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Customs, Trade & Transport Ealert

Chile FTA and SPARTECA TCF Local Content changes

Happy New Year for 2009! Welcome to the Year of the Ox

Chile FTA

You will recall earlier information from us on the provisions of the Chile FTA ("FTA"). At the same time a number of you would have attended CBFA Member Forums during the last half of 2008 in which we provided an outline on the FTA and the provisions of the Australian legislation implementing the FTA. You will also recall from the update of late last year that the intended commencement of the FTA had been delayed to allow Chile to pass its corresponding domestic legislation to implement the FTA.

DFAT has now confirmed that Chile has passed its domestic legislation and the 2 nations have exchanged Diplomatic Letters to the effect that the FTA will commence on 6 March 2009.

For those affected here are a few immediate resources

- The announcement by the Australian Trade Minister at http://www.trademinister.gov.au/releases/2009/sc_009.html
- The DFAT website at <http://www.dfat.gov.au/geo/chile/fta/index.html>
- That part of the website of Australian Customs and Border Protection Service at <http://www.customs.gov.au/site/page.cfm?u=6066>
- The presentations I delivered for the CBFA in late 2008

A couple of items worthy of recall right now

- The FTA and the legislation allows goods to be entered into bond or warehouse before 6 March 2009 to then be entered into home consumption after 6 March 2009 and secure preferential tariff rates under the FTA.
- There are transshipment provisions which limit what can be done to "Chile Originating Goods" en route to Australia before they lose their originating status. Careful attention needs to be paid to these provisions.
- Parties can issue their own Certificates of Origin if they are satisfied that the goods meet the Rules of Origin to be Originating Goods of either country. However attention should be paid to suggestions as to form in the FTA and from Customs website.

We can assist on all aspects of the FTA both here and in Chile in conjunction with Carila Diez Perez - Cotapos (www.cariola.cl) our Interlaw (www.interlaw.org) colleagues in Chile. Their text on "Doing Business in Chile" is an excellent text. Your first ports of call would be Sergio Diez sdiez@cariola.cl and José Luis Letelier jletelier@cariola.cl

SPARTECA TCF Local Content Changes

Customs have issued ACN 2009/07 which announces that the Minister for Trade has approved a reduction in the minimum local content requirement for eligible TCF goods from 35% to 25% for the SPARTECA TCF Scheme with effect from 23 February 2009. The ACN also provides a revised form of Declaration which could be used by manufacturers seeking duty-free entry under the SPARTECA TCF Scheme. Those dealing with imports from SPARTECA countries should be aware of the change in practice. It may also enable more TCF goods to be imported from those countries.

As always we are happy to assist with any of these issues

Happy Trading!

Sydney (City and North West) | Melbourne | Brisbane | Adelaide | Perth | Hobart | Darwin | Newcastle | Shanghai

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