EXCHANGE OF LETTERS AND JOINT UNDERSTANDING OF HARMONISATION OF CUSTOMS POLICIES AND PROCEDURES

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[Letter from the Australian Minister of Industry, Science and Customs to the New Zealand Minister of Customs]

16 August 1988

Dear Minister

I refer to discussions between the Customs agencies of our two countries undertaken as part of the 1988 review of the operation of the Australia New Zealand Closer Economic Relations - Trade Agreement ("the Agreement") and in accordance with the Memorandum of Understanding between the Government of Australia and the Government of New Zealand Regarding Mutual Assistance between their Customs Agencies signed at Canberra on 15 August 1985. As a result of those discussions the Customs agencies of the two countries have prepared the attached joint understanding.

If the joint understanding including the attached Explanatory Note concerning Article 3 of the Agreement is acceptable to your Government, I wish to propose that this letter together with your reply, should together constitute a joint understanding between our two Governments in the terms set out in the attachment, to become effective on the date of your reply.

The Explanatory Note concerning Article 3 of the Agreement contains an approach to the treatment of materials of mixed origin which constitutes a change of practice for both Customs agencies. In the event that any existing trade is disadvantaged by the change within the first six months of its operation, I understand the two Customs agencies will consult to see if special provisions are appropriate to preserve the benefits of preference for that trade.

I understand that as part of the joint understanding the two Customs agencies will report to their respective Ministers by 1 September 1989 indicating areas where harmonisation has been achieved, outstanding areas where it is intended that harmonisation will take place and the time frame for achieving such harmonisation.

I would be grateful if, in replying, you would confirm that this is your understanding.

Yours sincerely

[signed]

(Barry O Jones)

The Hon Trevor A de Cleene Minister of Customs Parliament Buildings WELLINGTON NEW ZEALAND Hon Barry O Jones Minister of Customs Parliament House Canberra ACT 2600 AUSTRALIA

Dear Mr Jones

I have the Honour to refer to your letter of 16 August 1988 which reads as follows:

[Here follows the text as set out under I]

I wish to confirm that the foregoing (including the joint understanding attached to your letter) represents the understanding between our two Governments and will take effect from today's date.

Your sincerely

[signed]

Trevor de Cleene Minister of Customs