

Automated Refunds & Drawbacks

South African Revenue Service


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Purpose And SARS Vision 2024

Purpose:

- This presentation is to provide information in an easily understandable format and is intended to make the provisions of the legislation more accessible
- The information, therefore, has no binding legal effect, and the relevant legislation must be consulted in the event of any doubt as to the meaning or application of any provision

SARS Vision

To build a smart modern SARS with unquestionable integrity, trusted and admired by Government, the public, as well as our international peers.

We focus on the following strategic objectives:

**MAKE IT EASY &
SIMPLE FOR OUR
TRADERS TO
COMPLY**

**MODERNISE
SYSTEMS TO PROVIDE
DIGITAL & STREAMED
ONLINE SERVICES**

**PROVIDE CLARITY
& CERTAINTY**

**WORK WITH, AND
THROUGH
STAKEHOLDERS TO
IMPROVE THE TAX
ECO SYSTEM**

Points of Discussion



Overview

Challenges with the current process

Refund & Drawback Items included in the new system

New Refund & Drawback Process

Automated Refund & Drawback System Benefits

Transitional Arrangements

Background

Drawback refund applications are paid in respect of imported specified materials used in the manufacturing, processing, packing etc., of goods that are subsequently exported.

Excise refund applications are paid in respect of excisable goods obtained in the Republic from the manufacturing warehouse and are subsequently exported, used in production or destruction.

Traders are allowed to apply for refund and drawback applications in terms of section 75,76 and read in conjunction with section 76B of the Customs and Excise Act No.91 of 1964.

Background

The SARS Service Charter stipulates that Customs and Excise refunds and drawbacks will be paid within 30 business days of finalisation of the application by Traders.

Currently there are 4-step processes undertaken at:

- Branches/Hubs
- The Refunds & Drawback Head Office Team
- The Regulatory Control Team
- The Payment Team

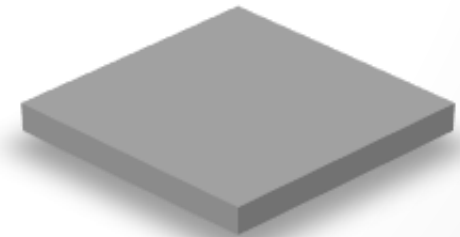
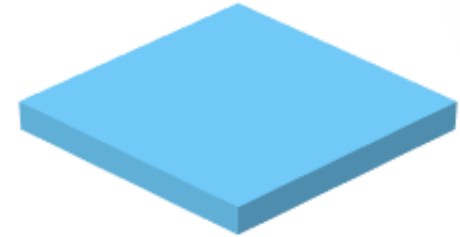
SARS has experienced multiple challenges through using the current system, which is a cumbersome process.



Current Process Challenges

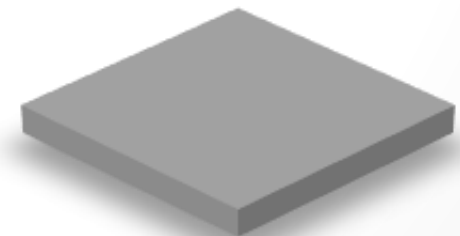
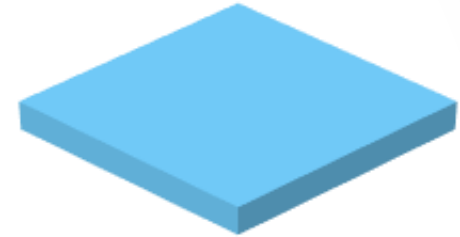
Current Process Challenges

1. There was an overlap of tasks and responsibilities when it came to checking of correctness of the refund and drawback applications.
2. Possible loss of documentation and difficulty in tracking and locating the status of some claims.
3. Prolonged turnaround times to finalise a claim.



Current Process Challenges

4. Insufficient client feedback.
5. The process is reliant on a manual form exchange between Traders and SARS.
6. High volumes of the required supporting documents.





New Automated Refund & Drawback (ARD) Process

Vision For Customs & Excise



To replace the current Customs & Excise processes with a modern, fully automated declaration and SMART borders to facilitate legitimate trade.

Simplified
processes and
making it cost
effective for our
Traders

Modernising
processes

Automating
processes

Refund & Drawback Items

Customs

Schedule 5 part 1
(Specific rebates)

Schedule 5 Part 2
(Export same
condition as import)

Schedule 5 Part 3
(Motor vehicles)

Schedule 5 Part 5
(Environmental
Levy)

Schedule 5 part 6
(Health Promotion
Levy)

Excise

Schedule 6 Part 1F
(Specific Excise
Duties on Mineral
Products)

Schedule 6 Part 3
(Refunds of Fuel
Levy and Road
Accident Fund)

Schedule 6 Part 4
(Refunds of
Environmental Levy)

Schedule 6 Part 5
(Refund on Health
Promotion Levy)

Automated Refund & Drawback Workflow Process

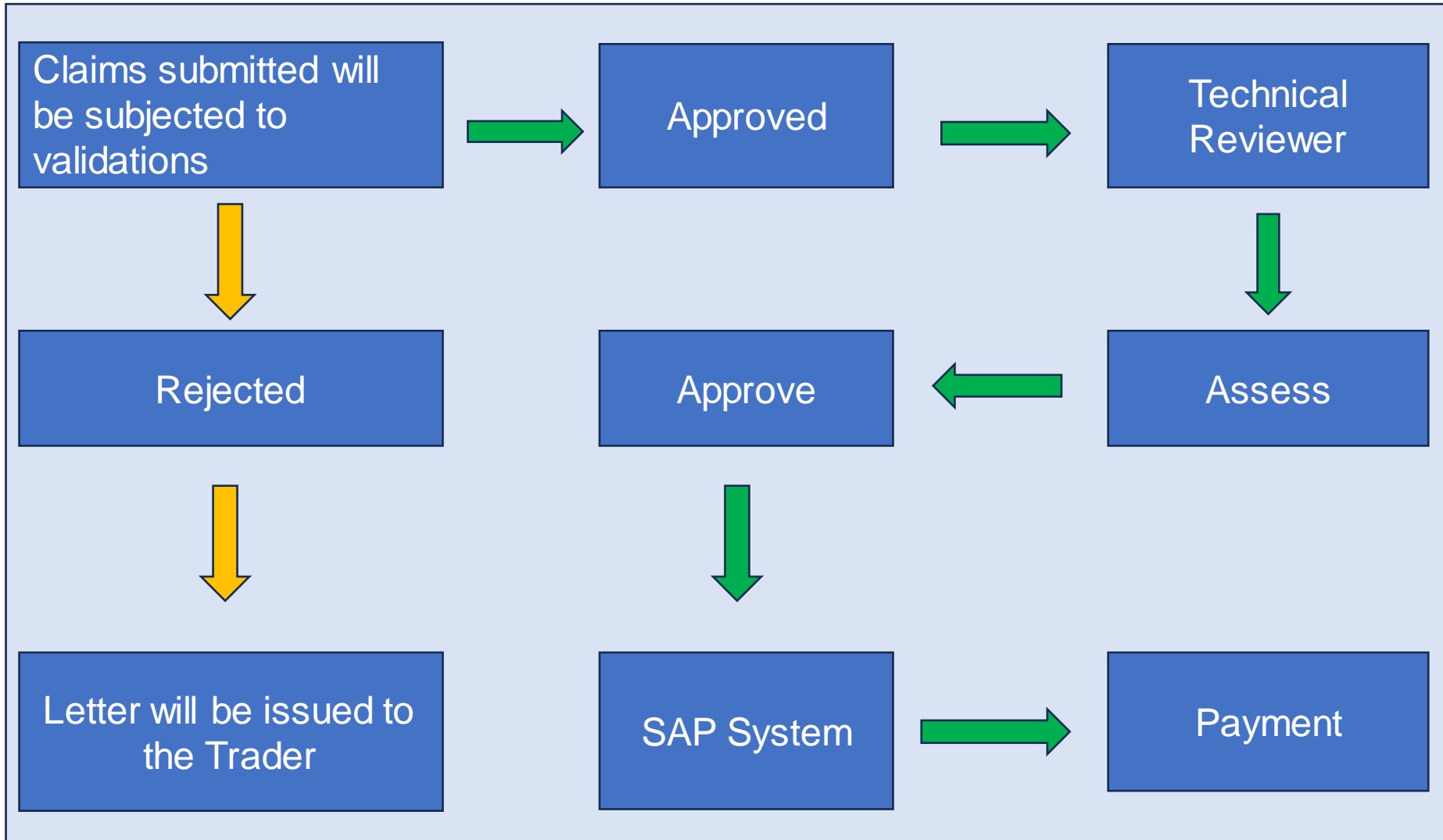
The applicant should have an active e-Filing profile.

If a third party submits on behalf of the applicant, the permission should be registered on the Registration Licensing and Accreditation (RLA) relationship management module.

Applicant to submit refund application along with supporting documents via e-filing system.

Only in exceptional circumstances can the applications be done at a branch.

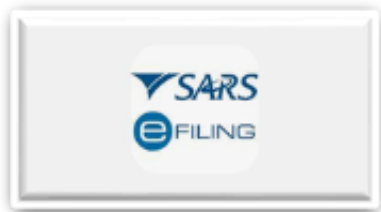
Automated Refund & Drawback Workflow Process





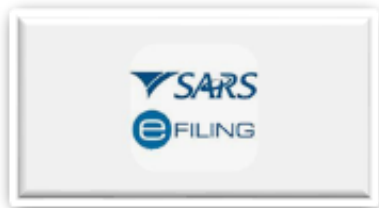
Automated Refund & Drawback (ARD) Benefits

ARD Anticipated Benefits



- AEO Traders will be prioritised, and their claims will be processed faster in alignment with the AEO program.
- The Automation of the Refund and Drawback process will simplify the administration of the process for both the Trader and SARS.
- The electronic submission to SARS will reduce the need for resources to capture manual refund applications into the system.

ARD Anticipated Benefits



- There will be improved turnaround times for processing claims.
- Digital track and locate function to see the status of the cases.
- An open and transparent view of the refund and drawback process that will be available to the Traders.
- The applicants can manage the relationship with the Traders and direct the payment of funds accordingly.

Exclusions

- Diesel Refunds will be included in the next phases of modernisation programmes.
- EDI to be included in the next subsequent phases of the project.
- The submission of the DA66 to the Examination Without Prejudice (EWP) (P1.47 report) which is done by customs at the source office where export is going to be done.
- Capturing of 521 ITAC permits to be covered in the next phases of the modernisation programme.



Transitional Arrangements

Transitional Arrangements



- The last day to submit a manual refund and/or drawback for Customs Schedule 5 and Excise Schedule 6 will be **15th September 2023.**
- The eFiling submission system is scheduled to go live on **18th September 2023.**
- Thereafter, all applications for the refund and/or drawback must be done using the new automated process.

Go Digital

Remember Our Digital Channels

▪ We've made it easier for you Go Digital!

- Register for eFiling
- SARS Online Query System (SOQS)

▪ Visit us on our Social Media platforms

- LinkedIn



- Facebook



- X



▪ For more information, visit the:

- SARS YouTube channel: www.youtube.com/sarstv
- SARS Website [Excise | South African Revenue Service \(sars.gov.za\)](http://Excise | South African Revenue Service (sars.gov.za))
- SARS Contact Centre on 0800 00 SARS (7277)

Thank you
Re a leboha
Re a leboga
Ndza Khensa
Dankie
Ndi a livhuwa
Ngiyabonga
Enkosi
Ngiyathokoza