



6 June 2003

*Accredited Client Program Bulletin*

***Ministerial Working Party Review of Accredited Client Program***

The recent Ministerial Working Party Review of Customs Accredited Client Program has been completed. TCF were actively involved in the review process. Our detailed submission was one of 19 received and considered by Customs. In addition, TCF's Trade Management's Director, Paul Angel, participated in the Ministerial Working Party on behalf of the Australian Federation of International Forwarders.

The recommendations of the Working Party should be of particular interest to those importers who do not have the transactional volume to obtain any benefits from the ACP as it is currently structured or for whom the commencements costs would have outweighed the benefits delivered by the program.

Please find below a summary of the main recommendations.

**Cost Recovery Charges**

One of the major attractions of the Accredited Client Program is the savings participants can make on the cost recovery charges paid to Customs on every Customs entry. However the cost recovery structure currently proposed only benefits those importers who lodge over 750 customs entries per year.

It was agreed at the meeting that the ACP should provide benefits to all highly compliant traders regardless of size. Customs have undertaken to address the issues surrounding the current cost recovery structure to address this outcome.

**Commencement Audit Costs**

It was agreed that the requirement for a comprehensive commencement audit by an Auditor registered under Section 1280 of the Corporations Law was to onerous and costly for importers.

It has been recommended that this requirement be replaced by a self assessed/independent validation approach. The nature and criteria of the assessment to be established for each individual importer based on Customs risk assessment of the range of products imported by the company.

**Data Accuracy Standards**

It was agreed that the data accuracy standard of 98% required to be met to qualify to be included in the Accredited Client Program be maintained, however, Customs would be flexible where an applicant's accuracy was slightly less than 98%.

There has been a recommendation that the period over which the data accuracy must be demonstrated be reduced from 12 months to 1-3 months. This will give applicants the opportunity to demonstrate 98% accuracy, if they do not initially meet the 98% level, without having to wait a full 12 months after making the necessary adjustments to rectify the errors identified.

**Bonded Warehousing**

Customs advised that there was no scope for the inclusion of Bonded Warehousing in the ACP at this stage but agreed to look at inclusion after the full implementation of the new Integrated Cargo System in 12-18 months.

**Security**

There was general agreement that there should be an addition of a security component to the ACP in line with global initiatives to introduce greater security in the supply chain, provided it did not delay the implementation of the ACP.

It is recognised that a security component would be added for all traders, however the intention is to minimise the costs for Accredited Clients.

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