



Because Compliance is not Optional

AUSFTA Free Trade Agreement





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AUSFTA Objectives

Agriculture	Improved access for Australian agriculture with around 66% of US agribusiness tariffs now reduced to zero from day one of the agreement and a further 9% of tariffs eliminated by 2008.
Beef	Annual quota of Australian beef into the United States will increase by 20,000 tonnes by 2008, reaching a total increase of 70,000 tonnes per annum by 2023.
Automotive	All US tariffs on automotives and auto parts have been eliminated, including the 25% tariff on light commercial vehicles.
Dairy	Reductions of up to 25% on US cheese tariffs and a rise in the quota for duty-free dairy products at an average rate of 5 per cent per annum.
Seafood	The tariffs on over 50 items are now eliminated, including a 35 per cent duty for canned tuna, a 15 per cent duty on canned sardines, and a 7.5 per cent duty for crabmeat.
Government procurement contracts	Changes to regulations will provide access for Australian businesses to the \$200 billion dollar US Government procurement market. Australian companies are now exempt from the Buy American Act (1933, 41 USC 10), which has restricted Australians in the past from bidding for government contracts or obtaining General Services Administration listings. From 1 January 2005, Australian firms have had access to bid on US federal government contracts for procurement of goods and services over US\$58,550 and for construction contracts over US\$6,725,000. (NB these thresholds are indexed every two years.)
Services	Enhanced legal protection guarantees Australian service providers cannot be discriminated against in the United States. The AUSFTA also includes a framework to promote mutual recognition of qualifications for professional services.
Investment	All industries will be positively affected by a reduction in investment barriers, with flow-on benefits reaching the wider business community.



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Rules of Origin

- The good is wholly obtained or produced in the territory of one of the parties to the FTA, including goods that are entirely grown, fished or mined
- The good is made up entirely of components and materials that qualify in their own right as goods that originate in the FTA region
- The good meets the requirements of a specific rule of origin for that product listed in the FTA Annex 5, or;
- The good meets other requirements as specified in the FTA



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Rules of Origin

1. Was the good last processed in the FTA region?
If yes, got to step 2. If no, the good does not qualify
2. Do any of the materials or components used in the good come from outside the FTA territory? If yes, go to step 3. If no, the good qualifies
3. Determine the HTS code number of the imported good. (6 digit level)
4. Using the HTS Code, identify the specific rule or rules or origin in the FTA
Annex 5
5. Determine the HTS classifications of the non-originating materials
6. Does the change meet the rule specified in Annex 5? If yes, tariff shift occurs. Go to step 7. If no, the good does not qualify unless it falls under the de minimus rule
7. Does the specific rule also contain and RVC Test? If yes, choose the build up or build down method



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Rules of Origin

8. Does the build up or build down RVC meet the minimum set forth in Annex 5? If yes, the good qualifies. If no, the good does not qualify.
9. Are the other rules of origin in Annex 5 that apply? If yes, the refer to the specific rule. If no, the good does not qualify

Deminimus Rule:

If the value of the non-originating material does not exceed 10% of the total Cost of the product, the good qualifies



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Certificate of Origin

- Required only upon request from Australian Customs
- Certificate is for single shipments only
- No blanket certificates are permitted by the FTA
- No need to present a certificate for each shipment
- Country of origin should be indicated on the commercial invoice



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Minimum data requirements – Certificate of Origin

The minimum data to be included in the Certificate of Origin are:

1. Registered Exporter details
 - The name and address of the Registered Exporter.
2. Shipment details (a Certificate of Origin can only apply to a single shipment of goods)
 - (i) Consignee name and address
 - (ii) Sufficient details to identify the consignment, such as importer's purchase order number, invoice number and date and Air/Sea Way Bill/of Lading
 - (iii) Export Entry/Declaration
 - (iv) Port of Discharge
3. Full Description of the Registered Goods
 - Detailed description of the registered goods, including harmonised system code, and if applicable, product number and brand name.
4. Certification by Authorised Body
 - Certification completed by a competent representative of the authorised body that, based on evidence provided by the Registered Exporter, and any other relevant person, the goods specified in the Certificate originate in the exporting Party and comply with the rule of origin, as provided in Chapter 4 and specified in the Certificate. The Certificate must be signed and dated by the competent representative and annotated with the representative's name and designation.
5. Certificate Number
 - A unique number assigned to the Certificate by the authorised body