

# CUSTOMS

## EXTERNAL POLICY

### REGISTRATION, LICENSING AND DESIGNATION

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## 1 SUMMARY OF MAIN POINTS

- a) This policy deals with the types of **clients required to be registered**:
- i) Automotive Production Development Programme (APDP);
  - ii) Approved exporters;
  - iii) Electronic communication with SARS;
  - iv) Exporters (local or foreign including **continuous transmission commodities (CTC exporter)**);
  - v) Importers (local or foreign including **continuous transmission commodities (CTC importer)**);
  - vi) **Special Economic Zone (SEZ) Operators, Designated areas as Customs controlled areas within an SEZ and CCA Enterprise, Section 21A;**
  - vii) **Manifest processing (MPR) users (e.g. carriers or operators);**
  - viii) Manufacturers in terms of drawback items 501.00 to 521.00;
  - ix) Producers for **preferential trade agreements and** generalised system of preference (GSP); and
  - x) Rebate users **in terms of** Schedule 3, 4 and 6; **and**
  - xi) Registered Agents in terms of Rule 59A.01.
- b) **In addition, the document deals with types of clients, premises or facilities required to be licensed**:
- i) **Carriers** - removers of goods in bond (local or foreign);
  - ii) Clearing agents;
  - iii) Depots: container and degrouping;
  - iv) Customs warehouses:
    - A) Storage warehouses (**OS**) including Customs controlled area enterprises;
    - B) Manufacturing warehouses including Customs controlled area enterprises;
    - C) Special storage warehouses (**SOS**):
      - I) **Storage of local manufactured and /or imported goods for supplies to foreign going aircraft or vessels as stores, spares and equipment;**
      - II) **Inbound and / or outbound duty and tax free shops; and**
      - III) **Storage of imported second hand motor vehicles; and**
    - D) **Stockist warehouses.**
  - v) **Search abandoned wrecks or for abandoned wrecks (Searcher).**
- c) Designation **of a portion of the SEZ landmass** as a Customs controlled area **is also covered.**
- d) **Registration to participate in the Deferments scheme is also discussed.**
- e) The following are not covered in this policy:
- i) Surety / guarantees (increase / decrease) (refer to SC-SE-05);
  - ii) **Supporting documents, see ECS-LER-01-A02;**
  - iii) Designations other than **terminals and SEZ or Customs controlled area related activities;**
  - iv) The Legal entity registration which must precede registration, licensing or designation, see ECS-LER-03;
  - v) Accreditation, see SC-CF-27;
  - vi) **Completion of the application form(s) and annex see SC-CF-23;**
  - vii) **Use of invoice declaration by Approved Exporters in terms of the SADC-EPA Agreement, see SC-RO-01-06; or**
  - viii) **Management of deferments, see SC-DT-B-02.**

## 2 POLICY

### 2.1 Persons who must and / or may apply for registration or licence

- a) The Commissioner may require any **of the following** persons **or class of persons** participating in any activity regulated by the Act to be registered, licensed, designated or approved:
- i) A natural person who is a citizen or a permanent resident of South Africa or has an established place of business (fixed physical address) in South Africa and is at least eighteen (18) years old or emancipated by a court order at time of application;

- ii) A juristic person that has an established place of business (fixed physical address) in South Africa;
  - iii) The person having the effective management of an association of persons whether or not formed in South Africa that has an established place of business in South Africa;
  - iv) A partnership or a trust composed of individuals each of whom is a natural person who is a citizen or a permanent resident of South Africa or has an established place of business in South Africa and is at least eighteen (18) years old or emancipated by a court order at time of application;
  - v) In the case of:
    - A) A deceased estate, the executor of the estate;
    - B) An insolvent estate, the trustee;
    - C) An organ of state, the official to whom the function in respect of the activity for which registration is required, is delegated (applicable to registration only); and
    - D) Institutions, the person having the effective management of such institution (applicable to registration only).
  - vi) A foreign principal not located in South Africa.
- b) No third party may apply for registration, licensing, approval, or designation on behalf of an applicant.
- c) Exemption from registration requirements is allowed when all the following conditions are met:
- i) A natural person who is located in South Africa;
  - ii) Imports or exports three (3) consignments per calendar year;
  - iii) The value per consignment is less than R 50 000.00; and
  - iv) The goods must be declared by the importer or exporter for:
    - A) Home consumption (code A 11 and A 12);
    - B) Temporary export (code A 13); or
    - C) Export (code H 60 and H 61).

## 2.2 Conditions

- a) Customs may impose conditions on a registered or licensed person that relates to:
- i) The protection of potential tax revenue on goods received, stored, handled, transported or in any way dealt with, managed or controlled by the licensee in terms of the licence;
  - ii) The inspection of such goods by Customs Officers;
  - iii) Assistance that the licensee must provide to Customs Officers to detained, seized or confiscated goods; or
  - iv) Compliance by the licensee with this Act or a tax levying Act in relation to such goods.
- b) Any registered or licensed person may not authorise or allow another person to use his / her Customs client number, except where expressly required or permitted in terms of the Act.
- c) The registrant or licensee must indicate his / her Customs client number or facility code on:
- i) Any communication to Customs; or
  - ii) Any authorisation issued to a registered agent or Customs Clearing Agent that will be acting on behalf of such registered or licensed person.
- d) A registrant or licensee will not be able to transact any business with Customs until all obligations relating to his / her registration / licence have been met.
- e) The registered or licensed person must:
- i) Inform Customs within seven (7) working days when he / she:
    - A) No longer carries on the business for which the registration or licence was issued; or
    - B) No longer complies with the qualifications prescribed in the Rules.
  - ii) Make available any information, books, accounts and other documents necessary on request for:
    - A) Verifying any statements made by the applicant in the application; or
    - B) Ascertaining facts relating to the activity in respect of which registration is sought.

- iii) Take any reasonable steps to safeguard all goods that are at any stage under his / her physical control against damage, destruction or loss.
- f) The application approval (SC-CF-05-A04) issued by Trader Registration must be:
  - i) Kept on the registered or licensed premises; and
  - ii) Made available to a Customs Officer upon request or during the inspection of the registered or licensed premises.
- g) Any directives issued by Customs in connection with procedures applicable to the registration or licensing of a person subsequent to the date of application or during the validity period of the registration or licence issued on approval of the said application, must be deemed to be part of the afore-mentioned terms and conditions from the date on which such directives are issued and must be observed by the registrant or licensee as if they were included therein and duly subscribed to by the registrant or licensee.
- h) Premises or facilities that will be used for storage, manufacturing or processing purposes must be:
  - i) Approved by Trader Registration for that purpose; and
  - ii) Open to authorised Customs Officers at all reasonable times for inspection, verification of records and operations including supervision of tallying operations and to verify whether the registered or licensed person complies with the requirements.
- i) A contract concluded between a registrant or licensee and another person to perform any of its functions may not relieve the registrant or licensee of its responsibilities under the Act and SARS policies and procedure.
- j) The applicant or at least one (1) of the participant's employees must be permanently employed at the premises where or from where the business is conducted and must have sufficient knowledge of Customs laws and procedures to ensure that the activities to which the application relates are conducted efficiently and in compliance with the provisions of such laws and procedures.
- k) Applicants must complete the mandatory fields of the application form and the relevant annex (as stipulated per client type) and submit all the supporting documents with the application that contains all the information requested in the application form.
- l) Customs may investigate any statements made or to ascertain any facts relating to an activity prior to approval or refusal.
- m) Customs may require any person to furnish surety at any time, see SC-SE-05.

## 2.3 Customs client types and facilities requirements

### 2.3.1 Automotive Production and Development Programme (APDP)

- a) The applicant must register with Customs as:
  - i) An Importer and / or exporter (see paragraph 2.3.8); and
  - ii) A rebate user (see paragraph 2.3.12).
- b) The premises where the manufacturing or processing will be conducted must be registered as a Special manufacturing warehouse for APDP purposes (see annex DA 185.4A5).

### 2.3.2 Approved exporters

- a) An Exporter must be registered with Customs as SADC-EPA (see paragraph 2.3.8) before applying as an approved exporter. The exporter must complete the DA 185, annex 4A2 and DA 49A.02.

- b) Customs may issue approved exporter status to exporters **in terms of:**
- i) **Economic Partnership Agreement (EPA) between the European Union and the Southern African Development Community (SADC) EPA Group;** and
  - ii) **The Free Trade Agreements (FTAs) between the European Free Trade Association (EFTA) and the Southern African Customs Union (SACU) (SACU-EFTA).**
- c) **Approved exporters may export goods using an invoice declaration instead of an EUR1 certificate, irrespective of the value of a shipment, provided that:**
- i) **The products exported fulfil all origin requirements in terms of the trade agreement;**
  - ii) **The exporter complies with the conditions imposed by Customs;**
  - iii) **All invoice declarations contain the Customs authorisation number;**
  - iv) **Invoice declarations must apply to all products exported;**
  - v) **The applicant has:**
    - A) **Not contravened the requirements of the trade agreement;**
    - B) **Not committed any offence in terms of the Act for the past two (2) years;**
    - C) **Provided the necessary guarantees to verify the originating status of the exported goods; and**
    - D) **Given a written undertaking accepting responsibility for all invoice declarations to be issued; and**
  - vi) **Exporters of quota products are excluded from applying for approved exporter status unless the Manager: Rules of Origin (ROO) grants approved exporter status after consultations with the relevant Government Department. However, this exception does not apply to exporters of quota products under the SADC-EPA of which a quota has not been approved by the Department of Agriculture, Forestry and Fisheries (DAFF).**
- d) **An approved exporter may be cancelled if:**
- i) **Any of the conditions in paragraph 2.8 d) occur;**
  - ii) **A false declaration concerning the origin or value of any consignment is made;**
  - iii) **The requirements of the agreements or of the Rules are not complied with; or**
  - iv) **Customs has not been notified that the goods no longer fulfil the required origin conditions, i.e.:**
    - A) **Change in the source of materials;**
    - B) **Change in the manufacturing process;**
    - C) **The need for approval ceases; and / or**
    - D) **If a change in the legal identity or address of the approved exporter has occurred.**
- e) **If approved exporter status has been cancelled or the use of an invoice declaration has been prohibited such exporters must apply for EUR1 certificates in respect of all exports for which originating status is claimed.**
- f) **The external policy (SC-RO-01-06) describes the requirements for issuing of invoice declarations as proof of origin.**

### 2.3.3 Customs clearing agent

- a) **Any person(s) (excluding a registered agent) who lodge a CCD for reward on behalf of another Customs client type or provide a service which includes the clearance of goods must license with Customs as a Customs clearing agent (refer to Section 64B). The applicant must complete the DA 185 and annex 4B5.**
- b) **The applicant must provide:**
- i) **The names of each person or employee(s) who have at least five (5) years' experience in the clearing agent industry; and**
  - ii) **The place (e.g. Customs control area) where such licensed clearing agent will be conducting business with SARS.**

### 2.3.4 Customs storage warehouse

- a) Section 19 makes provision for the licensing of a Customs storage warehouse, Section 21 for a SOS and Section 21A for a Customs warehouse licensed within a designated area within a SEZ which had been approved by the Minister of Trade and Industry and Customs.
- b) Storage and manufacturing warehouses may be licensed on the same premises provided they are separated from each another.
- c) The site plan:
- i) Must be a detailed plan of the premises but needs not be a blueprint although it must be according to scale;
  - ii) It must show the position(s) of the proposed storage warehouse in relation(s) to the adjoining building(s) and public thoroughfare(s);
  - iii) Adequate space must be provided to enable Customs Officers to conduct enforcement functions on the premises; and
  - iv) Signed and dated by the applicant.
- d) A SOS for export for the storage of second hand motor vehicles:
- i) May not be leased or otherwise ceded to or allow any other party to use the licensed warehouse;
  - ii) May under no circumstances be approved in the immediate vicinity or close proximity of a land port of entry;
  - iii) Must have gates wide enough to allow a car carrier to offload or load the vehicles from or into the warehouse;
  - iv) May not load or offload vehicles on public roads, this must be done within the warehouse facility; and
  - v) May not conduct repairs or servicing, except for the fitment of batteries, reflectors and chevrons.
- e) Duty and tax free shops:
- i) Any person who intends to operate such a facility must first obtain approval from the relevant port authority before approaching Customs; and
  - ii) The sales area must be separated from the storage areas.
- f) The Customs warehouse number allocated will consist of:
- i) The location of the warehouse, e.g. Johannesburg (JHB) or Cape Town (CTN); and
  - ii) The warehouse type:
    - A) OS for storage warehouse; or
    - B) SOS for special storage warehouse.
- g) Movements into or between, and export movements from any licensed warehouse facility must be done either by the licensee or a licensed remover of goods in terms of Section 64D.
- h) A licensee is liable for the duty on all goods stored or manufactured in a Customs warehouse until he / she can provide proof that the goods in question have been duly cleared through Customs and delivered or exported from South Africa.
- i) The following table indicates the differences between the various Customs storage warehouses:

	SECTION 19 WAREHOUSE		SPECIAL STORAGE WAREHOUSE (SOS)		
	Storage (OS)	Stockist (OS)	Section 21(1)	Export Section 21(3)	CCA Enterprise Section 21A
<b>Application form</b>	DA185				
<b>Annex</b>	DA185 4B3 (ii)	DA185 4B3 (iii)	DA 185 4B4 (i), (iv) (v) and (vi)	DA185 4B4 (ii)	DA185 4B9 / B10

	SECTION 19 WAREHOUSE		SPECIAL STORAGE WAREHOUSE (SOS)		
	Storage (OS)	Stockist (OS)	Section 21(1)	Export Section 21(3)	- CCA Enterprise Section 21A
<b>Type of goods</b>	Dutiable imported goods		Dutiable imported goods including second hand motor vehicles	Dutiable and duty free imported goods	
<b>Storage of goods for:</b>					
Home use	Yes	Yes	No	No	Yes
Export	Yes	No	Yes	Yes	Yes
Inward processing	Yes	Yes	No	No	Yes
Home use processing	Yes	No	No	No	Yes
<b>Supply to</b>	Anyone	Home Use: Anyone Inward processing: rebate users	In- / outbound duty and tax free shops / travellers Ship / aircraft stores	Anyone	Anyone
<b>Repacking of goods within a licensed warehouse</b>	Provided approval has been obtained from Customs	No approval required from Customs			
<b>Sorting of goods within a licensed warehouse</b>	Provided approval has been obtained from Customs	No approval required from Customs			
<b>(De)Consolidation</b>	No			Yes	No
<b>Customs Procedure Code (CPC)</b>	E40-00 or E42-00	E40-00	E42-00	E42-00	E40-00 or E42-00
<b>The person who may store the goods</b>	The licensee or any importer/exporter	The licensee	The licensee who must be the owner of the vehicles	The licensee or an accredited importer	The licensee or importer/exporter
<b>Storage Period</b>	Two (2)	Two (2) years	Two (2) years	Six (6) months	Two (2) years
<b>Extension of storage</b>	One (1) year Request thirty (30) days before the storage period expires			Three (3) months on good cause Request prior to expiring of the six (6) months storage period	One (1) year Request thirty (30) days before the storage period expires
<b>Surety</b>	One (1) per Customs control area				
<b>Validity period of license issued</b>	Indefinite, subject to the conditions the Commissioner may impose				1 January to 31 December

### 2.3.5 Depot

- a) In terms of Section 6 the Commissioner may appoint or prescribe places where depots may be established (refer to SC-CF-04-A08).
- b) There are two (2) types of depots:
  - i) Container depots; and
  - ii) Degrouping depots for air cargo.



- c) Persons operating or managing these depots must first license the premises as:
- i) A container depot in terms of Section 64A for the:
    - A) Storage of containers until the content has been cleared for home use or for outright export;
    - B) Unpacking of containers;
    - C) Detention, seizure of goods or containers;
    - D) Physical inspection of containers or the content of containers;
    - E) The delivery of the content of containers to the importer after the content has been duly entered; or
    - F) Packing of containers for export.
  - ii) A degrouping depot in terms of Section 64G for the:
    - A) Removing of air cargo from a transit shed before due entry thereof for storage;
    - B) Detention of air cargo;
    - C) Unpacking of air cargo;
    - D) Examination of consolidated packing or its contents;
    - E) Removal to another degrouping depot; or
    - F) Delivery of air cargo to the importer after due entry thereof.
- d) The applicant must complete:
- i) SC-CF-05-A23 for licensing of a container depot license; and
  - ii) DA 64G 01 for licensing of a degrouping depot.
- e) Once the depot is licensed the applicant must register with Customs:
- i) On the MPR system for the purpose of reporting inbound and outbound movement of goods or cargo for such licensed premises (see paragraph 2.3.9); and
  - ii) To communicate such reports electronically to Customs via the MPR system (see paragraph 2.3.7).
- f) Application for the licensing of a depot will be considered by the Senior Manager Trader Registration in Head Office.
- g) The site plan must indicate areas for:
- i) Customs to perform enforcement functions;
  - ii) Physical inspection of container or air cargo;
  - iii) Installation of scanners;
  - iv) Parking space for Customs Officers; and
  - v) Temporary safekeeping of detained or seized goods, containers or air cargo pending steps to be taken in connection with the goods.

### 2.3.6 Deferment facility

- a) Deferment is not a client type, it is a facility granted to existing registered or licensed Customs clients to defer payment of duty for a period and up to a maximum amount of duty.
- b) The registrant or licensee must complete the DA 650 and DA 652 to apply for the deferment facility.
- c) The applicant must indicate the total limit required in duty and VAT.
- d) The amount of surety to be provided will be determined by Customs (see SC-SE-05) before the facility is granted.
- e) Any application for amendment of dates, or an increase, or decrease of deferment limits, requires a new bond to be completed and approved accordingly (see SC-SE-05).
- f) Clients with overdue debt(s) may not partake in this facility.

- g) The External Standard SC-DT-B-02 encapsulates the deferment requirements and processing of Customs duties and VAT, e.g. monitoring of limits, adjustments, payments and decision regarding suspension and cancellation).

### 2.3.7 Electronic communication with SARS

- a) The following registrants or licensees must register with Customs as an Electronic Data Interchange (EDI) user for the electronic submission of:
- i) Cargo reports through the MPR system (see paragraph 2.3.9) (refer to SC-CC-12); or
  - ii) CCD in terms of goods imported into or exported from South Africa by:
    - A) Importers and exporters (see paragraph 2.3.8); or
    - B) Customs clearing agent(s) (see paragraph 2.3.3) or Registered agent(s) (see paragraph 2.3.13).
- b) Importers, exporters, Customs clearing agents or registered agents are not required to register with Customs as an EDI user, if he / she submits less than ten (10) declarations per calendar month that do not exceed ten (10) lines.
- c) The applicant must:
- i) Submit the DA 185 and annex 4A6;
  - ii) Submit the user agreement which must be signed and initialled by the applicant and two (2) witnesses on all pages; and
  - iii) On an official company letterhead, confirm:
    - A) The company particulars;
    - B) The Customs client number;
    - C) Whether the applicant is a new or existing EDI user; and
    - D) That adequate measures have been introduced to:
      - I) Retain control of the digital signature;
      - II) Prevent disclosure of digital signature to any unauthorised person;
      - III) Inform the Commissioner immediately if the digital signature has been compromised in any manner;
      - IV) Ensure that information remains complete and unaltered; and
      - V) Ensure that the standard of reliability is in accordance with the standard of the user agreement and the applicable section and Rule.
- d) A registered EDI user:
- i) Must adhere to the conditions stipulated in the user agreement; and
  - ii) Is accountable for all liabilities and obligations arising from the electronic communication with Customs.
- e) The registrant must communicate with Customs by paper format if the computer system is inoperative.
- f) If approved SARS will issue a digital certificate.

### 2.3.8 Importer and exporter

- a) No person may import into or export from South Africa unless registered as an importer or exporter.
- b) All importers or exporters must complete the DA 185 and either annex 4A1 or 4A2.
- c) If the applicant is a foreign entity:
- i) He / she must nominate a registered agent using a DA 185 D;
  - ii) Not represented by a registered agent located in South Africa, the application must be entertained but suspended until an approved registered agent is nominated by the foreign entity; and
  - iii) Which is a juristic entity, a certified copy of the founding document or any certificate issued in terms of the laws of the country where the foreign licensee or registered person is incorporated, registered or recognised certifying such incorporation must be submitted at time of application.

- d) Foreign entities clearing cargo for international transit through South Africa are not required to register with Customs.
- e) No security is required at time of registration; however, Customs reserves the right to impose a security based on the risk status of the applicant.

### 2.3.9 MPR user

- a) Carrier(s) or operator(s) (e.g. depot, container terminal or wharf operator) must register with SARS for the purpose of submitting, receiving and processing cargo reports on the Manifest Processing (MPR) system [previously named the Manifest Acquittal Systems (MAS)] if:
  - i) Transporting goods or travellers into or out of South Africa on board a vessel, aircraft, railway carriage or vehicle; or
  - ii) Loading on board a vessel, aircraft, railway carriage or vehicle any goods that are not in free circulation at any place in South Africa and then transport those goods to another place in South Africa or through South Africa. South African carriers removing goods in bond must first licence with Customs in terms of Section 64D (see SC-TR-01-04).
- b) The external policy on manifests (SC-CC-38) describes the submission, acquittals of cargo reports and the responsibilities of carrier(s) and operator(s) in accordance with Section 8 read with Section 101A and the rules thereto.
- c) A foreign carrier must appoint a registered agent in South Africa, as his / her representative (see paragraph 2.3.13). The foreign carrier must submit a letter of appointment and DA 185 D with his / her application for registration.
- d) The following carrier(s) / operator(s) must complete and submit the following prescribed application forms and the appropriate annex (see SC-CF-26, SC-CF-27; SC-CF-28 and SC-CF-45 for the completion thereof):

TYPE OF CARRIER / OPERATOR(S)	APPLICATION FORM AND ANNEXES
i) Sea cargo:	
A) International sea carrier	DA 8, DA 8.01 and DA 8.02
B) Master cargo carrier and cargo carrier	DA 8 and DA 8.02
C) Container terminal operator and wharf operator	DA 8 and DA 8.03
D) Licensed container depot operator	DA 8 and DA 8.04
ii) Air cargo:	
A) International air carrier	DA 8A and DA 8A.01
B) Freight Forwarder and Master cargo carrier	DA 8A and DA 8A.02
C) Transit Shed operator	DA 8A and DA 8A.03
D) Off-Airport De-Groupers	DA 8A and DA 8A.04
iii) Rail Carrier	DA 8B and DA 8B.01
iv) Road Carrier (Agent representing foreign carrier)	DA 8C and DA 8C.01

- e) The application forms listed above must be physically submitted to Head Office: Registration and Licensing for processing.
- f) Customs must indicate the facility code (see SC-CF-04-A08) in the letter of approval SC-CF-05-A04.
- g) Container terminal operators must first license with the National Ports authority TRANSNET. Once licensed, the container terminal operator must register with Customs as a cargo reporter for the submission of reports that relate to:
  - i) Loading of containers onto vessels and off-loading of containers from vessels;
  - ii) Transshipment of containers;
  - iii) The storage of containers;
  - iv) The stacking and unstacking of containers;
  - v) The receipt for shipment and the delivery of containers;

- vi) The transfer of containers within the terminal; and
- vii) The transfer of containers between terminals, if requested, including container or cargo transfers for Customs inspection purposes.

### 2.3.10 Manufacturer in terms of drawback

- a) Persons who use imported goods in the manufacturing, processing, finishing, equipping or packing of goods for export may claim a drawback of the Customs duties paid at time of importation, if registered in terms of Schedule 5 drawback items.
- b) The applicant must complete the DA 185 and annex 4A10.
- c) The applicant must provide details of:
  - i) The type of imported material that will be used in the manufacturing of other goods or articles;
  - ii) The type of goods or articles that will be manufactured from such imported material; and
  - iii) The method that will be used to prove his / her drawback claim (see the notes to Schedule 5 Part 1).
- d) The external policy on drawbacks (SC-DT-C13) describes:
  - i) The qualifying criteria for claiming a drawback; and
  - ii) The documentation required; and
  - iii) The submission of drawback claim.

### 2.3.11 Producers in terms of international trade agreements

- a) Any person registered as an exporter and who produces goods of South African origin may export goods under a preferential treatment provided that such exporter is registered as a producer and exporter of qualifying products or goods in terms of:
  - i) SADC-EPA;
  - ii) SADC Agreement;
  - iii) SACU – EFTA;
  - iv) SACU – MERCOSUR;
  - v) General System of Preferences (GSP):
    - A) Russia;
    - B) Norway;
    - C) Turkey; and
  - vi) African Growth and Opportunity Act (AGOA).
- b) The registered exporter and producer must certify that the product(s) produced qualify under the origin requirements of the respective trade agreement. If not, the registered exporter and producer's registration may be suspended or cancelled.
- c) The external guide (SC-RO-01-02) provides guidance to understand the concept of preferential rules of origin.

### 2.3.12 Rebate user

- a) Registered manufactures or producers must obtain approval from Customs before any goods (e.g. raw material, components or electrical circuit items) may be imported under rebate of duty specified in Schedule 3 or 4.
- b) The applicant and the rebate store must be located in South Africa.
- c) The applicant must complete the DA 185 and annex 4A3 and submit it to the Customs Office in whose area of control the manufacturing or producing premises or facility is situated.
- d) The applicant must comply with the conditions specified in the rebate item(s) listed at the time of his / her application.

- e) Where an International Trade Administration Commission (ITAC) permit is required in terms of the rebate item, the applicant can only be registered as a rebate user if he / she is the holder of such a permit.
- f) Rebate stores that are situated in the same building or on the same floor together with other businesses must be separated from each other.
- g) Bulk storage tanks used must be calibrated and Customs must be able to seal it, if and when necessary.
- h) The following additional supporting documents must be presented with the application form:
  - i) The ITAC permit, if required by the rebate item.
  - ii) The agreement between the importer or exporter and the manufacturer which must stipulate:
    - A) The terms on which the manufacturing or production will be undertaken;
    - B) The yield; and
    - C) The party who will be responsible for the products manufactured or produced.
  - iii) A plan (not necessarily a blueprint) of the premises showing the exact location of the proposed rebate store (e.g. store, vessel, tank and yard).
  - iv) A list of plant and machinery.
- i) The following external guides:
  - i) SC-PR-01-02, provides for the interpretation and application of Rebate item 470.03, including the processing of applications by registrants, clearance of goods under rebate and accounting of the imported goods, see; and
  - ii) SC-CF-55, provides for the submission of CCD by rebate users in terms of Schedule 3.

### 2.3.13 Registered agent

- a) The person applying for registration as a "Registered Agent" must be located in South Africa and complete DA 185 and annex 4A13.
- b) The applicant may be:
  - i) A natural person, ordinarily South Africa resident; or
  - ii) A juristic person incorporated, registered or recognised in terms of the laws of South Africa or of another country.
- c) The nominated registered agent (in terms of annex DA 185 D):
  - i) Is liable for the fulfilment of all obligations imposed on either the importer, exporter or licensed remover;
  - ii) May complete and submit a CCD on behalf of a foreign principal; and
  - iii) May submit an application form on behalf of a foreign principal (e.g. importer, exporter or remover of goods in bond) to Customs.

### 2.3.14 Search an abandoned wreck or to search for an abandoned wreck

- a) No person may search any abandoned wreck or search for an abandoned wreck unless licensed with Customs.
- b) The person must complete the application form SC-CF-05-A25 and submit it to Head Office: Trader Registration with the relevant supporting documents.
- c) The onus is on the applicant to establish whether the wreck had been abandoned or that the rights of another party will not be infringed before applying for a licence to search any abandoned wreck or to search for an abandoned wreck.
- d) There are two (2) types of persons that may apply:
  - i) A person located in South Africa; or

- ii) A foreign principal represented by a nominated registered agent located in South Africa.
- e) The applicant must provide a security to Customs; see SC-SE-05.
- f) Any wreck older than fifty (50) years may not be disturbed or removed by a licensed person without the permission of the National Monuments Council.
- g) The licensee must cancel his / her licence when he / she:
  - i) Fails to commence work within three (3) months from the date of issuing of the licence;
  - ii) Terminates operations; or
  - iii) Is not able to comply with any of the conditions stipulated by Customs.
- h) Customs may issue more than one (1) licence to search or salvage a particular abandoned wreck. No licence gives the applicant the exclusive right to search for any particular abandoned wreck.
- i) The Commissioner may by Rule prescribe the circumstances and the conditions under which a licence may be issued to the searcher.

### 2.3.15 SEZ's [previously named Industrial development zone (IDZ)]

- a) In terms of Schedule 4 a registered SEZ operator / licensed Customs controlled area enterprises may import goods of any description without the payment of Customs duty and VAT for:
  - i) The manufacturing of other goods by a licensed Customs controlled area enterprise within a Customs controlled area, see rebate item 498.01.
  - ii) Use in the construction and maintenance of the infrastructure of a Customs controlled area within an SEZ, see rebate item 498.02. Infrastructure is limited to the basic structural elements permanently installed in a Customs controlled area which include sanitation supply of electricity, roads, bridges, buildings and the like.
- b) SEZ operator
  - i) The holder of a valid SEZ operator's permit issued by the Minister of Trade and Industry authorising such person to develop and operate a new or existing SEZ must complete the DA 185 and annex A11 to register with Customs before any activities may be conducted in an SEZ.
  - ii) The SEZ operator must be a registered VAT vendor.
  - iii) The business plan must demonstrate that the SEZ operator will maintain:
    - A) The buildings;
    - B) The roads;
    - C) The equipment; and
    - D) The security of the area.
  - iv) No surety is required (refer to SC-SE-05 - Bonds - External Policy) at the time of the application or the inspection of the premises.
- c) Customs controlled areas within an SEZ
  - i) Any area designated as a Customs controlled area on the business plan of the SEZ must be registered with Customs before a number will be allocated to the designated Customs controlled area.
  - ii) The SEZ operator must complete the DA 185 and annex 4A11.
  - iii) The applicant must conform to the requirements determined by Customs which are enumerated in SC-CW-02-01.
- d) Customs controlled area enterprise
  - i) A Customs controlled area enterprise (special storage / manufacturing warehouse) located within a Customs controlled area permanently must be licensed with Customs.
  - ii) The applicant must complete the DA 185 and the relevant annex:
    - A) Special storage warehouse - annex 4B9 (see paragraph 2.3.4); and / or
    - B) Manufacturing warehouse - annex 4B10 (see paragraph 2.3.12).

- iii) Customs may request the applicant to provide a surety, see SC-SE-05 – Bonds – External Policy.

## 2.4 The amendment of an existing registration or licence

- a) The registrant or licensee must inform Customs of any amendments by completing the relevant application form(s) and must submit only the documents that relate to such amendment, e.g.:
  - i) DA 185 and the relevant annex;
  - ii) DA 8 and the relevant annex; or
  - iii) SC-CF-05-A25 (see paragraph 2.3.14 b).
- b) No licence may be transferred from one (1) person to another person; however, a licence may be endorsed by the Commissioner to transfer it from one (1) approved premises to another approved premises within the same area of control and subject to no alteration in legal ownership.
- c) In the following circumstances an amendment cannot be applied for:
  - i) The licensee may apply for an additional licence to conduct business in another Customs control area. The licensee must submit a new application to the Controller / Branch Manager in that Customs control area.
  - ii) When an existing registered or licenced juristic person ceases to exist, he / she must submit an application to Customs to cancel his / her registration or licence.
  - iii) The creation of a new juristic person requires a new application for registration and licensing to be submitted.
  - iv) When existing registered or licensed sole proprietorships or individual partnerships amalgamate, a new application must be submitted for the new individual being registered or licenced.

## 2.5 The issuing and renewal of a licence

- a) Schedule 8 prescribes:
  - i) The type of activity, premises or facility that must be issued with a licence;
  - ii) The licence fee to be charged; and
  - iii) The period of validity of a licence issued.
- b) Licenses are effective from the date specified on the licence issued.
- c) Warehousing licenses may be issued to:
  - i) Different warehouse types on a single site; and/or
  - ii) A single warehouse extended to more than one (1) site within the same office of control.
- d) A license must be renewed thirty (30) calendar days before it expires. The same application form(s) prescribed in paragraph 2.4 a) are used to renew a licence.
- e) Customs may also inform a person to renew his / her licence, see SC-CF-05-A18.

## 2.6 The refusal of an application

- a) Section 59A(2)(b) and 60(2)(a) empowers SARS to refuse any new application for registration or licensing when an applicant:
  - i) Fails to comply with the requirement of the Act;
  - ii) Made a false or misleading statement in the application or any supporting document;
  - iii) Omits to state any facts, which is material to the consideration of the application;
  - iv) Has any matters outstanding, for example:
    - A) Debt e.g. duties, interest, penalties or other amounts due to Customs; or
    - B) CCD, accounts or tax returns; or
    - C) Other documents in terms of the Act or any other tax laws administered by SARS;

- v) Does not have sufficient knowledge;
  - vi) In the case of special storage warehouses for second hand motor vehicles:
    - A) Is not the owner of the registered or licensed premises or facility in respect of which the registration or licence is sought; or
    - B) Does not hold a lease or other right to manage or operate a registered or licensed premises or facility for at least the period for which the registration or licence will be valid;
  - vii) Breached any condition or obligation in terms of the Act;
  - viii) Has not engaged in any activity for a period of at least one (1) year preceding the date of his / her application for renewal of his / her licence; or
  - ix) Has during the five (5) years preceding the application:
    - A) Breached any provision of the Act or other tax laws administered by SARS; or
    - B) Been convicted of an offence:
      - I) In terms of the Act or other tax laws administered by SARS; or
      - II) Involving fraud or dishonesty.
- b) The above disqualifying conditions also apply to an employee of the applicant in a managerial position, the director, the administrator or trustee of the applicant.
- c) In addition, SARS may refuse a new application for registration or licensing in cases where the registered or license premises or facility:
- i) Is not situated within a suitable distance from the office of the Controller / Branch Manager e.g. container / degrouping depot; or
  - ii) Does not comply with a requirement or condition applicable to manufacturing or processing premises of goods of a class or kind authorised in terms of the Schedule 3, 4, 5 and 6.

## 2.7 The relocation of existing licensed premises or facility

- a) General conditions
- i) An applicant must submit a letter of explanation stating the reasons for relocation at least sixty (60) days prior to the relocation to the Controller / Branch Manager in whose area the existing licensed premises or facility is licensed.
  - ii) Customs must issue a letter of acknowledgement of receipt (SC-CF-05-A02) to the applicant.
  - iii) The relocated premises or facility must be physically inspected to determine if the applicant complies with the conditions and / or the requirements of the Act before relocation may be granted.
- b) When a licensed premises or facility is being relocated within the same Controller's / Branch Manager's area (e.g. Johannesburg):
- i) The licensee of the existing licensed premises or facility must:
    - A) Submit a DA 185 and the relevant annex indicating that this is an amendment of existing information; and
    - B) Provide only the document(s) that relate to the information being amended (e.g. physical address of the relocated premises or facility).
  - ii) The applicant will retain his / her existing Customs client number and the Customs warehouse number.
  - iii) The licensee may be requested to increase or decrease his / her surety, see SC-SE-05.
  - iv) Once the relocated premises or facility is approved, Customs must issue SC-CF-05-A04 to the licensee.
- c) When a licensed premises or facility must be relocated to a different Controller's / Branch Manager's area (e.g. Durban to Johannesburg):
- i) The licensee of the existing licensed premises or facility must provide to the Controller / Branch Manager in whose area the new licensed premises or facility will be licensed (e.g. Durban):
    - A) A DA 185 and the relevant annex indicating that this is a new application; and
    - B) The relevant supporting documents; and
  - ii) Once the new premises or facility is successfully licensed, the licensee:



- A) Must submit a DA 185 and the relevant annex to the Controller / Branch Manager in whose area the old premises or facility was licensed for cancellation of that licensed premises or facility (e.g. Johannesburg);
  - B) Must provide a letter stating the reason for cancellation; and
  - C) Does not need to provide the relevant supporting documents with his / her request for cancellation.
- iii) The applicant will retain his / her Customs client number but a new sub-number must be issued to the new licensed premises or facility (e.g. Durban);
  - iv) Customs must issue SC-CF-05-A04 to the licensee for the:
    - A) Licensing of his / her new premises or facility (e.g. Durban); and
    - B) Cancellation of his / her existing licensed premises of facility (e.g. Johannesburg).
  - v) The surety of the existing licensed premises or facility must only be cancelled once:
    - A) All other obligations have been met; and
    - B) The new licensed premises or facility surety is registered (see SC-SE-05).

## 2.8 The suspensions and cancellation of registered or licensed person

- a) A registered or licensed person must notify Customs of any occurrence that may constitute a reason for suspension or cancellation of his / her registration or license.
- b) The registrant or licensee must submit:
  - i) The same application form(s) prescribed in paragraph 2.4 a) if he / she wants to cancel his / her registration or licence; and
  - ii) A letter that contains his / her reason(s) for cancellation.
- c) No supporting documents are required.
- d) Customs may suspend or cancel a registrant or licensee, if:
  - i) The license / registration was acquired under false pretences;
  - ii) It is no longer required in terms of the Act;
  - iii) In the case of a warehouse for second hand motor vehicles the registrant or licensee ceases to be the owner of or the holder of a lease or other right to manage or operate a registered or licensed premises or facility.
- e) Customs will suspend or cancel a registrant or licensee, if a registrant or licensee is:
  - i) Sequestered or liquidated;
  - ii) Convicted of an offence that includes fraud or dishonesty;
  - iii) Not complying with the requirements specified in any condition or provision of the Act or Rules; or
  - iv) Fails to:
    - A) Pay Customs on or before the due date;
    - B) Notify Customs of any changes; or
    - C) Renew his / her licence before it expires.
- f) Where any breach or offence by an employee, director, administrator or trustee is committed, the registration or licence will not be suspended or cancelled provided that the registrant or licensee:
  - i) Was not a party to the breach or offence, or
  - ii) Could not have prevented it, or
  - iii) Did not benefit in any material respect from it.
- g) When a person's registration or licence is suspended or cancelled, Customs may:
  - i) Take control of all or any specific goods in his / her possession to:
    - A) Protect any duties and taxes that may be, or become, payable on those goods; or
    - B) Ensure compliance with the Act in relation to those goods;
  - ii) Remove, or require the person or the person in whose possession the goods are to remove the goods to a Customs control area specified by Customs;

- iii) Require or allow the goods to be cleared for home use or a permissible Customs procedure;
  - iv) Require the person to pay any costs incurred in carrying out any actions in terms of paragraph (i), (ii) or (iii);
  - v) Allow the affected person to continue to:
    - A) Process outward entries until a final decision has been taken; or
    - B) Complete transactions that commenced prior to the suspension or cancellation date; or
  - vi) In the case of a suspension, bring any activities to a halt.
- h) When a registered or licensed premises or facility is suspended or cancelled the person operating or managing it may no longer manage, operate, use or carry out any activities for which such premises or facility was registered or licensed.
- i) Customs must issue the intention of suspension or cancellation letter (SC-CF-05-A08) to the registrant or licensed person informing him / her of the reason(s) for the intention to suspend or cancel his / her registration or licence.
- j) Customs must issue a notice of suspension or cancellation (SC-CF-05-A09) if the registered or licensed person fails to submit his / her written representation within 21 working days.

## 2.9 The reinstatement of a suspended or cancelled registrant or licensee

- a) Trader Registration must inform the registrant or licensee of the reinstatement of his / her registration or licence when the Licensing Registration Cancellation Committee (LRCC), appeal committee or a court overrules the decision of cancellation or suspension.
- b) The client must submit his / her written representation for reinstatement before the LRCC or appeal committee may overrule the decision of cancellation or suspension.
- c) The client must provide in his / her written representation:
  - i) Reason(s) for reinstatement; and
  - ii) The appropriate steps that he / she will take to prevent occurrence(s) of a similar nature in future.
- d) The client must forward his / her request for reinstatement to Trader Registration: Alberton.

## 2.10 The disclosure of information to another person

- a) Anyone that requests the disclosure of information on behalf of another registered or licensed Customs client must have been duly authorised as the entity's representative.
- b) The authorised person must provide Customs with the case number or declaration number being queried as well as his / her ID number.
- c) At Customs Branch Offices the requestor must provide:
  - i) His / her original ID document, passport, driver's licence or a temporary identity document to the Customs Officer for authentication;
  - ii) A letter issued by the applicant or registered or licensed Customs client authorising the person visiting the Customs Branch Office as his / her representative. See ECS-LER-03 for details on legal entity registration and authentication.
- d) Customs will not be able disclose any information pertaining to the entity where:
  - i) The above information or documents are not provided by the representative of the entity; or
  - ii) The representative fails to answer all the authentication questions posed to him / her correctly.

## 2.11 Keeping of records

- a) Every client must keep for record purposes for a period of five (5) years:

- i) Books, accounts and documents in respect of all transactions relating to the Rules for the purpose of any acquittal procedure; and
  - ii) Any data related to such documents created by means of a computer.
- b) The five (5) year period is calculated from the end of the calendar year in which the document was created, lodged or required. (Sections 101 and 101A)
- c) Every client must produce such books, accounts and documents on demand.
- d) Any books and records (including electronic registers) must be kept in a safe place on the registered or licensed premises and may not be removed or destroyed without the prior permission of Customs.
- e) Clients using electronic record keeping systems must ensure that:
- i) The format that will be used has been approved by Customs;
  - ii) Backups are done at the end of each business day; and
  - iii) Any information contained in such electronic system can be printed upon request by a Customs Officer.

## 2.12 Penalties

- a) Failure to adhere to the provisions, as set out in this document, is considered an offence.
- b) Offences may render the applicant liable to the following, as provided for in the Act:
- i) Monetary penalties – refer to SC-CO-01-02;
  - ii) Criminal prosecution; or
  - iii) Suspension / cancellation of registration / license / designation / accreditation.

## 2.13 Promotion of Administrative Justice Act

- a) The Promotion of Administrative Justice Act (PAJA) No. 3 of 2000 gives effect to everyone's right to administrative action that is lawful, reasonable and procedurally fair. Any person whose rights have been adversely affected by administrative action has the right to be given written reasons, as contemplated in Section 33 of the Constitution of the Republic of South Africa, 1996. PAJA:
- i) Provides for the review of administrative action by a court or where appropriate, an independent and impartial tribunal;
  - ii) Imposes a duty on the State to give effect to those rights;
  - iii) Promotes an efficient administration as well as good governance; and
  - iv) Creates a culture of accountability, openness and transparency in the Public Administration or in the exercise of a public power or the performance of a public function, by giving effect to the right to just administrative action.
- b) Administrative action which significantly and unfavourably affects the rights or valid expectations of any person must be procedurally fair. A fair administrative procedure depends on the circumstances of each case.
- c) A person must be given:
- i) Written reasons of the nature and purpose of the proposed administrative action;
  - ii) A reasonable opportunity to make representations;
  - iii) A clear statement of the administrative action; and
  - iv) Adequate notice of any right of review or internal appeal, where applicable.
- d) Administrative action can be taken by Customs and the client will be allowed the opportunity to:
- i) Obtain assistance and, in serious or complex cases, legal representation;
  - ii) Present and dispute information and arguments; and
  - iii) Appear in person.

- e) Clients whose rights have been significantly and unfavourably affected by administrative action and who have not been given reasons for the action may, within ninety (90) days after the date on which the client became aware of the action, request Customs to furnish written reasons for the action.
- f) Customs must within ninety (90) days after receiving the request, give the client adequate reasons in writing for the administrative action. If Customs fails to furnish adequate reasons for the administrative action, it is presumed in any proceedings for judicial review that the administrative action was taken without good reason.

## 2.14 Appeals against decisions

- a) In cases where applicants are not satisfied with any decision taken in terms of the Act they have a right of appeal to the relevant appeal committee. The policy in this regard, as well as the process to be followed, is contained in document SC-CC-23.
- b) If clients disagree with a decision of any appeal committee their recourse will be to lodge an application for ADR (Alternative Dispute Resolution) with the relevant appeal committee. The committee must add its comments thereto and forward the application to the ADR Unit for attention. The policy in this regard, as well as the process to be followed is contained in document SC-CC-26.
- c) Should clients wish to appeal against any decision in terms of VAT penalties, must be directed to the provisions of Section 215 to 220 of the Tax Administration Act for the percentage based penalty and Section 224 for the understatement penalty. In this regard, please consult the SARS website or nearest SARS Branch office.

## 3 RELATED INFORMATION

### 3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	<p><b>Customs and Excise Act No. 91 of 1964:</b> Sections 1(1), 4, 19, 19A, 21, 21A, 22, 23, 25, 27, 38, 41, 43, 44, 44A, 47, 47A, 48, 49, 59, 59A, 60 – 64, 64A – G, 65, 73, 75, 77, 78 to 86A, 99A 101, 101A 105, 107A, 113(1), 113(2) and 114</p> <p><b>Customs and Excise Rules:</b> 00.03, 21A.01 to 21A.13, 38.01 to 38.16, 39.04 to 39.08, 39.14, 41.01 to 41.05, 45.01 to 45.02, 49A, 49D, 59A, 60 – 64, 64A – G, 65.01 to 65.03, 75.01 to 75.24, 101.01 to 101.03, 101A.01 to 101A.12, 120.03 to 120.04, 120A.03, and 120.08 to 120.09</p> <p>Rebate items 412.07 and 498.00</p> <p>Items 860.05 and 860.10 of Schedule 8</p> <p><b>Tax Administration Act No. 28 of 2011:</b> Sections 153; 215 to 220; 224 and 246</p>
Other Legislation:	<p><b>Manufacturing Development Act No. 187 of 1993:</b> Section 10</p> <p><b>National Ports Act No. 12 of 2015:</b> Section 65</p> <p><b>Promotion of Administrative Justice Act No. 3 of 2000:</b> Section 3, 4 and 5</p> <p><b>Public Finance Management Act No. 1 of 1999</b></p> <p><b>SEZ Regulations</b> published in Government Notice R39667 of 9 February 2016</p> <p><b>Special Economic Zone Act No. 16 of 2014:</b> Sections 23 and 24</p> <p><b>Value-Added Tax Act No. 89 of 1991:</b> Sections 1, 7 to 11, 13, 18 and Schedule 1</p>
International Instruments:	<p><b>Kyoto Convention General Annex Chapter 3</b> Clearance and other Customs Formalities: Standards 3.6 and 3.21; <b>Chapter 5</b> Security: Standards 5.1; 5.2; 5.4; 5.6 and 5.7; <b>Chapter 7</b> Information Technology : Standards 7.1 and 7.4; <b>Chapter 8</b> Relationships between Customs and Third Parties: Standards 8.1; 8.2; 8.3; 8.4; 8.6 and 8.7; <b>Chapter 9</b> Information, Decisions and Rulings Supplied by Customs: Standards 9.4 and 9.8; <b>Chapter 10</b> Appeals in Customs Matters: Standards 10.1; 10.2; 10.3; 10.5; 10.6; 10.7; 10.8; 10.9; 10.10; 10.11 and 10.12</p> <p><b>Kyoto Convention Specific Annex A: Chapter 2</b> Temporary Storage of Goods Paragraph 2 and 6; <b>Specific Annex B Chapter 3</b> Relief from import duties and taxes – Paragraph 7 (b); <b>Specific Annex D: Chapter 1</b> Customs Warehouses: Paragraph 4; <b>Specific Annex E</b> Customs Transit: Chapter 1 Paragraph 5; <b>Specific Annex K</b> Origin: Chapter 2 Paragraphs 5, 6, 9, 10, 11</p> <p><b>Agreement on Trade, Development and Co-operation between the European Community and its Member States and the Republic of South Africa:</b> Protocol</p>

TYPE OF REFERENCE	REFERENCE
	1, Articles 14(1)(b), 19 and 20 <b>Free Trade Agreement between the European Free Trade Association (EFTA) and the Southern African Customs Union (SACU):</b> Annex V, Articles 14(1)(b), 19 and 22 <b>WTO Trade Facilitation Agreement:</b> Section 1 Article 1 – Publication and Availability of Information, Section 1 Article 4 – Appeal or Review Procedures, Section 1 Article 6 Discipline on Fees and Charges Imposed on or in Connection with Importation and Exportation No. 3 – Penalty Discipline

### 3.2 Cross References

DOCUMENT #	DOCUMENT TITLE
ECS-LER-03	Legal Entity – External Standard
SC-CC-24	Internal Administrative Appeal – External Policy
SC-CC-26	Alternative Dispute Resolution – External Policy
SC-CC-38	Manifests – External Policy
SC-CF-23	Completion of DA 185 and DA 186
SC-CF-26	Completion of DA 8 Sea Cargo – External Manual
SC-CF-27	Completion of the DA 8A Air Cargo – External Manual
SC-CF-28	Completion of the DA 8B Rail Cargo – External Manual
SC-CF-45	Completion of DA 8C Road Cargo – External Manual
SC-CF-55	Clearance Declaration - External Standard
SC-DT-B-02	Deferments – External Standard
SC-SE-05	Bonds – External Policy
SC-CO-01-02	Offence and Penalties – External Standards
SC-PR-01-02	Rebate item 470.03 – External Guide
SC-RO-01-02	Preferential Rules of Origin – External Guide
SC-TR-01-04	Removal of Goods – External Policy
SC-RO-01-06	Invoice Declaration – External Policy
SC-CW-01-07	Duty and Tax Free Shops – External Policy
SC-CW-02-01	Industrial Development Zone – External Guide

## 4 DEFINITIONS AND ACRONYMS

<b>Abandoned</b>	When the owner has thrown away or discarded with the intention of relinquishing ownership. The property or thing is therefore not owned by them anyone.  On interpretation of common law “an owner of a wrecked property (other than flotsam, jetsam and lagan) ‘automatically’ abandons the right to such property to the State, if the owner fails to take steps to salvage the property (wreck) within a period of a year and six (6) weeks of the ships foundering or where, after taking such steps, the owner discontinues any salvage operations for a period of a year and six (6) weeks”.
<b>ADR</b>	Alternative Dispute Resolution
<b>AGOA</b>	African Growth and Opportunity Act
<b>APDP</b>	Automotive Production Development Programme
<b>Cargo report</b>	Any report prescribed in the annexure to these rules that must be submitted for the purpose of the Automated Cargo Management System (previously named the Manifest Acquittal System (MAS) or to a Controller / Branch Manager.
<b>Cargo reporters</b>	In relation to cargo on board:  a) To be loaded on board; b) Off-loaded from, a vessel or aircraft, means a person who in terms of a contract of carriage concluded by that person with the consignor of the cargo; c) Any other interested person is responsible for the delivery of the cargo, whether that person is the carrier who actually transports the cargo; or d) A Customs broker who arranged the transport of the cargo.
<b>Carrier</b>	a) A shipping line, airline or other person carrying on business by transporting goods or travellers by sea or air for reward; b) A person carrying on business by transporting goods or travellers by rail for

	<p>reward;</p> <p>c) A person carrying on business by transporting goods by truck or travellers by bus for reward; or</p> <p>d) A person who:</p> <p>i) Conducts a business involving the selling or leasing of goods or the dealing in goods in any other manner, or the packing, repairing, reconditioning, processing or producing of goods; and</p> <p>ii) In the course of conducting that business transports those goods.</p>
<b>CCD</b>	Customs clearance declaration
<b>Clearing agent</b>	Any person who transacts Customs business on behalf of others.
<b>Commissioner</b>	Commissioner for the South African Revenue Service
<b>CPC</b>	Customs procedure code
<b>CTC</b>	Continuous Transmission Commodities: e.g. <p>a) Liquid or gas, including a natural gas and a derivative thereof, transported through a cross-border pipeline; or</p> <p>b) Electricity transmitted through a cross-border transmission line</p>
<b>Customs Branch Office</b>	The Branch Office, port of entry or exit or Customs Compliance Centre that handles and processes the application forms
<b>Customs control area</b>	Any area, premises or facility where goods are subject to Customs control, such as a licensed premises, a port or a transit shed
<b>Customs controlled area in an SEZ</b>	An area within an SEZ designated as a Customs Controlled area and which is controlled by the Commissioner
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries
<b>EFTA</b>	European Free Trade Association
<b>Electronic data interchange (EDI)</b>	The electronic transfer from computer to computer of information using an agreed standard to structure the information
<b>EPA</b>	Economic Partnership Agreement
<b>Foreign Principle</b>	The foreign principal is a registered importer, registered exporter or licensed remover of goods in bond not located in South Africa as prescribed in Rule 59A.01 (a).
<b>FTA</b>	Free Trade Agreement
<b>GSP</b>	Generalised System of Preference
<b>ITAC</b>	International Trade Administration Commission of South Africa
<b>Licensing</b>	A formal permission from a government or any constituted authority to perform a specified business or profession that also contains rules and regulations on how such business or profession must be conducted
<b>LRCC</b>	Licence Registration Cancellation Committee
<b>MAS</b>	Manifest Acquittal Systems
<b>MPR</b>	Manifest Processing system
<b>OS</b>	Storage Warehouse
<b>Registered Agent</b>	An agent of a foreign principal who is located in South Africa and registered as prescribed in Rule 59A.01 (a).
<b>Registration</b>	An activity that is permitted by right
<b>Regulations</b>	The SEZ Regulations issued by the Minister of Trade and Industry on 9 February 2016 in Government Notice R39667 under Section 41 of the SEZ Act No. 16 of 2014
<b>Regulations</b>	A regulation or regulations or any amendment thereof enacted in terms of the Manufacturing Development Act No. 187 of 1993 and the SEZ Act No. 16 of 2014
<b>ROO</b>	Rules of Origin
<b>SACU</b>	The Southern African Customs Union, consisting of: The Republic of South Africa; The Republic of Botswana; The Kingdom of Lesotho; The Republic of Namibia; and The Kingdom of Swaziland.
<b>SACU-EFTA</b>	The Free Trade Agreement between the EFTA States and the SACU States
<b>SACU-MERCOSUR</b>	Agreement between the Common Market of the South (MERCOSUR) and the Southern African Customs Union (SACU)
<b>SADC</b>	Southern African Development Community
<b>SADC-EPA</b>	Economic Partnership Agreement between the EU and the SADC EPA Group

<b>SARS Office</b>	<b>Customs</b>	The Branch Office, port of entry / exit or Customs Compliance Centre that handles and processes the application forms
<b>SEZ</b>		<p>Special Economic Zone:</p> <p>a) An area designated by the Minister of Trade and Industry in terms of the Manufacturing Development Act, no 187 of 1993, as an industrial development zone and which is in terms of Section 39(2) of the Special Economic Zones Act No. 16 of 2014, regarded to be an SEZ designated under that Act; or</p> <p>b) An area designated as a Special Economic Zone (SEZ) in terms of Section 23(6) of the SEZ Act.</p>
<b>Customs controlled area enterprise</b>	<b>area</b>	This is an enterprise within a SEZ or part of SEZ designated in terms of Section 43(2) (c) as a Customs controlled area
<b>SEZ Operator</b>		The holder of a valid SEZ Operator permit granted by the Minister of Trade and Industry in terms of Section 32(4) of the SEZ Act, No. 16 of 2014, and includes personnel of the SEZ Operator who are authorised by the SEZ Operator to perform duties and functions specified in the Rules
<b>SOS</b>		<b>Special Storage Warehouse</b>
<b>VAT</b>		Value-added tax leviable in terms of the VAT Act
<b>VAT Act</b>		The Value-Added Tax Act No. 89 of 1991
<b>Wreck</b>		<p>Includes:</p> <p>a) Any flotsam, jetsam, lagan or derelict;</p> <p>b) Any portion of a vessel or aircraft that has been lost or abandoned or that has been stranded or crashed;</p> <p>c) Any of the cargo, stores, apparatus or equipment of any such vessel or aircraft; and</p> <p>d) Any personal property on board such vessel or aircraft when it was lost / abandoned or when it was stranded or crashed</p>

## 5 DOCUMENT MANAGEMENT

<b>Business Owner</b>	Executive: Customs and Excise Processing
<b>Document Owner</b>	Senior Manager Governance Compliance: Customs
<b>Author</b>	Frans Williams
<b>Detail of change from previous revision</b>	<p>a) Reasons for imposing of conditions;</p> <p>b) Using of electronic registers;</p> <p>c) Exemption;</p> <p>d) Customs client types;</p> <p>e) Requirements for registration and licensing;</p> <p>f) Conditions pertaining to:</p> <p>i) The amendment of existing registration or licence;</p> <p>ii) The issuing of licence;</p> <p>iii) The renewal of licence;</p> <p>iv) The relocation of existing Customs warehouse;</p> <p>v) The suspension and cancellation of registered or licensed person;</p> <p>vi) The reinstatement of an existing registered or licensed person</p> <p>vii) Alteration of existing building, rooms, etc.</p> <p>g) Reason for refusal of application;</p> <p>h) Disclosure of information;</p> <p>i) Application for deferment benefits; and</p> <p>j) Cross reference definition and reference to other legislation.</p>
<b>Template number and revision</b>	GC-TM-03 - Rev 9