

Newsletter

November/December 2016



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**L.C. LOYNES
& ASSOCIATES** 
Celebrating 40 Years in Business

 **INTERNATIONAL
CARGO SOLUTIONS**

Holiday Season is Here Again

The pre-Christmas shipping season is in full swing. As we get closer to Christmas we can expect the inevitable delays and Customs processing bottlenecks due to the volume of goods coming into Australia.

At this time of year it is also important to consider your shipments and deliveries that may be due to arrive over the Christmas and New Year holiday period. If you will be closed during this period and are expecting shipments, it is important to advise us of any business closure dates. Please also ensure that you send documents prior to your closure to avoid wharf storage and to enable us to arrange alternative delivery arrangements or storage if necessary.

Our office will be closed for the public holidays – Monday 26th and Tuesday 27th December and Monday 2nd January.

National Recognition for Loynes Director Craig Beal

Congratulations to Craig Beal, Director at L.C. Loynes & Associates who received a Customs Brokers and Forwarders Council of Australia National Award for his contribution to the industry. The award was announced at the CBFCA Conference 2016.

Tariff Changes effective 1 January 2017

The following article provides notice to clients of upcoming changes to the Harmonised System dealing with Tariff Classifications. Subsequently, this may change certain Tariff Concession Orders, Tariff Advices, Tariff Precedents, Free Trade Agreement Rules of Origin and Origin Advance Rulings.

Background

As a result of The World Customs Organization's fifth review of the International Convention on the Harmonized Commodity Description and Coding System, Australia is required to implement amendments to the *Customs Tariff Act 1995* effective 1 January 2017. The *Customs Tariff Amendment (2017 Harmonized System Changes) Bill 2016*, *Customs Amendment (2017 Harmonized System changes) Bill 2016*, and amendments to the *Customs Act 1901* is currently before Parliament.

The purpose of the changes are to:

- Reflect advances in technology.
- Further enhance monitoring of trade in certain fish and tropical woods to support food security objectives and management of endangered species.
- Facilitate data collection and comparison as well as monitoring of certain goods in support of international conventions.

The amendments necessitate the Department of Immigration and Border Protection creating, amending and clarifying a number of (not all) tariff classifications relevant to both imported and exported goods.

Subject to the Bills becoming Acts of Parliament, the legislation will also affect a number of (not all) Tariff Concession Orders (TCO), Tariff Advices, Tariff Precedents, Free Trade Agreement (FTA) Rules of Origin and FTA Origin Advance Rulings.

Relevant old TCOs will be revoked from 31 December 2016 and new TCOs will take effect from 1 January 2017. Affected Tariff Advices and Tariff Precedents will be voided from 1 January 2017.

The Rules of Origin in Australia's FTAs (United States, Thailand, Singapore, Chile, Malaysia, Korea, China, Japan, and the regional ASEAN Australia New Zealand) are also subject to amendment and some Origin Advance Rulings may be affected. Australia will negotiate with each FTA partner to update the Product Specific Rules. Until then, existing Origin Rulings will continue to be in force.

What this means to Importers and Exporters

Importers should be aware that tariff classifications and TCOs that you have been utilising may now change. If your goods are affected by the amendments, we will be talking to you soon to verify the correct classification and any applicable TCOs under the changed system. We will also assist with any Tariff Advices and Origin Advance Rulings where new applications are required.

Exporters should be aware Australia's free trade and economic partnership agreement partners are also signatories to the International Convention on the Harmonized

Commodity Description and Coding System and they will be making equivalent changes to their domestic tariffs.

If you need any additional information please contact Hans Van Druten or Craig Hampson on (07) 3393 1888.

Imported Three Phase Electric Motors

If you are importing three phase electric motors, or goods/machines containing three phase electric motors, please be aware that motors rated from 0.73 KW to less than 185 KW must meet mandatory minimum energy performance standards (MEPS).

These goods must be registered before being used commercially or offered for sale in Australia. Registration is completed via the following website:

<http://www.energyrating.gov.au/registration/product-registration>

Requirements and penalties are specified in the Greenhouse and Energy Minimum Standards Legislation.

ChAFTA Guidelines – Stricter Adherence to Rules

What is acceptable and what isn't when it comes to a Certificate of Origin (COO) under the China Australia Free Trade Agreement? While minor discrepancies have been allowed during the early stages of the ChAFTA, the updated guidelines issued by Customs mean that there are much stricter observance/policing of the acceptable details on the COO.

As could be expected with such a significant FTA, there have been a number of practical and legal issues associated with the implementation of ChAFTA. One of the most significant concerns has been the discrepancies in the description of goods or the HS (Harmonised System) Code used on the COO from China when compared to the HS Code used in Australia.

The Federal Government has produced an information sheet to provide guidance on what discrepancies are acceptable.

<http://www.border.gov.au/Fretradeagreements/Documents/minor-errors-discrepancies-ChAFTA.pdf>

Our Customs Brokers will check each COO for discrepancies that will affect the use of the ChAFTA and will work with clients to rectify any issues before shipments reach our shores.

Freight Insurance Reminder

We have had another reminder this week of the importance of insuring your goods during transit. The afternoon storm that hit the Port of Brisbane on the weekend resulted in considerable damage to containers.



Having adequate insurance on every shipment means that when the unexpected happens not only are your goods covered but you are also covered for the other risk factors.

Loynes are able to offer a range of insurance options, including annual policies and shipment by shipment policies.

Shipping Charges and Rate Announcements

Korea, China, Taiwan & Hong Kong to Australia

- A Rate Restoration of US\$300/20' container and US\$600/40' container was announced and partially implemented from 1 November 2016 from Korea, China, Taiwan and Hong Kong to Australia.

We are continually active in sourcing the best available rates and services for our clients.

Chardy Cooked It! Salted Caramel Baked Cheesecake

Sadly this will be our last Chardy Cooked it. While we have included this recipe in our newsletter in the past, it is so legendary around here that we wanted to include it again and pay tribute to our beautiful colleague Carolyn who passed away last month.

Ingredients

Base

- 250g plain sweet biscuits
- 150g unsalted butter, melted

Caramel Sauce

- 2 cups caster sugar
- $\frac{3}{4}$ cup water
- 1 cup pure cream
- $\frac{1}{2}$ tsp sea salt flakes

Filling

- 500g cream cheese
- $\frac{1}{2}$ cup caster sugar
- 4 eggs
- 250g tub sour cream

Double cream, to serve

Method

1. Invert base of a 24cm round spring pan. Grease and line with baking paper.
2. Process biscuits in a food processor until finely crushed. Add butter. Process until combined. Press mixture over base and up the sides of the prepared pan. Place pan on an oven tray and refrigerate for 30 minutes.
3. To make sauce, dissolve sugar in water in a medium saucepan over a low heat. Bring to boil. Gently boil, without stirring, for about 15 min or until golden brown. Remove from heat.
4. Immediately stir in cream until smooth. Stir in salt. Transfer to a heatproof jug. Cool slightly.
5. To make filling, beat cheese and sugar in a large bowl of an electric mixer until smooth. Beat in eggs one at a time then beat in sour cream. Pour half the filling over base. Drizzle over half the caramel sauce. Top with remaining filling. Using a skewer, gently swirl mixture together.
6. Cook in a moderately slow oven (160^oc) for 1 hour and 10 min or until just set. Centre should have a slight wobble. Cool in the oven with the door ajar for 1 hour. Remove. Cover. Refrigerate overnight.
7. To serve, remove side of pan. Slide onto serving plate. Serve with double cream and remaining caramel sauce.

Disclaimer

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