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EXTERNAL STAKEHOLDERS

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Dear Customs client

READINESS SURVEY FEEDBACK: REPORTING OF CONVEYANCES AND GOODS (RCG)

SARS implemented the first phase of its RCG project on 20 April 2018 in respect of the receipt and processing of the various supply chain cargo reports prescribed in the rules to section 8 of the Customs and Excise Act, 1964.

In the period leading up to the RCG implementation, SARS engaged extensively with industry on a technical and business level to ensure that technical service providers, as well as cargo reporters, will be ready to submit reports on time.

For those who would not be ready on the date of implementation, SARS allowed an additional 60-day period for development, testing and implementation until 1 August 2018, with the intention to enforce reporting compliance from that date.

At various meetings held with stakeholders after the RCG implementation, industry expressed concerns that they would not be able to meet the enforcement deadline for a variety of reasons, including outstanding development (local and global), the wide ambit of reporting required and ensuring that all supply chain entities are ready to report.

As a result, SARS agreed to conduct a formal survey to gauge the level of trade readiness, and this was distributed to trade on 25 June 2018. Responses were received from a wide range of persons, including technical service providers, vessel agents, ground handling agents, carriers, freight forwarders, terminal/transit shed operators, as well as depot and de-grouping licensees.

The survey results illustrated that certain categories of cargo reporters were quite advanced in their state of readiness (e.g. carriers), and will be ready by 1 August 2018, whilst other reporter types are significantly behind and will not be able to meet the deadline (e.g. freight forwarders and facility-based reporters such as terminal/transit shed operators and depot licensees).

Comments received were that development is technically challenging, the in-house global systems need amending in many cases, the alignment of operational processes need to ensure the timeous submission of reports, there is an impact on large numbers of overseas load stations in order to submit advance loading notices, as well as a dependency on technical service providers (for those not doing their own development) in order to become compliant.

Given the above, SARS has decided to extend the grace period for reporting enforcement to **1 November 2018**.

All categories of cargo reporters, as well as their service providers, are urged to use this time to ensure that they become reporting compliant as SARS does not intend granting further extensions beyond this date.

All system development and testing should, therefore, be concluded well in advance of this date to ensure that cargo reporters can timeously identify and rectify any development errors, and be fully production ready prior to 1 November 2018.

For further information, please visit the RCG webpage (www.sars.gov.za > Customs & Excise > New Customs Legislation Update > Reporting of Conveyances and Goods).

Thank you for your support.

Sincerely



BEYERS THERON

ACTING CHIEF OFFICER: CUSTOMS & EXCISE