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Excise equivalent goods (imports)

Customs duty obligations for importers and warehousers of alcohol, tobacco, fuel or petroleum products.

How excise equivalent goods work

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Records for excise equivalent goods

QC 63581

How excise equivalent goods work

Excise equivalent goods (EEGs) and how they are taxed.

Last updated 3 July 2024

What is an excise equivalent good

Excise equivalent goods (EEGs) are goods that have been imported, and include:

- alcohol or alcohol goods
- tobacco and tobacco goods
- fuel, lubricants and petroleum goods.

EEGs are subject to customs duty, which is a tax on goods imported into Australia. To ensure consistent treatment with goods manufactured in Australia, the customs duty rate for EEGs is equivalent to excise duty.

As the customs duty is the same rate as excise duty, you may need to understand:

- excise on alcohol (and about products where wine equalisation tax applies)
- excise on tobacco
- excise on fuel and petroleum products.

The Department of Home Affairs website (which includes their operational arm, the Australian Border Force) provides information on:

- tariff classifications
- customs rates of duty.

EEGs that are used in the manufacture of excisable goods become goods that are subject to excise duty.

If you use duty paid EEGs in the manufacture of excisable fuel and petroleum products, you may be entitled to a refund of the customs duty. To claim this refund, contact the Australian Border Force.

Who administers EEGs

The Department of Home Affairs has given us (the ATO) responsibility to grant and administer licences for warehouses that deal with EEGs. You will need to work with both us and the Department of Home Affairs' operational arm, the Australian Border Force.

Contact us to check which agency you need to work with.

What are underbond goods

Underbond goods are EEGs that are subject to our control until the goods are delivered into the Australian domestic market for home

consumption or exported.

Storing underbond customable goods

We (the ATO) administer customs warehouses that store underbond EEGs. If those customs warehouses keep underbond customable goods other than EEGs, we administer them as well as the EEGs.

You must get our permission to move any underbond customable goods kept at an ATO-licensed customs warehouse to another location. This includes to other licensed premises.

If you have been granted an entity-level excise-equivalent warehouse licence, you may receive a general movement permission. This allows you to move and receive underbond customable goods for which you are licenced for, to and from any other excise-equivalent warehouses.

QC 71446

Licences for excise equivalent goods

Work out if you need a licence from us to use or store goods in a customs warehouse and how to do it.

Last updated 17 April 2025

When you need a licence

If your business deals in underbond excise equivalent goods (EEGs), you will need the correct licence.

You will also need to ensure you:

- understand the conditions of the licence you hold
- meet the responsibilities associated with the licence, including
  - reporting and paying duty
  - stock control and security
  - record keeping.

Excise-equivalent warehouse licence

An excise-equivalent warehouse licence authorises the warehousing of EEGs (other than duty free stores, providores and catering bonds).

As an excise-equivalent warehouse licence holder, your responsibilities include ensuring:

- the physical security of goods
- you can account for the goods
- you meet all legal requirements and licence conditions.

Changes for imported tobacco

As part of the measures to combat the illicit tobacco trade in Australia, all tobacco warehouse licences expired on 30 June 2019 with no renewal. In addition, all licensed customs warehouse operators can only store tobacco products that have already had customs duty paid on them.

Applying for an excise-equivalent warehouse licence

You must complete your Integrated Cargo System (ICS) registration with The Department of Home Affairs' operational arm, the Australian Border Force, **before** you can apply to us for an excise-equivalent warehouse licence.

Once the Department of Home Affairs has provided you with access to the ICS, you can apply for an excise-equivalent warehouse licence with us.

An excise-equivalent warehouse licence may cover a single warehouse (a separate licence for each site), or multiple warehouses (an entity level licence).

If you are granted an entity level licence, you may also receive a general movement permission. This allows you to move underbond goods from warehouses covered by your licence(s) to any other warehouse that is licensed to receive goods of the same kind.

An excise-equivalent warehouse licence remains in force until it is cancelled.

Varying your excise-equivalent warehouse licence

If you hold an excise-equivalent warehouse licence, you can apply to vary your licence to:

- consolidate your existing licences into an entity level licence that covers multiple warehouses
- add new warehouses to your existing licence
- remove warehouses from your licence.

We can also vary your excise-equivalent warehouse licence to remove a warehouse if we have reasonable grounds to suspend your licence.

Applying to relocate or change your warehouse

You need to apply to relocate or change the bonded area of your warehouse. The bonded area is a secure area specified in the customs warehouse licence for the storage of underbond goods.

Licence for using EEGs in manufacture of excisable goods

You need an excise manufacturer licence from us to use EEGs in the manufacture of excisable goods. The excise manufacturer licence and the excise-equivalent warehouse licence need to cover the same premises.

Licence fees and securities

You don't need to pay application or renewal fees for licences to store EEGs.

In some cases, we'll grant an excise-equivalent warehouse licence on the condition that you provide some form of security (for example, a monetary amount or a bank guarantee). We'll send you a form that sets out what you need to do.

Cancel your excise-equivalent warehouse licence

If you no longer need an excise-equivalent warehouse licence to store EEGs, you need to request the cancellation of the licence and any associated permissions in writing. You need to include:

- details of the licence and permissions to be cancelled
- confirmation that
  - no underbond goods remain at the licensed premises
  - all Nature 30 ex-warehouse import declarations (N30) have been lodged
  - no customs liabilities are outstanding.

QC 63585

Customs warehouse responsibilities

Lists your obligations for excise equivalent goods (EEGs) as a warehouse licence holder.

Last updated 22 February 2023

Legal responsibilities

As a warehouse licence holder, it's your responsibility to ensure:

- the physical security of goods
- you can account for the goods
- you meet all legal requirements and licence conditions.

Permitted activities

To ensure the security of warehoused goods, only certain activities are permitted in licensed warehouses, including:

- storage
- blending
- unpacking, replacing and packaging of certain types of goods.

Check the quantities of deliveries received

When you receive underbond goods, check the quantities are correct. You may be liable to pay an amount equivalent to the customs duty, and GST on missing goods.

For example, if you sign for a full consignment but work out later that there's a discrepancy between the quantity listed on the documentation and actual quantity received you may need to pay for this.

Permission to move EEGs

You must have our permission before moving underbond EEGs between customs licensed premises.

Conduct regular stocktakes

As part of your licence obligations, you **must** conduct a stocktake at least once a year to:

- check the accuracy of your stock records
- identify omissions or errors in stock records
- identify security issues (such as theft)
- identify problems with plant and equipment.

If you identify errors in your stock records, you need to contact us for advice.

For more information about stocktakes, visit Records for excise equivalent goods.

Account for lost or stolen goods

You must account for EEGs that:

- you haven't paid duty on
- are lost or stolen.

Lost does not simply mean can't be found. For example, a container of underbond alcohol may be damaged and the contents drain away and are unable to be recovered. The alcohol has been lost.

If the goods are:

- lost, you need to apply for a remission of the duty to waive your customs duty liability
- stolen, we consider they have entered the Australian domestic market, so you must pay customs duty on the goods.

Manage other registrations

If you're in business, you may need other registrations, licences and permissions. This will depend on your business structure and activities.

Keep accurate and complete records

You need to keep accurate and complete records of your business operations to meet the record keeping requirements.

Provide access for ATO officers

You must provide ATO officers complete access to the customs warehouse specified in your licence. This is so our officers can perform compliance activities, for example, examining, and taking account (stocktaking), of EEGs on the premises.

Consequences of non-compliance

You may need to make a payment if you:

- fail to keep goods safely
- can't account for warehoused goods to our satisfaction.

The payment will be equal to the customs duty that would have been payable if the goods had been entered into the Australian domestic market on the day we demand the payment.

The demand can be issued to multiple entities including:

- the owner of the goods
- the warehouse operator, and
- any other person who has been entrusted with possession, custody or control of the goods.

You may also be subject to a penalty infringement notice. We may impose a penalty where we believe you have breached the law relating to EEGs. The amount is determined by the offence committed and entity type.

QC 63586

Permission to move excise equivalent goods

Understand what permission you need before moving underbond excise equivalent goods (EEGs) and other customable goods.

Last updated 17 April 2025

Moving underbond EEGs and other customable goods

Underbond goods are excise equivalent goods (EEGs) that are subject to our control until the goods are delivered into the Australian domestic market for home consumption or exported.

Whether you need permission from us to move goods depends on your situation.

When you need permission

You must get permission from us **before** moving underbond EEGs from customs licensed warehouses. You will need a:

- single movement permission
- continuing movement permission, or
- general movement permission.

You must also apply to us to move other underbond customable goods if you hold a licence or permission for EEGs.

We may ask you to lodge a security with us to ensure we protect the revenue.

When you don't need permission

If you have paid duty on the goods, they are no longer underbond. You don't need our permission to move them.

Moving tobacco products

When you import tobacco products, you pay customs duty to the Department of Home Affairs, including their operational arm, the Australian Border Force. You pay customs duty when the products arrive at the Australian border, so you don't need our permission to move tobacco.

Movement permission types

There are 3 permission types, as follows:

Single movement permission

A single movement permission allows the one-off movement of specific underbond EEGs and other goods, from one customs-licensed warehouse to another. The movement must occur during the period specified in the permission.

You must complete a single movement permission application each time you wish to move goods between customs-licensed warehouses.

Continuing movement permission

A continuing movement permission allows you to move underbond EEGs of a specified type and other goods between specified customs-licensed warehouses without having to seek permission for each movement. A continuing movement permission remains current until we revoke it or you cancel it.

You must complete a continuing movement permission application to continually move goods from one licensed site to another.

General movement permission

A general movement permission allows you to move underbond EEGs from warehouses covered by your licence(s) to any other warehouse that is licensed to receive goods of the same kind (excluding duty free stores, provedores and catering bonds – contact us if this applies to you).

If you are granted an entity level licence or vary your excise-equivalent warehouse licence to cover more than one premises, you may also receive a general movement permission.

You can also apply for a general movement permission if your excise-equivalent warehouse licence only covers one premises. Contact us to apply for a general movement permission.

A general movement permission remains current until we revoke it.

Exporting EEGs

If you intend to export your EEGs from Australia, you must declare those goods on a Home Affairs Export Declaration (ED).

You don't need a movement permission for EEGs that you export from your customs warehouse with an ED. However, you need an excise export movement permission if you use the EEGs to manufacture excisable goods (including fuel blending) that you subsequently export.

You need permission to move underbond customable goods between licensed warehouses. To move underbond customable goods to a place of export you:

- will need to lodge an Export Declaration (ED)
- may need to lodge a Warehouse Release Notice (WRN).

Lodge these with the Department of Home Affairs, using the Integrated Cargo System (ICS).

Contact us or the Department of Home Affairs

See when to contact the Department of Home Affairs, ATO or both about your EEGs at Contact us about equivalent excise goods.

QC 63587

Reporting excise equivalent goods and paying duty

Paying customs duties, completing declarations and applying to us for permissions for excise equivalent goods (EEGs).

Last updated 28 June 2023

Paying customs duty

Goods imported into Australia are classified under the Customs Tariff Act 1995 and may be subject to customs duty. To ensure consistent treatment with excisable goods manufactured in Australia, this customs duty is at a rate equivalent to excise duty.

Customs import entry procedures are based on importers self-assessing, including determining the correct classification of goods.

Australian Border Force manages tariff classifications and customs rates of duty.

Paying customs duty on imported tobacco

If you import tobacco products, you pay customs duty and taxes to the Department of Home Affairs when the products arrive at the Australian border. Their division, Australian Border Force, controls the import of tobacco.

Goods used in excise manufacture

You won't need to pay customs duty on the imported EEGs used in excise manufacture, except if you use biofuel (biodiesel and fuel ethanol), as the new product will be subject to excise duty. The ad valorem (if any) may still be payable depending on the country that the good is imported from. Ad valorem is duty calculated on the customs value of the imported good. Any ad valorem payable will be set out in the Customs Tariff.

Import and warehouse declarations

You or your broker must lodge all import and warehouse declarations with the Department of Home Affairs using the Integrated Cargo System (ICS) or an approved customs form.

For information on how to import, visit the Australian Border Force website – How to import.

Periodic settlement permission

What a periodic settlement permission is

A periodic settlement permission (PSP) allows you to:

- deliver EEGs and certain other customable goods into the Australian domestic market
- defer paying customs duty (if applicable) and reporting those goods until the end of the period or the day specified in your PSP.

PSPs and N30s

If you have a PSP, you can deliver the specified goods without first lodging a *Nature 30 ex-warehouse import declaration* (N30), paying the duty and receiving clearance.

At the end of the settlement period, you must lodge a N30 with the Department of Home Affairs, detailing one or both of the following:

- deliveries you made into the Australian domestic market
- EEGs used in excise manufacture during the settlement period.

You must also pay the applicable customs duty.

Applying

You can apply to us for a PSP.

We issue PSPs as part of the customs warehouse licensing process, based on the nature of your operations.

Contact us if you:

- don't hold a customs warehouse licence

- want to pay duty on goods delivered from someone else's premises.

Settlement period

The settlement period depends on whether you are:

- eligible for small business entity concessions
- not eligible for small business entity concessions

Eligible for small business entity concessions

If you're eligible for small business entity concessions, you may be able to report and pay your excise obligations monthly or quarterly.

Under a monthly arrangement, you must report and pay customs duty by the **21st** day of the month following delivery of the goods into the Australian domestic market.

For example, if you delivered goods into the Australian domestic market during December 2022, by 21 January 2023, you must:

- report them in your December 2022 *Nature 30 (N30) ex-warehouse declaration*
- pay the customs duty.

From 1 July 2023, businesses with an aggregated turnover of less than $50 million may be eligible to report and pay their excise obligations quarterly.

Under a quarterly arrangement, you need to report and pay excise duty:

- for a quarter ending on 31 March, 30 June or 30 September – the 28th day after the end of the quarter
- for a quarter ending on 31 December – the 28th day of the February after the end of the quarter.

Example: small business entity concessions

Liquid Trade Co has an existing periodic settlement permission. As a small business with annual turnover of less than $50 million they may be eligible to report and pay excise duty and excise equivalent customs duty quarterly to simplify their reporting and payment requirements.

They apply to lodge their excise duty and excise equivalent customs duty quarterly on 13 January. Their application is approved, which means they report and pay excise duty for the January to March quarter by 28 April.

Not eligible for small business entity concessions

If you **are not** eligible for small business entity concessions and you:

- **don't** deal in transport gaseous fuels, you
  - can apply for a specific 7-day settlement period
  - must report and pay customs duty on the **first** day following the end of the 7-day settlement period

- deal in transport gaseous fuels, you
  - can apply to us to defer reporting and paying customs duty on your transport gaseous fuels
  - must report and pay customs duty on or before the **seventh** day following the end of the 7-day settlement period.

In all situations, you need to pay customs duty at the same time you lodge your Nature 30 (N30) return with Home Affairs.

Delivery direct into domestic consumption

To move imported goods (including EEGs) directly from the place of import into the Australian domestic market without first moving the goods to a customs warehouse, you must lodge an Import Declaration (N10) with the Department of Home Affairs. Before the goods are released, you must pay any customs duty owing on the imported goods.

The Australian Border Force have advice on paying an invoice.

QC 63588

Refunds, drawbacks, and remissions for excise equivalent goods

How to claim a refund, drawback, or remission (waiver) of customs duty on excise equivalent goods (EEGs).

Last updated 22 February 2023

Where to apply

You need to apply to:

- the Department of Home Affairs for refunds and drawbacks of customs duty paid on EEGs
- us for remissions (waivers) of customs duty when EEGs won't be delivered into the Australian domestic market.

Refunds and drawbacks of customs duty

When you can claim

You can claim a refund of some or all the customs duty you've paid on EEGs in certain situations. For example, you can claim if you can prove that EEGs were damaged while they were under customs control before delivery into the Australian domestic market.

You may be able to claim a drawback of customs duty you've paid on EEGs if they have been:

- exported unused since importation
- treated, processed or incorporated in other goods that are exported.

You can only claim either a refund or a drawback on the same goods – not both.

Refunds and drawbacks are not payable on fuel if an entitlement to a fuel tax credit exists.

How to claim

The Department of Home Affairs administers refunds and drawbacks of customs duty paid on EEGs. Lodge your claim with the Department of Home Affairs either:

- electronically through the Home Affairs Integrated Cargo System (ICS)
- by visiting their website Duty drawback scheme information and form.

Remission of customs duty

You can claim a remission or waiver of the customs duty liability for EEGs subject to customs control that won't be delivered into the Australian domestic market – for example, if the goods:

- have been, or will be, destroyed
- are no longer fit for human consumption.

Applying

You can apply to us for a remission of duty on goods still subject to customs control that have:

- deteriorated
- been damaged
- been destroyed.

Approval for remission will allow the goods to be written out of the stock records and will acquit the duty liability. After the remission application is approved, you must destroy these goods.

QC 63589

Records for excise equivalent goods

How to keep accurate and complete records for excise equivalent goods (EEGs).

Last updated 22 February 2023

Keeping good records

If you deal in EEGs, you need to know about record keeping for business.

General rules around keeping good records:

- Records must be in English – our staff must be able to read and understand them.
- You need to be able to show us your records if we ask for them.
- We recommend you regularly update the systems and methods used to store your records.

Keeping EEG records

You must keep records for all goods entered into the warehouse for:

- the period that they are stored in your warehouse
- 5 years after the authorised release of goods from the warehouse (in Australia or overseas).

The record-keeping requirements are set out in your licence.

Most records required are those that you would normally use in your business operations. If your records aren't sufficient to meet the requirements, we may direct you to maintain specific records.

For more information on warehouse licences, visit Customs Act 1901 section 82 – *Conditions of warehouse licences*.

Warehouse EEG records required

Your licence will set out the records and information you need to keep, including:

- Nature 20 warehouse import declarations (N20)
- Nature 30 ex-warehouse import declarations (N30)
- 'authority to deal' information generated when a N30 is finalised
- movement permissions
- remission applications
- details of EEGs used in excise manufacture
- details of LPG and LNG sales when claiming automatic remission.

Your records need to:

- provide a clear audit trail of all incoming and outgoing warehoused goods
- satisfactorily account for all goods that pass through the warehouse
- be consistent with the full import declaration (FID) under which the goods enter and leave your warehouse. Your records should reflect the details included on the document that authorised the movement
- physically track individual items of stock based on the number of the N20 under which they entered the warehouse. Similarly, N30s and weekly settlement returns must refer to the actual N20 number of the goods delivered where use of multiple clearance codes hasn't been approved

- show that an entry or return has been made correctly. This includes documents that come into your possession before, on, or after you make an entry or return.

Records for import or export on behalf of the goods' owner

If you (as a freight forwarder, shipping line, airline, depot or stevedore) have completed the requirements of the Department of Home Affairs, including their operational arm, the Australian Border Force, for the import or export of EEGs on behalf of the owner of the goods, you must keep the following records:

- commercial documents that come into your possession relating to the cargo and its carriage to or from Australia
- evidence of payment made or received (such as letter of credit or telegraphic transfers)
- commercial invoices
- packing lists
- airway bills and bills of lading
- tally sheets
- gate delivery or receipt records
- permits (if applicable).

Keeping consistent records will limit the impact of compliance activity on your business operations. If consistent records aren't kept, we may need to impose special conditions on your licence, detailing the specific information we require.

You also need to keep records of:

- goods received
- goods despatched
- goods in storage

Goods received

You need to keep:

- Nature 20 warehouse import declarations (N20s)
- a Bond register, including
  - date received
  - N20 numbers
  - permission number and dispatching warehouse (if received from another licensed warehouse)
  - line sequence number (if more than one line)
  - tariff classification
  - goods description
  - quantity received

  - quantity unit
  - warehouse unit value
  - international transport and insurance.

Goods despatched

You need to keep:

- movement permissions
- Nature 30 ex-warehouse import declarations (N30s), if applicable
- a Bond register, including
  - date despatched/date used in excise manufacture
  - N20 number
  - permission number and receiving warehouse (if dispatching to another licensed warehouse)
  - line sequence number (if more than one line)
  - N30 number (for prepayment N30s)
  - tariff classification
  - goods description
  - quantity despatched
  - quantity unit
  - warehouse unit value
  - international transport and insurance.

Goods in storage

You need to keep:

- movement permissions
- Nature 20 warehouse import declarations (N20s)
- a Bond register, including
  - date received
  - N20 number
  - permission number and dispatching warehouse (if received from another licensed warehouse)
  - line sequence number (if more than one line)
  - tariff classification
  - goods description
  - quantity received
  - quantity dispatched
  - quantity remaining
  - quantity unit
  - warehouse unit value

- international transport and insurance.

If you're a broker or agent acting on behalf of the owner of the EEGs, you need to keep evidence of your communications with the Department of Home Affairs and us.

Example of poor record keeping

The records in the example below are poor as the:

- goods description in the bond register isn't consistent with the description used in the import declaration and doesn't provide a meaningful description of the goods
- goods description isn't recorded in a standardised way, for example, product name, unit size, percentage alcohol volume
- bond register doesn't contain a warehouse quantity unit value (this is needed for comparison and reconciliation with the unit value recorded on the import declaration)
- bond register doesn't separate entries by a unique identifier (such as line number), making it hard to follow N20 entries with more than one line.

Example: poor record keeping

An import belonging to Party Pty Ltd arrives at ABC Bond under Nature 20 warehouse import declaration (N20) ABC123XYZ.

Information obtained from the import declaration

IDN	Import dec line number	Nature type	Importer full name	Goods description	Warehouse quantity unit
ABC123XYZ	1	N20	Party Pty Ltd	German wheat beer, 330 ml, 5%, 1440 bottles per pallet,	Litre alcohol
ABC123XYZ	2	N20	Party Pty Ltd	Polish vodka rye & wheat 100ml 38.5% 120btl 40 per ctn	Litre alcohol

Information recorded into the bond register

N20	N30	Goods description	Cases in	Cases out
ABC123XYZ	Nil	Lederhosen wheat beer 24 Bottles/Carton	60	Nil

ABC123XYZ	Nil	Polish vodka wheat 40 Bottles/Carton	3	Nil

If you need more information about excise and EEGs, you can contact us.

Records if you cease to hold a licence

If you cease to hold a licence you must keep all records of your previously licensed activities, for the period advised on your licence.

QC 63590

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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