

CUSTOMS

EXTERNAL POLICY

SADC SUGAR QUOTAS

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1 SCOPE

- a) This policy covers the administrative processes to be performed by the SACU Central Co-ordinating Authority (SACU CCA) in accordance with Annex VII and the Addendum thereto of the SADC Protocol on Trade.
- b) This policy does not cover the calculation of the net surplus sugar production, the registration of exporters in accordance with SC-CF-19-S11, the allocation of quotas and the issue of SADC certificates of origin (SCO) by non-SACU SADC sugar producing Member States.

2 POLICY

2.1 Administrative arrangements

- a) Customs duty on sugar is triggered by the availability thereof on the World Market. When the availability is high a Customs duty is imposed as a protective measure and when the availability is low the need for protection is removed. This policy will only apply when a rate of Customs duty other than free is imposed in terms of Schedule 1 Part 1 for the importation of sugar.
- b) In accordance with paragraph 1.3 of the Addendum to Annex VII SARS will be the SACU CCA. The Annex and Addendum is available on the SARS website. The Manager: Origin Administration (MOA) in Customs Operations will be responsible for the performance of the functions as provided for in the Addendum.
- c) This policy deals with:
 - i) The notification by non-SACU SADC sugar producing Member States to the SACU CCA of their:
 - A) Allocating authority;
 - B) Certification authority;
 - C) Registered exporters; and
 - D) Quota allocations;
 - ii) The notification by the SACU CCA to the Customs Administrations of the other SACU countries and Branch Offices; and
 - iii) The quarterly reporting by the SACU CCA to the SADC Technical Committee on Sugar Secretariat (TCS).
- d) Quotas will be allocated to registered exporters by the allocating authority in the country of export and will be valid for the period 1 April to 31 March of the quota year. Any quota which remains after the mentioned period will not be carried over to the next year. The allocation of quotas will be made in metric tons tel quell (MTTQ).
- e) Sugar declared under the provisions of Rebate Item 460.04 will be admitted under full rebate of Customs duty but will be subject to the payment of value-added tax (VAT). When quotas are exhausted the sugar must be declared at the general rate of Customs duty provided in Schedule 1 Part 1.

2.2 Certificates of Origin

- a) SCOs submitted with Customs declarations for the importation of sugar quotas will be scrutinised in particular to verify that the sugar has been:
 - i) Wholly produced in the country of origin;
 - ii) Consigned by a registered exporter to a consignee in a SACU Member State; and
 - iii) Exported not later than twenty (20) days after the date of certification.
- b) For rules of origin requirements refer to Annex I of the SADC Protocol on Trade and the Guide to understanding preferential rules of origin (SC-RO-01-02).

2.3 Proof that sugar has been consigned directly

- a) Proof that sugar imported from a net surplus sugar producing non-SACU SADC Member State can be in various forms.
- b) This could also include the SCO indicating the consignor and the consignee.
- c) However, the transport document for the consignment will generally be accepted as proof of direct consignment.

2.4 Record keeping and notifications

- d) The MOA will maintain a register for each net surplus sugar producing non-SACU SADC Member State indicating the following information:
 - i) The name and contact details for their quota allocating authority;
 - ii) The name and contact details for their certificate of origin issuing authority;
 - iii) The names of all registered exporters; and
 - iv) The quota allocated to each registered exporter.
- e) The MOA will notify the Customs Administration of other SACU Member States and Controllers/Branch Managers provided in Item 200.03(g) of the information provided in paragraph (a) above.
- f) The other SACU Member States and Controllers/Branch Managers will notify the SACU CCA of all imports under the quota arrangement for purposes of writing volume off against the quota allocations.
- g) 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.
- h) 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).
- i) Every client must produce such books, accounts and documents on demand

2.5 Reporting

- a) The MOA will provide a quarterly report to the TCS indicating each net surplus sugar producing non-SACU SADC Member State the following information:
 - i) The name and contact details for their quota allocating authority;
 - ii) The name and contact details for their certificate of origin issuing authority;
 - iii) The names of all registered exporters;
 - iv) The quota allocated to each registered exporter; and
 - v) The balance of the quota that remains for each registered exporter.

2.6 Appeals against Decisions

- a) In cases where clients 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-24.
- b) Should clients be unhappy 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 will 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.

2.7 Penalties

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

3 REFERENCES

3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Sections 3(2), 49(1)(b), 49(6)(a), 49(6)(b), 49(9) and 75, Customs and Excise Rules: Rule 49B.17.01 and 49B.17.02 Schedule to the Rules: Item 200.03(g) Schedules to the Act: Schedule Part 1 and Schedule 4 Part 2
Other Legislation:	None
International Instruments:	SADC Protocol on Trade: Annex I and Appendix II thereto and Annex VII and the Addendum thereto Revised Kyoto Convention: None WCO Framework of Standards: None

3.2 Cross References

DOCUMENT #	DOCUMENT TITLE	APPLICABILITY
SC-CC-24	Internal Administrative Appeal – External Policy	All
SC-CC-26	Alternative Dispute Resolution – External Policy	All
SC-RO-01-02	Guide to understanding preferential rules of origin – External reference guide	All
SC-RO-01-04-S1	SADC Sugar Quotas – External SOP	All

4 DEFINITIONS AND ACRONYMS

MOA	Manager: Origin Administration
MTTQ	Metric tons tel quell, the actual (physical) tons of raw sugar, sometimes referred to in the international sugar trade as ton tel quell and metric ton the equivalent to 1000kg or 2204.6lb
Non-SACU SADC Member States	Madagascar, Malawi, Mauritius, Mozambique, Tanzania, Zambia and Zimbabwe
Other SACU countries	Botswana, Lesotho, Namibia and Swaziland
SACU	Southern African Customs Union consisting of: <ol style="list-style-type: none"> a) The Republic of South Africa; b) The Republic of Botswana; c) The Kingdom of Lesotho; d) The Republic of Namibia; and e) The Kingdom of Swaziland
SACU CCA	SACU Central Coordinating Authority
SADC	Southern African Development Community
SCO	SADC certificate of origin
TCS	Technical Committee on Sugar

5 DOCUMENT MANAGEMENT

Business Owner	Group Executive: Customs Operations
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Document Owner	Executive: Process Solutions Customs & Support Services
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