



1. Prerequisite of doing business with SARS Customs
2. Dealing with Freight Forwarders
3. Customs duty refunds and drawbacks
4. Trade barriers
5. Free trade agreements



**Prepared and presented by
Ricky Pillay**

1. Prerequisite for doing business with SARS Customs



- Importer (Local or Foreign)
- Exporter (Local or Foreign)
- Exporter for SADC, TDCA and SACU/EFTA
- Exporter for AGOA
- Approved Exporter – TDCA or SACU/EFTA
- Exporter for GSP
- Electronic Communication with SARS
- Manufacturer in terms of drawback items 501.00 to 521.00
- Registered Agent



- Customs brokers
- “Virtual” Storage warehouses (public and private warehouses)
- **Inward processing (470.03)**
- **Home use processing (IR)**
- Carriers (Removers)



- A. Requirements for Customs compliant invoice
- B. Shipping instruction
- C. Supply chain costs



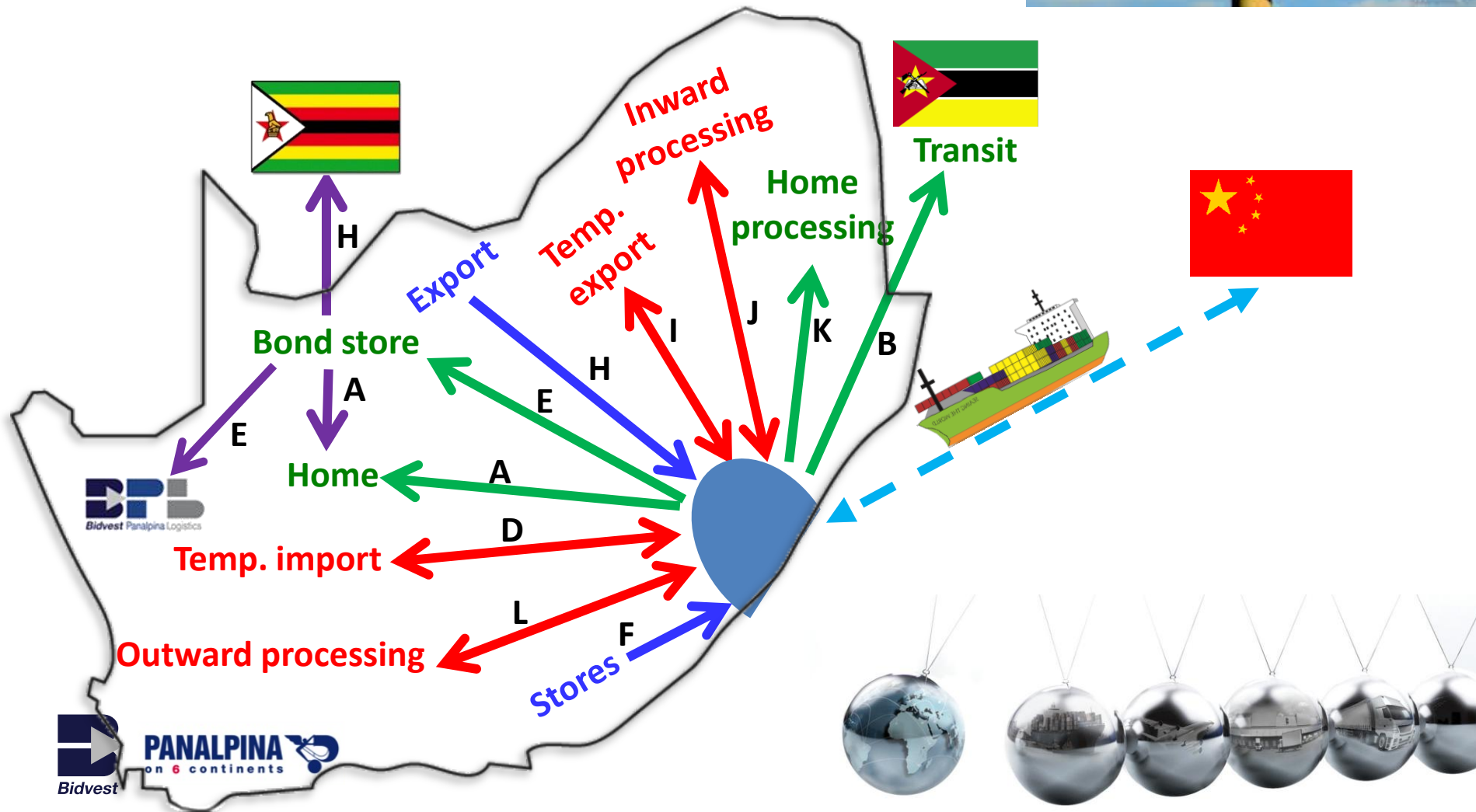
2. Dealing with Freight Forwarders

A. Requirements for customs compliant invoice



2. Dealing with Freight Forwarders

B. IMPORT/EXPORT INSTRUCTIONS TO FREIGHT FORWARDERS



C. Examples of International supply chain costs

Supplier charges

- price paid or payable for goods
- Packing
- Commission
- Royalties and license fees
- Fumigation
- research and development costs
- warranty charges
- interest



C. Examples of International supply chain costs

Country of export - landside charges

- fumigation
- cargo dues (port tax)
- inland freight
- fuel surcharge
- inland insurance
- Container freight Station (depot charges)
- port storage
- forwarding charges (handling fee; communication; labelling; house bill of lading fee)
- certificate of origin
- customs clearance – export (customs documentation fee; agency; facility/finance fee)
- terminal charges (CTO; loading charges)
- Hazardous cargo fee/surcharge (paid to the port)
- Hazardous cargo handling fee
- Trem (transport emergency) card
- courier charges

1	2	3	4	5	6	7	8	9	10
Per container/ carton	Per CBM/ KG	Per shipment	Surcharge (% of fuel charge)	% of disbursement	% of value of goods	Per document	Fixed charge	Per day	Combination

C. Examples of International supply chain costs

Shipping line charges

- bill of lading fee
- ocean freight
- bunker adjustment factor (BAF)
- ISPS (security surcharge)
- PIRACY fee (on certain routes)
- Other charges (release fees; service fee; manifest security fee on certain routes)

1	2	3	4	5	6	7	8	9	10
Per container/ carton	Per CBM/ KG	Per shipment	Surcharge (% of fuel charge)	% of disburse- ment	% of value of goods	Per document	Fixed charge	Per day	Combin- ation

C. Examples of International supply chain costs

Country of import - landside charges

- CAF (currency adjustment factor)
- cargo dues
- terminal handling (containers, break bulk and bulk cargo)
- late order charge for break bulk and bulk cargo
- terminal storage
- depot charges (unpack; storage; handling per lift, etc)
- transport administration cost (CTO amendment fee due to late upliftment)
- Demurrage
- container cleaning
- Forwarders de-group costs
 - de-group charges (unpack)
 - bill of lading release fee
 - communication cost
 - collection fee
 - service fee on local disbursements
 - MAS fee
 - handling fee
 - handover fee

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Per container/ carton	Per CBM/ KG	Per shipment	Surcharge (% of fuel charge)	% of disburse- ment	% of value of goods	Per document	Fixed charge	Per day	Combin- ation

C. Examples of International supply chain costs

Country of import	
IMPORT TAX TYPES	EXAMPLES OF CALCULATION OF TAX TYPES IN SOUTH AFRICA
➤ Customs duties	<ul style="list-style-type: none"> ➤ percentage of Customs value ➤ <i>specific</i> amount per unit, such as cents per kg
➤ specific duty	<i>specific</i> amount per unit, such as cents per kilogram
➤ ad valorem	<ul style="list-style-type: none"> ➤ Customs value + 15% + 1P1 = VPB ➤ Percentage of VPB = ADV
➤ levies	Rate of levy
<ul style="list-style-type: none"> ➤ anti-dumping duty ➤ countervailing duty ➤ safeguard duty 	Rate of anti-dumping duty
➤ VAT	<ul style="list-style-type: none"> ➤ Customs Value + 10% + 1P1 + 12A + 12B + Levy + 2P1 + 2P2 = ATV ➤ 14% of ATV = VAT
➤ customs penalty	10% of total under entry of duty
➤ provisional payment	Customs duties + 25%



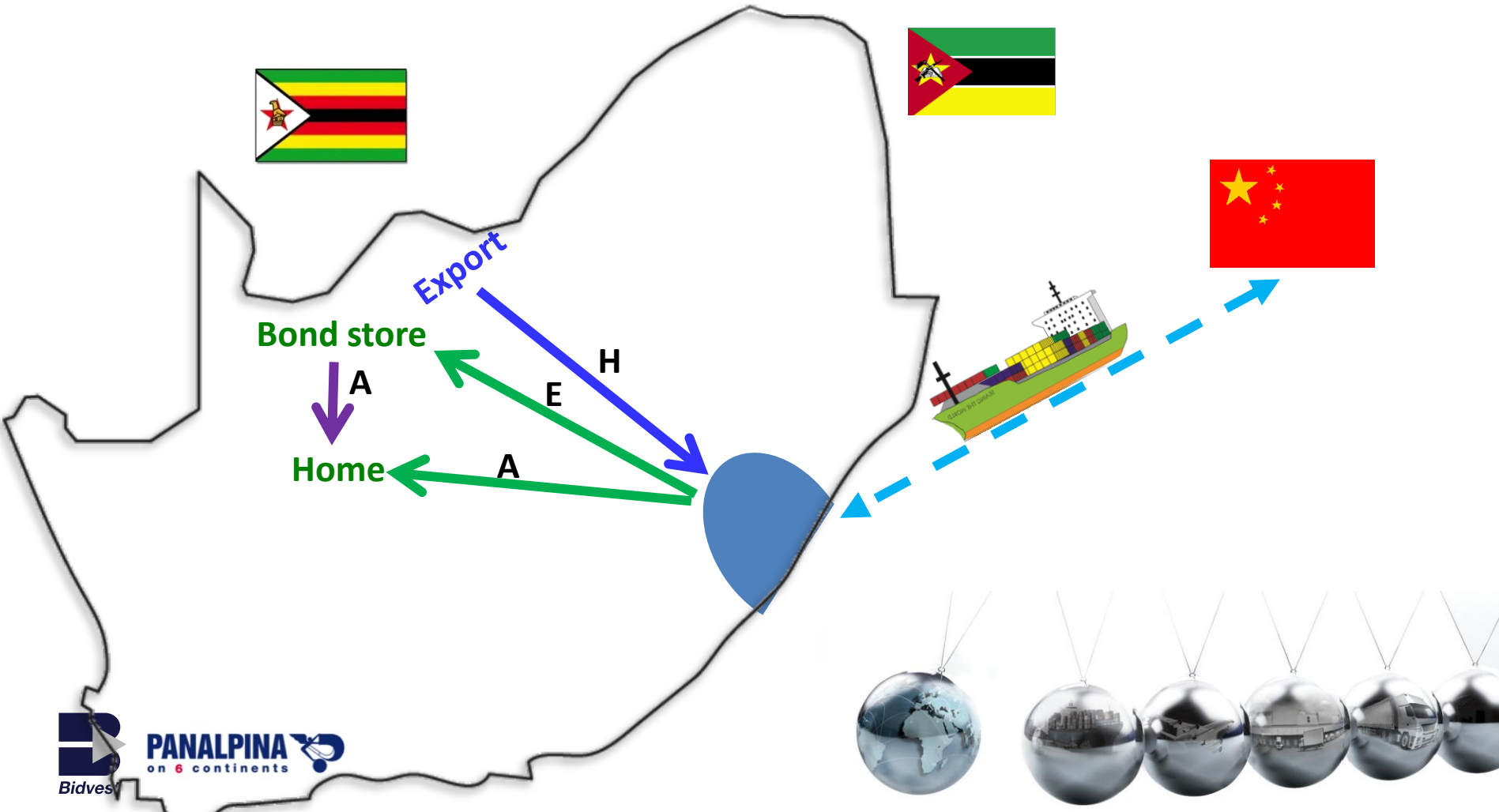
C. Examples of International supply chain costs

Country of import - clearing agent charges

- Customs documentation fee (BOE; VOC; PP, etc.)
- cargo dues doc fee
- landing order doc fee
- agency (based on disbursement or customs value)
- Costing fee
- finance fee
- Interest
- Delivery cost
- Fuel surcharge
- road bond fee
- acquittal fee
- communication (EDI for cusdec)
- customs examination
- other government organisation release fee
- Trem cards

1	2	3	4	5	6	7	8	9	10
Per container/ carton	Per CBM/ KG	Per shipment	Surcharge (% of fuel charge)	% of disburse- ment	% of value of goods	Per document	Fixed charge	Per day	Combin- ation

3. Customs duty refunds and drawbacks



A. Tariff Barriers

1	<ul style="list-style-type: none">➤ Customs duties➤ Levies
2	<ul style="list-style-type: none">➤ anti-dumping duties➤ countervailing duties➤ safeguard duties
3	<ul style="list-style-type: none">➤ Rebates on raw materials for manufacture of value added products
4	<ul style="list-style-type: none">➤ specific rebates of customs duties➤ Temporary rebates of customs duties➤ goods temporarily admitted under rebate of customs duties➤ customs controlled area
5	<ul style="list-style-type: none">➤ specific drawback of duties➤ refunds of duties on goods exported in the same condition as imported



B. Non tariff barriers to trade



EXAMPLES OF PROHIBITED GOODS

- **illicit trade** in narcotics, arms and ammunition, endangered species
- **contagious** human, animal or plant diseases
- **hazardous** substances
- **public health** or safety
- **international obligation** binding on RSA

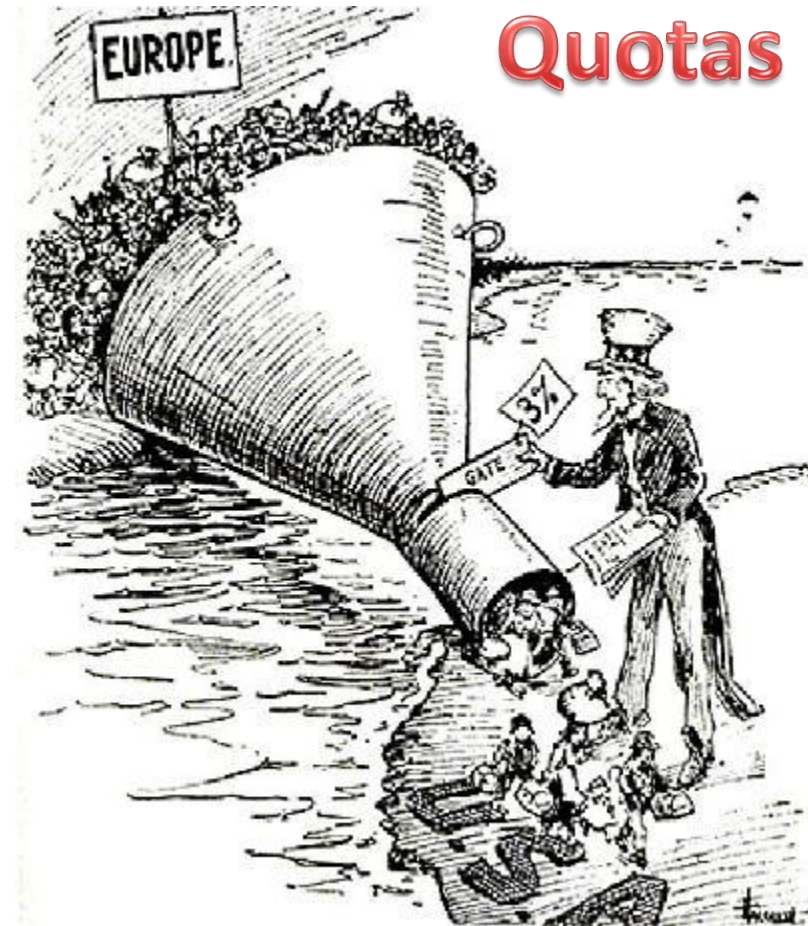


B. Non tariff barriers to trade

DETAINED

Detention for sectorally controlled goods

- ✓ PORT HEALTH
- ✓ STATE VET
- ✓ PLANT INSPECTION
- ✓ SANAB (South African Narcotics Bureau)
- ✓ SAPS
- ✓ DTI FOR PERMIT AND CERTIFICATE OF ORIGIN
- ✓ QUARANTINE MASTER
- ✓ REGIONAL ASSIZER (weights and measures)
- ✓ RESERVE BANK
- ✓ SABS (NRCS)



4. Trade barriers

B. Non tariff barriers to trade



Local content requirements



Russia announces 'full embargo' on most food from US, EU - 07.08.2014
"Russia is introducing a full embargo on import of beef, pork, fruit and vegetable produce, poultry, fish, cheese, milk and dairy products from the European Union, United States, Australia, Canada and Norway," Prime Minister Dmitry Medvedev said in televised remarks.



5. Free Trade Agreements

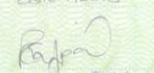
Wholly obtained in RSA	Imported goods sufficiently worked or processed	Processes not conferring origin
<ul style="list-style-type: none">➤ Mined➤ Hunted➤ Fished➤ Grown➤ Born and breed➤ Waste➤ Value added products from the above raw materials	<ul style="list-style-type: none">➤ The protocols of the respective trade agreements explain the working or processing carried out on non-originating materials that confer originating status	<ul style="list-style-type: none">➤ Preservation only➤ Drying➤ Repackaging➤ Slaughter➤ Mixing➤ Labelling➤ Dilution

Direct transport rule



5. Free Trade Agreements

MOVEMENT CERTIFICATE

1. Exporter (Name, full address, country) [Redacted]		EUR. 1 No. C 692799 <small>See notes overleaf before completing this form</small>	
3. Consignee (Name, full address, country) (Optional) [Redacted]		2. Certificate to be used in preferential trade between SOUTH AFRICA and SPAIN <small>(Insert appropriate countries or groups of countries or territories)</small>	
6. Transport details (optional) BY AIRCRAFT		4. Country, group of countries or territory in which the products are considered as originating ZA	5. Country, group of countries or territory of destination ES
7. Remarks			
8. Item number, Marks and numbers, Number and kind of packages (1), Description of goods 20 x 2000g DRUMS SYNTHETIC DIACETYL HS CODE 2914.19.00 (2)		9. Gross weight (kg) or other measure (litres, m ³ , etc.) 4200KGS	10. Invoices (Optional) EHS1218 01-10-150
11. CUSTOMS ENDORSEMENT Declaration certified: Export document (2) Form No. 1916 Customs office: Issuing country or territory: Date: 2013-07-03		12. DECLARATION BY THE EXPORTER I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate. Place and Date: Durban 2013/07/03 	

SAHS Nowibus Muisable
SAHS
181 001 SW/1500
SAHS
181 001 SW/1500

European Community and its member states - (applies to both imports and exports)

- Austria
- Belgium
- Bulgaria
- Czech Republic
- Estonia
- Cyprus
- Denmark
- Germany
- Greece
- Hungary
- France
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Finland
- Slovak
- Slovenia
- Spain
- Sweden
- Romania
- United Kingdom



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Free Trade Agreement between European Free Trade Association (EFTA) and the Southern African Customs Union (SACU) - Applies to both imports and exports

- The Republic of Iceland
- The Principality of Lichtenstein
- The Kingdom of Norway
- The Swiss Confederation



5. Free Trade Agreements

SADC CERTIFICATE OF ORIGIN

Registration No. [REDACTED] (Optional)		3. Country Ref. No. ZA R483681									
1. Exporter (Name and Office Address) [REDACTED]		SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) CERTIFICATE OF ORIGIN									
2. Consignee (Name and Office Address) [REDACTED]											
4. Particulars of transport: ROAD		5. For official use only									
6. Marks and numbers; number and kind of package, description of goods:		7. Customs Tariff No.	8. Origin Criterion (See overleaf)								
<table border="1"> <thead> <tr> <th>(i) Marks and Nos.</th> <th>(ii) Description of goods</th> </tr> </thead> <tbody> <tr> <td>[REDACTED]</td> <td>PHOTOCOPY PAPER</td> </tr> <tr> <td>[REDACTED]</td> <td>PHOTOCOPY PAPER</td> </tr> <tr> <td>4837580</td> <td>KITWE</td> </tr> </tbody> </table>		(i) Marks and Nos.	(ii) Description of goods	[REDACTED]	PHOTOCOPY PAPER	[REDACTED]	PHOTOCOPY PAPER	4837580	KITWE	4912.58.90(1)	"P"
(i) Marks and Nos.	(ii) Description of goods										
[REDACTED]	PHOTOCOPY PAPER										
[REDACTED]	PHOTOCOPY PAPER										
4837580	KITWE										
		9. Gross weight or other quantity	10. Invoice No. and date (Optional)								
		4990.000	4587038 28/06/2013								
11. CUSTOMS ENDORSEMENT		12. CERTIFICATION									
Declaration certified Export Document (2) Form [REDACTED] Customs Office [REDACTED] Issuing Country of Territory [REDACTED] Date [REDACTED]		Signature [REDACTED] Certificate of Customs or Other Designated Authority 									

SADC Protocol on Trade - Applies to both imports and exports

- Angola
- Botswana (SACU)
- Congo
- Lesotho (SACU)
- Madagascar
- Malawi
- Mauritius
- Mozambique
- Namibia (SACU)
- Swaziland (SACU)
- South Africa
- Tanzania
- Zambia
- Zimbabwe



5. Free Trade Agreements

1. Goods consigned from (exporter's business name, address, country) WILHELM VAN DER MERWE (Pty) Ltd 10001 Durban Durban South Africa		Reference No. B 584173	
2. Goods consigned to (consignee's name, address, country) [Redacted]		GENERALIZED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A South Africa / ZA Issued in South Africa / ZA (country) See notes overleaf	
3. Means of transport and route (as far as known) SEAFREIGHT FROM - DURBAN PORT, SOUTH AFRICA TO - ROTTERDAM PORT, THE NETHERLANDS		4. For official use	
5. Item number ONE (1)	6. Marks and numbers of packages FERRO VANADIUM ROTTERDAM BAG NO. 1/40	7. Number and kind of packages; description of goods 2 X 20GP CONTAINER 40 PALLETIZED BAGS PACKED IN TWO 6M CONTNRS. FERROVANADIUM TARIFF CODE: 7202.92.00	8. Origin criterion (see notes overleaf) "P"
		9. Gross weight or other quantity 40960 kgs LINE 1 NET WEIGHT 40000kgs	10. Number and date of invoices Duterceliv2821 dit 26/06/2013 Duterceliv2826 dit 26/06/2013
11. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.		12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in South Africa / RSA (country) and that they comply with the origin requirements specified for those goods in the generalized system of preferences for goods exported to The Netherlands / SACD FREIGHT (Importing country) P.O. BOX 979 DURBAN	

Generalised System of Preferences (GSP) - Exports only

Administered by Chamber of Commerce to: Japan, Canada, etc.

Administered by SARS to:

- Textiles to USA (OGO A – African Growth and Opportunity Act)
- Norway
- Swiss Federation
- Republic of Turkey
- Russian Federation

The Southern African Customs Union (SACU) agreement - Imports and exports

- Botswana
- Lesotho
- Namibia
- Swaziland
- South Africa

Thank you
for
listening!



Ricky Pillay

