



VALUATION OF EXPORTS

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1 PURPOSE

- a) The policy assists clients in determining the value of goods exported from South Africa to any country of destination as stipulated in Section 72 of the Customs and Excise Act.
- b) The policy applies to clients responsible for completing the export value of goods on the goods declaration.

2 POLICY STATEMENT

2.1 Ascertain Value Of Goods Exported

- a) According to Section 72 the value that must be declared for any goods exported from South Africa is the price of those goods free on board (FOB) at the place of dispatch from South Africa. The FOB price includes:
 - i) All costs, profits, charges and expenses incidental to placing the goods on board a ship (vessel), aircraft, train or vehicle in which the goods are to be transported across the border of South Africa; or
 - ii) If those goods consist of a vessel, aircraft, train or vehicle moving under its own power or on its own wheels: all profits, costs, charges and expenses up to the place where the goods leave South Africa.
- b) The client ascertains the point of dispatch. The point of dispatch can be viewed on the transport documents (e.g. bill of lading, waybill).
- c) The client scrutinises the sales agreement or contract to determine whether the terms of sale on which the goods were sold is FOB. If the terms of sale is not FOB a calculation must be done to determine the FOB value:
 - i) The cost, charges and expenses incidental to placing the goods on board the ship must be calculated to reflect the value as close as possible to the FOB point of sale; and
 - ii) The profit made on the consignment must also be apportioned for inclusion in the value; however
 - iii) The amount must not yet be calculated to the nearest Rand.
- d) When the export value is expressed in a foreign currency, it must for the purpose of calculating the Customs value be converted to South African Rand in terms of Rule 120.09A. The selling rate published by the Commissioner on the last day prior to the submission of the export declaration must be used.
- e) The client checks which currency is expressed on the invoice. If the invoice is in a foreign currency the client checks in what foreign currency payment was or will be received.
- f) Where the invoice and/or payment is expressed in a foreign currency the client converts the foreign amount to Rand by:
 - i) Establishing which foreign currency must be converted, for example United States Dollars;
 - ii) Confirming the selling rate applicable published on the South African Revenue Service's website <http://www.sars.gov.za>:
 - A) The date for the conversion is the last day prior to the submission of the export declaration to Customs (MRN date). For example if the goods were entered for export on 2023-01-22 the selling rate published on the SARS website on 2023-01-21 must be used.
 - B) If no selling rate is determined for the required date, the latest rate published before that date must be used.
- g) The client calculates the FOB price to the nearest Rand:
 - i) If the value of any exported goods of a single denomination is in excess of one (1) Rand, the Customs value must be calculated to the nearest Rand, an amount of fifty (50) cents being regarded as less than one (1) half of one (1) Rand; and/or
 - ii) If the Customs value is less than one (1) Rand, the value must be calculated as one (1) Rand. Refer to Section 72(c).

2.2 Declaring Export Value

- a) The client completes a goods declaration as documented in SC-CF-55-A01.
- b) The client submits the a goods declaration in accordance with SC-CF-55.
- c) After receiving a goods declaration from the client, a goods declaration may be stopped for supporting documentation. The supporting documents that may be required in addition to the standard set of documents mentioned in SC-CF-55, is the following, but is not limited to:
 - i) Invoices;
 - ii) Calculations done to determine the value;
 - iii) A breakdown of the cost, charges and expenses used in the calculation the value as close as possible to the FOB point of sale;
 - iv) Transport documents;
 - v) Agreements;
 - vi) Proof of payment, if any; and/or
 - vii) Any other documentation that will confirm the calculations of the client's declared export value.
- d) The mechanism through which notifications will be communicated depends on the clients' method of declaration submission as explained in SC-CF-55:
 - i) EDI enabled clients will receive electronic notifications; and
 - ii) Clients submitting manual declarations will receive notification at the office where the declaration was submitted.
- e) The Documentary Inspector (DI) will review the case and based on the information provided, a goods declaration may be:
 - i) Stopped for further supporting documentation;
 - ii) Stopped for a physical inspection;
 - iii) Rejected;
 - iv) Release; or
 - v) An amendment requested.
- f) When an accredited client consignment is stopped, in order to facilitate the prioritising of the case as stipulated in Rule 64E.14(a)(iv) the Customs Officer validates the accredited client status.
- g) The accredited client's case is prioritised if all supporting documents are submitted with the application.
- h) The application is finalised within ninety (90) working days, starting from the date when all the required documents are submitted through the correct channels. This period does not include any time spent waiting for the submission of outstanding supporting documents once the application is acknowledged.
- i) In the event of delays, accredited clients may request the Client Relationship Manager (CRM) to follow up on their behalf.

3 REFERENCES

3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Section 72 Customs and Excise Rules: Rule 64E.14(a); 120.09A
Other Legislation:	Promotion of Administrative Justice Act No. 3 of 2000: Section 3 and 5
International Instruments:	None

3.2 Cross References

DOCUMENT #	DOCUMENT TITLE
SC-CF-55	Goods Declaration – External Policy
SC-CF-55-A01	Completion of Goods Declarations – External Annex

4 DEFINITIONS AND ACRONYMS

Link for centralised definitions and acronyms: [Glossary A-M | South African Revenue Service \(sars.gov.za\)](#).