

CUSTOMS AND BORDER MANAGEMENT

EXTERNAL POLICY

USE OF NON DESIGNATED PORTS

TABLE OF CONTENTS

1	SCOPE	3
2	POLICY	3
2.1	Use of Non Designated Ports	3
2.2	Criteria for use of Non Designated Ports	3
2.3	Application process	4
2.4	Validity period for Approvals	4
2.5	Conditions for movement of goods through Non Designated Ports	4
2.5.1	Responsibilities of an importer / exporter	4
2.5.2	Imports	4
2.5.3	Exports	5
2.5.4	Documentation	5
2.5.5	Payment procedures	6
2.6	Penal Provisions	6
2.7	Official working hours	6
3	REFERENCES	6
3.1	Legislation	6
3.2	Cross References	6
4	DEFINITIONS AND ACRONYMS	7
5	DOCUMENT MANAGEMENT	7

1 SCOPE

- a) The policy deals with the import / export of commercial goods, under exceptional circumstances:
 - i) Through places other than designated ports as stipulated in Rule 120 A.03(d); and
 - ii) Through places for particular and limited purposes as stipulated in Rule 200.03, being places of entry where goods may enter or leave South Africa.
- b) The policy does not cover the import / export of commercial goods by means of rail.
- c) Value for VAT and duty purposes is determined in terms of SC-CR-A-03 and SC-CR-A-05.
- d) Completion of declarations is dealt with in SC-CF-04.
- e) Payment of duties and taxes are dealt with in SC-DT-A-02.

2 POLICY

2.1 Use of Non Designated Ports

- a) Commercial goods must be imported to / exported from South Africa via ports of exit / entry designated for this purpose in Paragraph 200.03(a) of the Schedule to the Rules and Rule 120A.03(b).
- b) However, Rule 120A.03(d) allows the import / export of commercial goods through other places in exceptional circumstances, on such conditions as the Commissioner may prescribe. To make use of this facility, clients must apply to the Commissioner on SC-CF-12-FR1.
- c) Under no circumstances will import / export of commercial goods through non designated ports (listed in SC-CF-12-A3) be allowed without approval.
- d) The importation of second hand motor vehicles and the temporary importation or exportation of goods are not permitted through non designated ports.
- e) No removals in bond (RIBs) or removals in transit (RITs) are allowed through non designated ports.
- f) All approvals (SC-CF-12-FR1) shall be granted in consultation with BCOCC port co-ordinators.

2.2 Criteria for use of Non Designated Ports

- a) A person who operates a business in the vicinity of a non designated port may apply to use a non designated port provided that such a person:
 - i) Is a trader and can provide a certified copy of a trading licence with the application form (SC-CF-12-FR1) together with a certified copy of his / her Identity Document or passport; and
 - ii) Can duly motivate that the nearest port of entry / exit is a non designated port and that it will not make economical / logical sense to utilise a designated port.
- b) A person who lives in the vicinity of a non designated port may apply to use a non designated port provided that such a person can:
 - i) Duly motivate on the application SC-CF-12-FR1 that the nearest port of entry / exit is a non designated port and that it will not make logical sense to utilise a designated port, or that using the designated port will cause hardship;
 - ii) Provide a certified copy of his / her Identity Document or passport; and
 - iii) This person only removes or enters commercial goods from or into South Africa less than twelve (12) times a year.
- c) The Controller / Branch Manager must use his / her discretion in considering the risks to the fiscus or the economy and each case must be considered on its merit.

2.3 Application process

- a) Applications (SC-CF-12-FR1) are available at any port of entry / exit staffed by SARS Customs.
- b) Applications (SC-CF-12-FR1) must be delivered to the designated port closest to the non designated port for which approval is being sought (refer to SC-CF-12-A3).
- c) SARS Customs will discuss the application with the BCOCC Committee of the designated port.
- d) Each importer / exporter will be informed accordingly of the approval or rejection on a copy of the processed SC-CF-12-FR1.

2.4 Validity period for Approvals

- a) Approvals (SC-CF-12-FR1) are valid for a year from date of issue, or such shorter period as was approved.
- b) Applications to renew the approval must reach SARS a minimum of six (6) weeks before the expiry date.

2.5 Conditions for movement of goods through Non Designated Ports

2.5.1 Responsibilities of an importer / exporter

- a) Commercial goods must be taken through the non designated ports under the following circumstances as stipulated on SC-CF-12-FR1:
 - i) The importer / exporter must give a minimum of 24 hours notice before the actual movement of goods by faxing all relevant documents, together with proof of payment, both to the non designated port where the actual movement of goods will take place, as well as the designated port in charge of such a non designated port.
 - ii) The 24 hours notice must be given each time there is an import / export.
 - iii) Approvals (SC-CF-12-FR1) are not transferable to another person.
 - iv) The holder of the approval (SC-CF-12-FR1) may be called upon to provide proper identification if so requested by the authority monitoring approvals at the non designated port.
 - v) A copy of the approval (SC-CF-12-FR1) must accompany the goods upon removal of such goods, together with released declarations (SAD 500) and proof of payment from the office which processed such declarations.
 - vi) If a transporter removes goods on behalf of the holder who is unable to accompany the goods:
 - A) Such transporter should have an original letter of authorisation from the holder stating that he / she is transporting goods on behalf of the owner; and
 - B) The owner must, together with the clearance documentation provided a minimum of 24 hours in advance of the intended movement, provide written authorisation stating the name of the appointed remover.
 - vii) The person importing / exporting goods may only use the non designated port for purposes stipulated in the SC-CF-12-FR1 and not for any other purpose.
 - viii) Use of non designated ports shall be subject to any further conditions as may be imposed by the SARS Controller / Branch Manager of the designated port responsible for issuing the approval.
 - ix) Use of non designated ports is renewable before expiry of current approval, upon application.
- b) Under no circumstances will misuse of the approval be allowed, i.e. the approval cannot be used to export goods if it states that it may only be used for imports and vice versa.

2.5.2 Imports

- a) The provisions for legislative requirements, calculation, valuation and payment of VAT as well as duty, on importation of commercial goods through designated ports, into South Africa from countries inside

and outside SACU, also apply to goods imported under exceptional circumstances through non designated ports of entry.

- b) The importer must present the original declaration and the processed copies as well as any release notification received to SAPS on the day of the actual import of the goods through the non designated port.

2.5.3 Exports

- a) The provisions for legislative requirements on exportation of commercial goods through designated ports to countries inside and outside SACU, also apply to goods exported under exceptional circumstances, through non designated ports of exit from South Africa.
- b) The exporter must present the original declaration and the processed copies as well as any release notification received to SAPS on the day of the actual export of the goods through the non designated port.
- c) No fuel levy goods exported under Rule 200.03 shall be exported if such goods are liable to payment of excise duty.
- d) South African exporters authorised to export goods through non designated ports, who are taking with them personal belongings like cameras, binoculars, radios, etc. must ensure that they register such goods for re-importation on a DA 65 at the designated port of exit.

2.5.4 Documentation

a) Imports

- i) The driver of the vehicle must produce the SAD 500 reflecting the reason for import with full description of goods, marks and particulars of the packages corresponding to the description, marks and particulars of the packages in other documents and on the vehicle.
- ii) Information pertaining to the number, character and the tariff classification of the goods must be reflected on the SAD 500.
- iii) A copy of SC-CF-12-FR1 issued by SARS.
- iv) Documents concerning the vehicle carrying the commercial goods.
- v) Original tax invoice reflecting the true value of the goods on which VAT and / or duty is payable.
- vi) Where applicable, any permits / other authority required for the importation.
- vii) If incorrect, the declaration must be cancelled and replaced by a new one or adjusted by a voucher of correction.

b) Exports

- i) The driver of the vehicle must produce the SAD 500 reflecting the reason for export with full description of goods, marks and particulars of the packages corresponding to the description, marks and particulars of the packages in other documents and on the vehicle.
- ii) Information pertaining to the number, character and the tariff classification of the goods must be reflected on the SAD 500.
- iii) A copy of SC-CF-12-FR1 issued by SARS.
- iv) Documents concerning the vehicle carrying the commercial goods.
- v) Original tax invoice reflecting the true value of the goods.
- vi) If incorrect, the declaration must be cancelled and replaced by a new one or adjusted by a voucher of correction.
- vii) Fuel levy goods:
 - A) Fuel levy goods may only be removed to a BLNS country provided such goods have been entered for home consumption and payment of excise duties has taken place.
 - B) Such goods may be exported provided they have been cleared for export at the nearest Customs and Excise Office.
 - C) The SAD 500 presented at the non designated port must bear the date stamp of that office.
 - D) All removal details in terms of locally manufactured fuel must be submitted on a DA 159 for accounting purposes.

2.5.5 Payment procedures

- a) Customs duties are only payable on goods originating outside SACU destined for South Africa for home consumption. Where the goods enter South Africa via one of the BLNS countries, the duty is only payable in South Africa if duty has not been collected at the time of importation into that BLNS country.
- b) The relevant duties in terms of the Schedules must be paid if and when applicable.
- c) Value-Added Tax (VAT) is payable on imported goods in terms of Section 7(1)(b) of the VAT Act, regardless of the origin of the goods.
- d) VAT and / or import duties must be paid 24 hours before importation of the goods at the SARS designated port of entry.

2.6 Penal Provisions

- a) Failure to adhere to the provisions of the Act, as set out in this document, is considered an offence and may lead to penalties being imposed.
- b) Offences may render the client liable to, as provided for in the Act:
 - i) Monetary penalties;
 - ii) Criminal prosecution; and / or
 - iii) Suspension / cancelation of registration / license / accreditation.

2.7 Official working hours

- a) The holder of the approval (SC-CF-12-FR1) should verify official hours of operation at the non designated port before moving any goods through such ports.
- b) The official hours may change based on operational and enforcement needs, service delivery, etc.

3 REFERENCES

3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Sections 18A, 39, 80, 81, 83, 84 and 86(b) Customs and Excise Rules: 18.15(a), 120A.01, 120A.02, 120A.03(a), 120A.03(d), 120A.04, 120A.05 and Schedule 200.03(f)
Other Legislation:	Promotion of Administrative Justice Act No. 3 of 2000: Preamble and Sections 3 and 5
International Instruments:	Revised Kyoto Convention: Chapters 3 and 4A

3.2 Cross References

DOCUMENT #	DOCUMENT TITLE	APPLICABILITY
SC-CF-04	Completion of Declarations	All
SC-CF-12-A3	List of non designated ports	All
SC-CF-13-S1	Use of non designated ports - External SOP	All
SC-CR-A-03	Customs Valuation – External Policy	All
SC-CR-A-05	Customs Valuation – Method 1 – External Policy	All
SC-DT-A-01	Payments – External Policy	All
SC-ID-02-S1	External SOP - Oil Industry	3.7.1

4 DEFINITIONS AND ACRONYMS

BCOCC	Border Control Operational Coordinating Committee
BLNS	The Republic of Botswana; The Kingdom of Lesotho; The Republic of Namibia; and The Kingdom of Swaziland
ITAC	International Trade Administration Commission
MOU	Memorandum of understanding
RIB	Goods Removed In Bond if imported and intended for direct removal to a destination within SACU
RIT	Goods intended for direct Removal In Transit to a destination outside SACU
SACU	The Southern African Customs Union consisting of: The Republic of South Africa; The Republic of Botswana; The Kingdom of Lesotho; The Republic of Namibia; and The Kingdom of Swaziland
SAD	Single Administrative Document
SAPS	South African Police Service
VAT	Value-Added Tax
Commercial Goods	All goods other than the following: a) Personal effects and sporting and recreational equipment, new or used, imported as accompanied or unaccompanied passenger's baggage by non residents of South Africa for their own use during their stay in South Africa; b) Personal effects and sporting and recreational equipment, new or used, exported by residents of South Africa for their use to Botswana, Lesotho, Namibia or Swaziland and subsequently re-imported as accompanied or unaccompanied passengers' baggage by such residents; c) Goods imported as accompanied passengers' baggage by non residents or residents of South Africa: i) Wine not exceeding two (2) litres per person; ii) Spirituous and other alcoholic beverages, a total quantity not exceeding one (1) litre per person; iii) Cigarettes not exceeding 400 and cigars not exceeding fifty (50) per person; iv) Cigarette or pipe tobacco not exceeding 250 grams per person; and v) Perfumery not exceeding fifty (50) millilitre and eau de perfume not exceeding 250 millilitre per person; and d) Other goods, new or used, with a total value not exceeding R1 250 per person (excluding goods of a class or kind specified in paragraph (c) imported into South Africa, provided that where any person imports the goods contemplated in paragraph (c) more than once during a period of thirty (30) days, such goods shall be deemed to be commercial goods.

5 DOCUMENT MANAGEMENT

Designation	Name / Division
Business Owner:	Chief Officer: Customs and Border Management
Policy Owner:	Group Executive: Customs Strategy and Policy
Author:	PV Lupuwana
Detail of change from previous revision:	Initial Release
Template number and revision	SC-POL-TM-02 - Rev 10