



INFORMATION SHEET

CUSTOMS

LATE PAYMENT INTEREST

Late Payment Interest Penalties Scheme – Importers, Exporters and Customs Brokers

The Customs Act currently provides for the duty and taxes due on import declarations to be paid within 5 clear working days of a notice of assessment being issued by Customs.

Where payment is not received within that time Customs applies a late payment interest penalty.

From the 1 January 2007 the time in which the notice of assessment must be paid will change to be either within 5 clear working days of

- a notice of assessment being issued by Customs or
- the inwards report of the conveyance (vessel, aircraft, vehicle),

whichever is the later date.

This amendment is in response to concerns raised with Customs by the Customs Brokers Association.

Can a penalty be remitted or withdrawn?

Yes, an application seeking remittance must be lodged with Customs within 30-days of the penalty notice being issued and, importantly, such application may only be made after the penalty amount has been paid. Failure to comply with these requirements will

be grounds for your application to be refused.

What if a penalty is not remitted or withdrawn and I still disagree?

You may appeal to the newly formed Customs Review Tribunal, an independent body, by using the appeal mechanisms under sections 177 and 178 of the Customs Act.

What happens if I don't pay the penalty?

The amount of the interest penalty will become a debt to the State and Customs will pursue the debt through the Courts.

Customs may also refuse to clear any subsequent importations, and in certain cases, may seize your goods and sell them to pay off the debt.

This information is provided as a guide only.

For more information please contact your nearest Customs office or write to The Commissioner of Customs, PO Box 777, Port Moresby, NCD or visit our website at

www.customs.gov.pg

Legislative References:
Customs Act Section 80A