



DELIVERING THE FUTURE



Accredited Client Program Bulletin

Potential Changes to the Accredited Client Program

Since our last bulletin regarding Custom's review of the Accredited Client Program (ACP) we have been to Canberra and met with the Customs management responsible for the review. We have also received a lot of feedback on aspects of the ACP that our clients would like changed.

Please find below details of some of the changes that will be included in our submission to the review and which Customs have advised are potentially acceptable to Government.

Commencement Audit Costs

The ACP currently specifies that an Auditor registered under s.1280 of the Corporations Code must review the importers systems and processes and attest that they are capable of reporting accurately to Customs.

It is our view that once the importer has demonstrated from previous import transactions that they have a high level of compliance it can be assumed that the importer has systems and processes that achieve compliant reporting.

The applicant should be free to use their internal auditor, an external auditor or any third party with the requisite skills. Results that are not consistent with Customs compliance history and risk profile could then be verified by Customs.

These amendments to the program would provide a significant reduction in the upfront costs imposed on applicants.

Data Accuracy Standards

The ACP currently requires importers to achieve and maintain a level of accuracy of 98% to be accepted into the ACP. Our view is that this standard be removed and acceptability of the applicant be determined by Customs based on an evaluation of the results of the import transaction review, their compliance history and risk assessment.

There are a range of factors that the mandated accuracy standard does not take into account. This may result in importers deemed low risk and with good compliance histories being ineligible, while importers deemed higher risk and with some history of non compliance could be eligible.

Obviously the current data accuracy standards do not achieve their original intention of determining the appropriate level of compliance to be included in the ACP and should be removed accordingly.

Bonded Warehousing

One of the areas originally determined to be out of scope of the ACP was bonded warehousing.

It appears that Customs are now open to having warehousing included in ACP.

This will have a significant impact on our TCF and Automotive clients paying high duty rates and other clients who hold a considerable amount of stock.

Inclusion of warehousing in the ACP should allow goods to be warehoused on importation, removed from bond without a transactional customs entry and be reported and duty paid at the end of the period in which they were released.

This would effectively delay duty payments until after the goods are sold, without affecting the efficiency of the supply chain.

Security Component

It appears inevitable that importers will require internal controls in place to ensure physical supply chain security before being accepted into the ACP.

Just how pervasive these controls must be, will be subject of much debate at the review. It appears however that Customs are taking a much more interventionist approach to dealing with transactional cargo so the trade off for ACP participants will be an increased facilitation of cargo over the levels applied to transactional cargo.

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