



New Customs Acts Programme

CHANGING FOR THE FUTURE

NEW CUSTOMS LEGISLATION

At a glance

- **What:** The new Customs Control Act, 2014, (CCA) and Customs Duty Act, 2014, (CDA) will aim to deliver the capability required for SARS Customs to evolve into a world-class Customs agency.
- **Why:** The Customs and Excise Act, 1964, was rewritten to support international legislative requirements, to keep pace with global trade trends and technological advances, and to ensure customs procedures are efficient, predictable and transparent for trade to flourish.
- **When:** The rewrite of the current Customs and Excise Act, 1964, was a huge task that took several years to complete. It was therefore decided to split the customs and excise aspects of the task and to complete the project in various phases. The Customs Control Act, 2014 (Act No. 31 of 2014), and the Customs Duty Act, 2014 (Act No. 30 of 2014), were published in the Government Gazette in July 2014. The Acts will take effect on a date determined by the President. It is expected to become operational in phases, starting in 2016/17.
- **How:** Involvement from Customs stakeholders is essential to ensure successful implementation of the Acts.
- **Benefits:** Improved technology and processes will enable greater effectiveness and efficiency for trade.

▪ **Size:**

- The current Customs & Excise Act of 1964 consists of 122 sections contained in 12 chapters
- The Customs Control Act of 2014 consists of 944 sections, divided into 41 topic-specific chapters
- The Customs Duty Act of 2014 comprises 229 sections divided into 13 chapters.

Intended outcome of new Acts

1. Facilitation of trade

a. Transparency and predictability of doing business

- Clear procedures for all stages of the supply chain are set out
- Predictability is enhanced with the introduction of an advance ruling regime
- The Commissioner may issue interpretation notes and guidelines
- The fixed penalty regime provides for greater consistency when applying penalties
- New provisions in respect of the Tax Court and Ombud will facilitate fair and timeous resolution of disputes and complaints

b. Promote exports

- The Act provides that an exporter can submit an incomplete export clearance declaration for goods containerised at a container depot without the container number if it is unavailable at the time of submission

- A supplementary clearance declaration including the container number must be submitted before the goods reach the terminal where the goods will be loaded for export
- Simplified clearance and release for specific categories of goods is provided for e.g. the courier industry

c. Business competitiveness and stimulating domestic activity

- Compliant traders are placed in a more equitable position as they will receive interest from the customs authority on approved refunds not paid within 21 days
- The requirement of multiple clearances in the case of warehousing will be removed. Going forward only a warehouse clearance is required, which also covers the transport of the goods to the warehouse
- In the case of cargo reports, clients no longer need to re-submit information already submitted
- The Acts allow for the extension or shortening of timeframes on application to the customs authority

d. Promote Small, Medium and Micro Enterprises (SMMEs)

- The Acts provide for an environment in which SMMEs can flourish
- Chapters 18 and 19 provide for an exemption from licensing of premises where subcontracted processing is done, if the annual business turnover of the premises is below certain thresholds.

2. Instrument of control

As an instrument of control, the Control Act will improve the supply chain in that:

- It will secure the supply chain by requiring the registration and licensing of all entities that play a role in the movement, handling and storage of goods not in free circulation until the goods are released for home use and taxes are paid, or the goods are exported from the Republic
- The new obligation to report cargo before loading in the export country allows Customs to prevent prohibited goods from being loaded onto the export vessel
- Provisions relating to sealing of containers, vehicles and packages have been improved.

3. More information

For updates and Frequently Asked Questions on the new Customs Acts, go to the SARS website (www.sars.gov.za), click on **Customs>Legislative Framework>New Customs Legislation update**

