

SOUTH AFRICAN REVENUE SERVICE

Explanatory note for publication of the draft rules under section 64E of the Customs and Excise Act, 1964

In terms of section 64E(1)(a) of the Customs and Excise Act, 1964 (the Act) the Commissioner may confer accredited client status on any applicant who is licensed or registered under any provision of the Act and determine by rule levels of accredited client status and specific criteria applicable to each level.

The proposed draft rules will replace the current rules to section 64E of the Act. The draft rules align more closely to the standards of Pillar 2 of the World Customs Organisation Framework of Standards. Two levels of accredited client status is provided for. Level 1 - Authorised Economic Operator (Compliance) and Level 2 - Authorised Economic Operator (Security) with associated facilitations. Level 1 is appropriate for economic operators who do not yet meet the safety and security standards required to qualify for Level 2 but would like to benefit from particular facilitations and mutual recognition of their AEO status by the other Member States of the Southern African Customs Union with which South Africa has a mutual recognition arrangement. Level 2 is appropriate for economic operators who would like to benefit from facilitations additional to Level 1 and mutual recognition of their AEO status with other countries with whom South Africa has entered into mutual recognition agreements.