

# **CUSTOMS AND BORDER MANAGEMENT**

## **EXTERNAL POLICY**

### **SAMPLES OF NO COMMERCIAL VALUE**

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## 1 SCOPE

- a) The policy applies to Section 38(1)(a)(iii) only, i.e. "goods which in the opinion of the Commissioner are of no commercial value".
- b) The following are not included:
  - i) Section 38(1) (a) (i) "containers temporarily imported".
  - ii) Section 38(1) (a) (ii) "human remains".
  - iii) Section 38(1) (a) (iv) "goods imported under an international carnet".
  - iv) Section 38(1) (a) (v) "goods of a value for duty purposes not exceeding R500, and on which no duty is payable in terms of Schedule No.1."
  - v) Goods supplied free of charge, whether the true value exceeds R500 or not (refer to Section 38(1)(a)(v), Section 38(1)(a)(iii) and SC-CR-A-02 Customs Valuation Policy).
  - vi) Complete products which are fully operational and usable. These must be cleared as normal imports.
  - vii) Samples drawn for any other purpose where Customs or other organisation requires the drawing of samples i.e. tariff classification.
  - viii) Rebate item 480.10 "Goods for display or use, fairs, meetings or similar events".
  - ix) Rebate item 480.15 "Professional equipment (including ancillary apparatus and accessories) owned by persons / resident abroad, for use solely by or under the supervision of a visiting person".
  - x) Rebate item 480.35 "Commercial samples owned abroad and imported for the purpose of being shown or demonstrated in the Republic for the soliciting of orders to be supplied from abroad".

## 2 POLICY

- a) Certain goods of no commercial value shall be cleared using a DA 306. Goods which, in the opinion of the Commissioner, are of no commercial value include the following:
  - i) Goods mutilated in such a way that they cannot be sold and or goods which have been permanently tagged or clearly marked "sample".
  - ii) Raw materials and products such as yarn, fabrics, paper, wood, base metals, marble and other monumental or building stone, cut into lengths, sheets (whether or not bound in albums or book form), slabs, pieces or like forms (or not cut) of such dimensions or size that they are useless except for the purpose of demonstration.
  - iii) Nails, tacks, staples, hook-nails, cramps, studs, spikes, screw hooks and screw-rings, rivets, drawing pins, bolts and nuts (including bolt ends and screw studs), coach screw, screws, cotter pins, cotters, taper pins and the like, buttons, studs, cuff-links and press-fasteners, buckles, hooks and other small articles of general use as accessories or ornaments for clothing provided that such articles are of non precious materials and are affixed to cards or are put up as samples in the manner usual in the trade and that there is not more than one of each size or kind.
  - iv) Raw materials and products such as wood, natural or agglomerated cork, paper and paperboard, fabrics, linoleum, leather, skin, rubber, artificial plastic materials and articles of apparel, footwear, headgear and other articles in these materials or products, rendered useless except for the purpose of demonstration, by indelible marking, partial mutilation, or by other effective method, including sets of paper or paperboard (for example, envelopes and other paper stationery for correspondence and wall paper) rendered useless except for the purpose of demonstration by being pasted or glued together or on a supporting article of commonplace material.
  - v) Products which cannot be put as samples of negligible value in accordance with b, c and d above, and which consist of:
    - A) Non-consumable goods (which are demonstrated merely by being displayed, e.g. cigarette lighters, propelling pencils, etc.), of a value not exceeding the equivalent of R10 for identical or similar imported non consumable goods, and provided there is not more than one sample of each kind or quality;
    - B) Consumable goods: foodstuffs, beverages, perfumes, chemical products, etc. (which are destroyed by eating or drinking, testing, analysis, etc., in the course of demonstration), of a value, not exceeding the equivalent of R10, even if they consist wholly or partly of

samples of the same kind or quality, provided the quantity and the manner in which they are put up preclude their being used otherwise than as samples.

- b) In applying the criterion of value referred to in paragraphs (i) and (ii) above, Customs may, in principle, take into account an individual sample or all samples in a collection, however, they must ascertain that the goods are clearly commercial samples which can be regarded as samples of negligible value.
- c) This list is not exhaustive. At the discretion of the Commissioner, the office will decide if goods declared are deemed to be samples of no commercial value or not.
- d) Refer to Examples: Samples of No Commercial Value document no.SC-IM-01-11-A1.

### 3 REFERENCES

#### 3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	<b>Customs and Excise Act No. 91 of 1964:</b> Section 38(1)(a), Section 65 and Section 66 read with Section 67
International Instruments:	<b>Kyoto Convention:</b> Specific Annex B Chapter 3, paragraph 7(b)-Relief from import duties and taxes

#### 3.2 Cross References

DOCUMENT #	DOCUMENT TITLE	APPLICABILITY
SC-IM-01-01-S1	External Standard Operating Procedure	All
SC-CR-A-03	External Policy: Customs Valuation	All
SC-IM-01-11-A1	Annexure: External Policy	All

### 4 DEFINITIONS AND ACRONYMS

<b>Sample</b>	Product used for trying and or testing to see what it is like, and or how it works
<b>Commercial</b>	Viable, saleable, profit making, marketable, business related industrial trade
<b>Commerce</b>	Buying and selling of goods, trade

### 5 DOCUMENT MANAGEMENT

DESIGNATION	NAME / DIVISION
Business Owner:	Chief Officer: Customs and Border Management
Policy Owner:	Group Executive: Customs Strategy & Policy
Author:	PV Lupuwana
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