



## Factsheet

### Tradex Scheme

#### What does it offer?

The Tradex Scheme provides up-front exemptions from customs duty and GST on eligible imported goods that are intended for direct export or incorporated in other goods that are exported.

#### Who is it for?

Administered by AusIndustry, the business program delivery division of the Department of Industry, Innovation and Science, Tradex aims to strengthen the international competitiveness of Australian business in export markets.

Normally, importers of goods destined for export later on would have to pay customs duty and GST at the time of import and then claim a refund ('drawback') after the goods are exported.

Under the Tradex program, duty and GST are exempted up-front and this can deliver significant cash flow advantages. The savings can then flow through the entire supply chain to the final exporter.

For example, if goods normally attract 5% customs duty and 10% GST, a Tradex order means an up-front saving of 15% on the value of the imported goods when they first arrive in Australia.

#### Eligibility criteria

To be eligible for Tradex you must comply with certain requirements:

- The goods you intend to import under Tradex must be exported or incorporated in other goods that are exported.
- Export of imported goods must take place within one year of importation, or within a further period of time approved by AusIndustry.
- Records must be kept of all goods imported and exported under Tradex, including any manufacturing records that show how the imported goods were incorporated in other goods that were exported. Keeping your normal Australian Taxation Office ("ATO") and Department of Immigration and Border Protection ("Customs") records would be sufficient for the purposes of Tradex.

#### How do I apply for it?

You will need to apply for a Tradex order before you import your 'nominated' goods. Once issued, you do not need to apply for separate or new Tradex orders for subsequent shipments.

Find out more on how to apply for a Tradex order at [business.gov.au](http://business.gov.au), or contact **13 28 46**.

Normally AusIndustry can assess and approve less complex Tradex applications in a few days. Generally, however, no assessment will take longer than 30 days.

#### Who can apply?

An individual or a corporate entity based in Australia or overseas can apply for a Tradex order. All Tradex order holders, including

overseas entities, must keep and maintain their records in Australia.

## How do I use a Tradex order?

If you meet the eligibility requirements you will be given a Tradex order along with a distinguishing instrument number.

When you import goods for export, you can quote your Tradex order instrument number on your Customs Import Declaration form, providing those goods are nominated on your Tradex order. Once you do this, you do not pay customs duty or GST on those imported goods.

If you change the type of goods that you import, you can apply to AusIndustry to vary your Tradex order so that it covers the new type of goods that you wish to import.

You should keep in mind that, if you import goods for export which are not specified on your Tradex order, you will need to pay the normal customs duty and GST appropriate to those goods at the time of importation.

## Ineligible goods

A Tradex order cannot be issued in respect of the following goods:

- goods intended for sale in an establishment that offers goods for sale free of customs duties and other taxes
- goods which, if they were produced in Australia, would be subject to duties of excise (also known as excise-equivalent goods; for example, most forms of alcohol, cigarettes and other tobacco products, a wide range of petroleum products).

## What happens if goods imported under a Tradex order are not exported?

You will be liable to pay Tradex duty to AusIndustry (which is equivalent to the customs duty that you were exempted from paying using your Tradex order) if the nominated goods that you import under your Tradex order are:

- sold or otherwise used or disposed of in Australia

- not exported within one year of their importation, or within a further period of time approved by AusIndustry.

The GST component will then need to be accounted for in your normal Business Activity Statement lodged with the ATO.