



# CUSTOMS MODERNISATION

## Registration at land borders

A number of Customs clients will need to register / license with SARS before various changes take place at Customs land borders during 2012:

- Parties who previously used the **7070700 customs code** will no longer be able to do so.
- **Foreign principals**, meaning a registered importer, exporter or licensed remover in bond not located in South Africa. A foreign principal will, after being registered or licensed in the RSA, have to do business through a '**Registered Agent**'. A Registered Agent means a party located in the Republic and registered with Customs who acts on behalf of a foreign principal.
- **Road carriers** must register to submit electronic cargo reports on the Automated Cargo Management system (**ACM**) and for **EDI** communication with SARS.

### 7070700 registrations

The 7070700 code was introduced by SARS some years ago as a general code which importers/exporters could use temporarily until they received formal registration. The code is to be abolished nationally in a phased approach. This started with the implementation at Kopfontein in February and will take place at each border post with the rollout of Customs Modernisation. All importers and exporters, local and foreign, must register and declare their registration details on their Customs declarations. In the case of a foreign principal, a South African registered agent must be utilised to conduct business with SARS.

### Foreign Principals

Foreign importers/exporters and removers of bonded cargo by road, now referred to as 'foreign principals', are required to register or license, as applicable, directly with SARS as a 'foreign principal'. Simultaneously, they must nominate a 'registered agent' located in South Africa. Foreign importers and exporters must be represented by a South African 'registered agent' who assumes full liability for the acts of a foreign principal in relation to any business activity with Customs. Similarly, all foreign-based road transporters conveying goods-in-bond must work through a South African-based registered agent in order to conduct business in South Africa. When approaching SA-based registered agents, they should present documents to verify their identity and appropriate trade documentation.

Application for registration as a 'foreign principal' must be made on a form DA185, together with the appropriate annexure for which registration is required. In addition, the foreign principal must complete a form DA185.D which provides details of the 'registered agent' with whom the principal has an agreement as his/her representative in South Africa. Please note that the registered agent may not complete and sign an application for registration or licensing on behalf of the foreign principal.

### Registered Agents

Natural or juristic persons located in South Africa may register as a registered agent to act on behalf of a foreign principal. It is important to note that a 'registered agent' is not the same as the current licensed 'clearing agent'. Any South African individual or registered company may make application to become a 'registered agent'. A licensed clearing agent may also become a 'registered agent'. The requirements of such registered agents are as follows:

- Application to be made on form DA185 and the appropriate annexure;
- Upon registration for this client type, no surety bond either nationally or per port will be required. SARS does, however, reserve the right to impose such should the risk status of the registered agent decline at any point in time;
- The registered agent must accept the nominations made by the foreign principal indicating which functions (importer, exporter or remover of goods in bond) are to be fulfilled on behalf of the 'foreign principal'; and
- A registered agent may perform the functions of a licensed clearing agent on behalf of the foreign principal in complying with all obligations imposed by the Act on such a licensed clearing agent.



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## Frequently Asked Questions

With the implementation of Customs Modernisation Release 3 during 2012, a number of issues have been raised by trade. These Frequently Asked Questions (FAQs) deal with some of these. If you have any other queries that we could add to these FAQs, please mail [rkitching@sars.gov.za](mailto:rkitching@sars.gov.za)

### Registration questions

Item	Question	Answer
1	What is the difference between a South African and Foreign Importer and Exporter?	A South African importer/exporter may submit their own clearances. A foreign importer/exporter must appoint an 'agent', and that agent must contract a South African customs broker to make customs clearance. The registered agent can also perform the functions of a licensed clearing agent on behalf of the foreign principal in complying with all obligations imposed by the Act on such a licensed clearing agent
2	Where must the application forms for registration / licensing be submitted to?	The application forms with the necessary supporting documents must be submitted to your nearest Customs office. <i>Refer to link for nearest office -</i> <a href="http://www.sars.gov.za/home.asp?pid=2938">http://www.sars.gov.za/home.asp?pid=2938</a>
3	What supporting documentation is required for application for registration / licensing.	The form DA 185 and applicable annexures reflects the required supporting documents. <i>Refer to link -</i> <a href="http://www.sars.gov.za/home.asp?pid=75029">http://www.sars.gov.za/home.asp?pid=75029</a>
4	What is the turnaround time expected when a client applies for Customs Registration?	The turnaround time for EDI Registration is about seven (7) working days and for Importers or Exporters, and other forms of registration about ten (10) working days
5	What is the turnaround time expected when a client applies for a Customs Licensing activity?	The turnaround time for licensing activities for warehouses, rebate stores, etc. is about 30 working days
6	What is the turnaround time for Deferment applications and for Accreditation?	The turnaround time for a Deferment application is about 30 working days and for Accreditation about 60 working days.
7	What is going to happen on the day a particular port goes live with Customs Modernisation if the foreign principals are not registered?	If the importer or exporter (local and foreign) of goods into or out of the RSA is not registered at time of declaration, the declaration will be rejected. ALL foreign traders need to be registered with SARS and obtain a code for either an Importer, Exporter or Remover of Goods in Bond. Once they have received this code, it must be utilised by the appointed/nominated Registered Agent.





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## Registration FAQs

Item	Question	Answer
8	It is understood that with Customs Modernisation all registered removers must have a bond (BHR) registered with Customs to move goods in bond.	The requirements regarding security (bond) for the removal of bonded cargo at time of application for licensing or transaction have not changed. The definition of 'consignor' for the purposes of Rule 64D was amended to allow a South African 'registered agent' to furnish a consignor bond, on behalf of a foreign remover of goods in bond.
9	A manufacturer of goods residing outside South Africa supplies his client in South Africa. Does the manufacturer now require a South African Customs code number?	No. In this case he does not need to register with SARS. However, his client in South Africa will need to register as an Importer.
10	If a foreign manufacturer comes to SA to seek material for his business and after purchasing from various suppliers takes the goods from SA to his country, will the manufacturer then be required to register with SARS for an Exporter's code?	Yes, in this case the manufacturer is the Exporter and therefore needs to be registered with SARS.
11	I am a foreign cargo carrier who moves bonded cargo to and from South Africa - must I now license as a remover in South Africa?	All carriers (local and foreign) who convey or transport bonded cargo to, from or through South Africa by road must be licensed with SARS Customs as a licensed remover of bonded goods and at the time of declaration, security in the form of a bond would be required. A South African 'registered agent' will be required to furnish a consignor bond on behalf of a foreign remover of goods in bond.
12	If a foreigner applies to license as a remover of goods in bond must he/she pay a licence fee?	Yes, the foreign applicant will be required to pay the R200 licence fee.
13	If a foreigner applies to license as a remover of goods in bond must he / she complete the pro forma remover agreement?	No, the foreign applicant will be not be required to complete the remover agreement.
14	If the exporter is a South African-registered company, does the importer in a foreign country have to be registered with South African Customs for the same transaction?	No, because the foreign importer has no dealings with SARS Customs.
15	Must an agreement, similar to the one completed for licensing as a clearing agent, be completed when applying for registration as a registered agent?	No agreement is applicable for registration as a registered agent.





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## Registration FAQs

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16	We are <b>couriers</b> and often transport “once off” consignments for clients. Must these clients also register with SARS as Importers or Exporters or can we as couriers act on their behalf?	Couriers may use their Customs Importer/Exporter code number on the declaration to represent their un-registered client. However in doing that the courier should adhere to the provisions of section 64(B)(6) and will be held liable as the Importer/Exporter
17	May a foreign-licensed remover of bonded goods furnish a road or consignor bond?	A foreign-licensed remover is not allowed to furnish a road or consignor bond, but the rules were amended to provide for the registered agent to furnish a consignor bond that could be used for transactions involving a licensed foreign remover of bonded goods.
18	How do I clear <b>personal goods</b> through Customs and is it a requirement to register with SARS?	Personal goods are goods of a personal nature used by a person. These goods may be imported normally as accompanied baggage in which case they must be declared through the traveller section and no formal Customs registration will be required. Personal goods imported as cargo require that an individual be registered with Customs and the individual must ensure that a formal Customs clearance document is submitted for the personal goods. The principle of obtaining a Registered Agent may be applied where necessary.
19	How do I clear <b>household goods</b> through Customs and is it a requirement to register with SARS?	There is a difference between goods associated as household goods imported by a traveller on a vehicle i.e. accompanied goods, and those imported as cargo, normally by immigrants and or returning residents. Household goods imported as accompanied goods must be declared through the traveller section – this is not a truck load of goods, but goods accompanying the traveller and no formal Customs registration will be required; Household goods imported as cargo require that an individual be registered with Customs and the individual must ensure that a formal Customs clearance document is submitted for the household effects. The principle of using a Registered Agent may be applied where necessary.
20	Must an application for registration as a registered agent be supported by the furnishing of security (bond)?	No security is required from the applicant at time of application. Please note that the Commissioner may at any time require a client to furnish a bond in the amount and form as he may deem necessary.
21	May a registered agent partake in the deferment scheme?	Yes, as a registered agent who may act on behalf of foreign principals, a registered agent, if complying with all the requirements of the deferment scheme, may partake therein.





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22	May a registered agent frame and lodge declarations on behalf of a SA importer or exporter?	No, a registered agent will only be allowed to frame and lodge declarations on behalf of a foreign principal who nominated the registered agent to act on his / her behalf.
23	If we have a client that nominated us as their Agent to do docs for a specific port eg. Lebombo, are we also permitted to do his docs going through Violsdrift and the other border posts as well?	A clearance by you as the Registered Agent is deemed a clearance by the importer or exporter himself and therefore you are not bound to any particular port. Please note that at this stage a Deferment account is managed per office and that if you have such facilities you can only use it at the office where the account is kept.
24	If a load is removed in transit via SA, the Namibian Importer should register as a foreign principal, but what code do I use for a company in Beijing, Hong Kong, Spain etc?	If the Namibian importer is the party physically conveying the goods across the border, then he must register as an Importer/Exporter with SARS. Any "foreign principal" who is not located in SA but imports goods into, exports goods from or moves bonded cargo into, from or through the RSA must register as an importer, exporter or license as a remover of goods in bond in the RSA.
25	I assume the same will be applicable to travellers who make use of a commercial carrier (Individuals with once-off exports for own use)?	A clearing agent/broker <b>may not</b> utilise their code for these movements. Travellers / Individuals who accompany their goods and import or export goods for own use are covered under Section 15 of the Customs and Excise Act and are excluded from this requirement. They need only comply with the provisions of Section 15.
26	When will the provision in the rules for the use of the general customs code (70707070) be abolished at the other branch offices / border posts?	The code will be abolished as each border post goes live with Customs Modernisation Release 3.
27	Must a foreign road haulier register with SARS? If so, how do they submit their manifest?	Please refer to the FAQ document under "What is New" on the ACM webpage: <a href="http://www.sars.gov.za/home.asp?pid=558">http://www.sars.gov.za/home.asp?pid=558</a>
28	We have shipments moving through SA (RIT) for export overseas. These companies are not in SA and therefore are not registered within SA. Previously we used the general 70707070 code, but after the port's modernisation rollout this code can no longer be used. Can we continue using the 70707070 code?	No, the 70707070 code may not be used at the ports where modernisation has been implemented. Where goods are moved under International transit, the Importer's code number field on the declaration must be left blank. For all other declaration CPCs, this field must reflect the Customs code number.





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29	How do we proceed with shipments, where the entries have already been processed and the shipments are currently in transit to the border and expected to reach the office by the go-live weekend?	In these cases the client will have to process fresh declarations as the system currently processing declarations at that particular border post will be switched off.
30	When a transporter makes use of a certain "Agent", what happens when he makes use of sub-hauliers that use another "Agent" besides the one that they have nominated to do their documents?	The concept of having a Registered Agent in South Africa if you are a Foreign Importer or Exporter is for the purposes of Registration and Auditing. Such Registered Agent may submit declarations on your behalf, or appoint a Clearing Agent or broker to submit declarations. Registered agents could specialise in certain functionalities such as import / export or bonded removals by road which will mean foreign principals can nominate registered agents accordingly.
31	Can a carrier use our carrier code without being included in our 8C01 form? If no, what do we do with people taking their goods through the border in their pickup trucks, in other words these are not commercial carriers?	No. All carriers must register and utilise their own codes. You may not utilise another carrier(s) code. Travellers / Individuals for own use are covered under Section 15 of the Customs and Excise Act and are excluded from this requirement.

For more information on general Customs registration, go to [www.sars.gov.za](http://www.sars.gov.za) under Customs & Excise > Customs Procedures > Registration or click here: <http://www.sars.gov.za/home.asp?pid=5221>.

For info on ACM registration, go to the SARS website > Customs & Excise > [Automated Cargo Management \(ACM\) System](http://www.sars.gov.za/home.asp?pid=558) or click here: <http://www.sars.gov.za/home.asp?pid=558>

For more information on Customs Modernisation, go to [www.sars.gov.za](http://www.sars.gov.za) > Customs and Excise > Customs and Border Management > Customs Modernisation





# CUSTOMS MODERNISATION

## Clearance formalities FAQs

Item	Question	Answer
1	How will I know when a truck will get stopped at the border?	Clients will only receive a notification of a stopped consignment once the truck arrives at the respective port of entry/exit.
2	You have said that the truck will be escorted out by Customs until their agent has finalised processing. What is this processing, is it paperwork or physical inspections or both?	The “processing” is all aspects required to finalise the respective clearance/declaration process, e.g. submission of electronic declaration, supporting documents if called for and an instruction to Proceed to Port. The physical inspection will be conducted by Customs Officers when required, but not in all instances.
3	If my office is situated hundreds of kms away from the border post where I do my declarations, do I – as the agent – have to be there every time a consignment is stopped?	The Agent or Owner or other representative (e.g. truck driver, road haulier, etc.) must legally be present. However, legal provision is made for Customs to inspect without their presence.
4	Who is responsible for the offloading at these stops? We are customs brokers, not a ground handling company, and some products on trucks do need special skills and training to handle, like your chemicals etc.	Legislation stipulates that any offloading/ unpacking/ examination is for the importer/exporter/clearing agent(s) responsibility and SARS cannot accept any responsibility thereof. Where goods require specialised skills or inspection conditions, arrangements can be made to release goods under Embargo to a suitable facility such as the client’s premises.
5	Does the truck driver still need to get the SAD 500 form stamped to present to the other Customs authorities?	No. The stamped SAD500 release will be replaced with a CN1 form which will be printed by SARS and contains data relating to consignments approved by SARS Customs. SAD 502 and SAD 505 documents will however be endorsed by SARS.
6	Can I still submit paper declarations ?	Only <b>traders</b> submitting their own declarations are allowed manual capture of declarations (BOE) to a maximum of 10 lines per declaration or 10 single line declarations per calendar month. This doesn’t apply to agents or transporters submitting declarations on behalf of Importers/Exporters, who can only submit electronically.  The manual process can take up to 3 days at smaller border posts, so all traders are urged to register for EDI asap.





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Item	Question	Answer
7	Must I declare the truck/vehicle registration no on the customs declaration?	<p>Yes. For cross-border clearances by road, the vehicle and trailer registration details must be completed. In the event of a change of vehicle and or trailer registration details, the following rules apply -</p> <ul style="list-style-type: none"> <li>• If the carrier's road manifest is <u>submitted electronically</u> to SARS, only the carrier's road manifest needs be amended to reflect the change OR</li> <li>• If the carrier's road manifest is <u>submitted manually</u>, then both goods declaration and manifest must be amended to reflect the change.</li> </ul> <p>Such amendments must however be made prior to the goods arriving at the land border.</p>
8	When can I initiate an amendment (VOC)?	<p>Declarants may initiate an amendment (VOC) upon receipt of a Status 8 response. However, this will not be possible on a Status 13, because a case would already have been opened. In essence, SARS will accept an amendment if there is no case, or where a case has been opened and subsequently closed.</p>
9	We heard rumours of the impending withdrawal to move goods through various <b>non-designated border posts</b> . Is this true?	<p>No. The Customs position at all non-designated ports will remain <b>as is</b> for now</p>
10	If my truck is moving through a non-designated port where there is no Customs presence, how do I declare the goods to Customs?	<p>Firstly, you have to make an electronic declaration on EDI to one of the ports that have already gone live with Customs Modernisation. On the declaration, you must indicate the actual Port of Exit or Entry. You will then be asked to make any applicable payment due and only once you have received a Proceed to Port message, can the truck go to the non-designated port.</p>





# CUSTOMS MODERNISATION

## Payment/deferment FAQs

Item	Question	Answer
1	I'm a Clearing Agent and I can no longer use the Importer's deferment account. What do I do?	Your Importer must apply for an EDI profile for you to use on their behalf.
2	I'm a Clearing Agent and don't understand the new EDI process for deferment accounts.	Prior to each port's rollout, Customs will hold daily meetings with that port's stakeholders. Contact the relevant Customs office for meeting details where these sort of issues will be explained in detail. Alternatively, contact your service provider/Bureau and they will explain the process.
3	I'm an Importer and I need to get an EDI profile to allow my Registered Agent to use my deferment account. How do I apply?	<p>Speak to your Clearing Agent to assist you in the process and ensure you are completing the forms with the Clearing Agent details as required.</p> <p>You can either download the application forms from the SARS website, get them from your nearest Customs office or mail <a href="mailto:rburger@sars.gov.za">rburger@sars.gov.za</a>.</p> <p>If your agent uses the x.400 means of communication via Telkom, the original application and supporting documents must be forwarded to:</p> <p>The EDI Business Administrator (RITA BURGER) Walker Creek Office Park 90 Queen Wilhelmina Street (corner of Queen Wilhelmina &amp; Totius Street) Nieuw Muckleneuck Pretoria. 0181</p> <p>If your agent uses an Internet setup, you should bring in your completed forms and docs to your nearest Customs office where they will check your ID, check to see if all supporting docs are submitted and check if all docs are duly signed and initialled. After this has been done, you can courier the application directly to Rita Burger (see above address) or ask the Customs office to courier it to Head Office. This will, however, take much longer.</p> <p>For more info on EDI registration, click here: <a href="http://www.sars.gov.za/home.asp?pid=555">http://www.sars.gov.za/home.asp?pid=555</a></p>
4	I am an Importer and I use a number of agents at a specific port. How many EDI profiles do I need for them to all use my deferment account?	You must follow exactly the same EDI registration process for each agent that you use.

