when entering the goods through Department of Immigration and Border Protection?
Generally speaking, clearance of your goods through Department of Immigration and Border Protection will be arranged by your Customs Broker or Freight Forwarder. You will need to advise them that you have a Tradex Order and the relevant instrument number. The actual mechanism for delivery of the concession is via Item 21A in the 4th Schedule of the Customs Tariff Act 1995.

Your broker or forwarder will quote the Item 21A Treatment code of “821”, along with the instrument number issued with your Tradex Order, against the relevant nominated goods on the Customs Import Declaration, those goods will be cleared without payment of Customs duty or GST.
8. Can I still claim the GST exemption, if my nominated goods attract a free rate of Customs duty (i.e. no Customs duty would have been payable)?

Yes, you can still gain the GST exemption, however, the method of clearing the goods on the Customs Import Declaration will be slightly different. Your Customs Broker or Freight Forwarder should NOT use treatment code 821 or quote your Tradex instrument number, however, they will need to quote a GST exemption code of “421A” in the relevant GST section of the Declaration.

9. What if I only want to export a proportion of an import consignment?

Your Tradex Order should only be used to clear goods that you subsequently intend to export. If, however, you are unsure as to how much of your consignment will be exported, you should discuss your circumstances with an AusIndustry Customer Service Manager. Generally speaking, an agreed method can be arranged to suit your particular circumstances and allow you to enter a proportion of your consignment under the Tradex Order.

10. What is Tradex duty?

Tradex duty is an amount equivalent to the Customs duty that would have been payable on the imported goods but for the concession provided by the Tradex Scheme.

11. When am I liable to pay Tradex duty?

Section 21 of the Tradex Scheme Act, 1999 describes the circumstances under which Tradex duty is payable. These include, but are not limited to, the following circumstances. If the nominated goods:

- are consumed or used by the Tradex Order holder in Australia
- are disposed of or otherwise dealt with by the holder for the purpose of being used or consumed by another person in Australia
- do not comply with any requirements of the Tradex Regulations
- are not exported within one year (or within a further period approved by AusIndustry) after the goods have been entered for home consumption.

12. What does the term ‘entered for home consumption’ mean?

The term is one used by the Department of Immigration and Border Protection (Customs) and essentially refers to completing a Customs Import Declaration for import consignments to obtain release of the goods from Customs control. When goods are landed in Australia from overseas, they remain under Customs control until all import requirements have been satisfied and authority is given for their release.

13. One requirement of the Tradex Scheme is that my nominated goods must be exported within 12 months. What happens if my circumstances change and I am unable to do so?

You may apply to AusIndustry for an extension of time to export the goods. Any such application would need to set out the circumstances and likely time by which the goods will be exported. If the goods are ultimately not exported within the relevant time period, you will be liable for Tradex duty.

14. Who is responsible for ensuring compliance?

The Scheme aims to reduce access and compliance costs to industry. It relies largely on self-assessment of your entitlement to access the Scheme, and you will also be required to self-assess any liability for payment of Tradex duty. Nonetheless, there are compliance mechanisms in place for the Scheme and also to imported goods generally. They are as follows:

- AusIndustry administers the Tradex Scheme, including compliance activity associated with any aspects of that Scheme, and collects any Tradex duty that may be due.
- The Australian Department of Immigration and Border Protection is responsible for the actual clearance of the goods into and out of Australia and any compliance associated with that activity.
- The Australian Taxation Office (ATO) is responsible for all matters relating to GST, including compliance in relation to GST on imported goods, although any GST payable on goods at the time of import is generally collected on behalf of the ATO by the Department of Immigration and Border Protection.
15. What are my obligations if I am issued a Tradex Order?

In summary, once you have been issued with a Tradex Order, the main obligations of the Order holder are to:

- ensure that the goods imported under the Tradex Order are dealt with as required by the Tradex Scheme Act and Regulations
- maintain appropriate record keeping and accounting systems in relation to the nominated goods
- volunteer any Tradex duty within 28 days to an AusIndustry office upon non-compliance, for example, either through non-export within the approved period or diversion of the goods to local use within Australia.

Full details are contained in the Tradex Scheme Act 1999 and Tradex Scheme Regulations 2018 - copies of which can be obtained by contacting AusIndustry on 13 28 46.

The Tradex Customer Information Guide which aims to assist program participants is also available from AusIndustry.

16. What constitutes failure to fulfil these obligations?

The Legislation (Sections 26 to 32, Part 9, Tradex Scheme Act 1999) outlines the actions that constitute non-fulfilment of a Tradex obligation and the applicable penalties. In summary, such actions include, but are not limited to:

- failure to notify details of changes in registered particulars (e.g. primary contact person, contact address and phone number)
- failure to notify ineligibility (e.g. insolvency)
- failure to pay Tradex duty within 28 days of it becoming due
- failure to keep records
- failure to comply with a requirement made by an authorised officer
- failure by occupier of premises to provide facilities or assistance for an authorised officer
- false or misleading statements.

17. What are the penalties that apply under Tradex?

Applicable penalties are outlined in Sections 26 to 32, Part 9, Tradex Scheme Act 1999 and vary according to each type of offence.

18. What is AusIndustry's role in the Tradex Scheme?

AusIndustry is responsible for the delivery of the Scheme through its offices which are located in all States, the Australian Capital Territory and the Northern Territory. AusIndustry can be contacted on 13 28 46.

19. What other information is there available on the Tradex Scheme?

For more information (including details of the Tradex Scheme Act 1999) and key documents (containing application details), visit business.gov.au or call 13 28 46.

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