

25 May 2022

To: The South African Revenue Service

Lehae La SARS
299 Bronkhorst Street
PRETORIA
0181

Via email: SARS c&e_legislativecomments@sars.gov.za

**COMMENTS ON THE DRAFT AMENDMENT TO THE SAD 500 – CUSTOMS
DECLARATION FORM**

Dear Colleagues,

We attach the comments from the SAIT Customs and Excise Tax Industry Work Group (the WG), on the draft amendment to the SAD 500 – Customs declaration form, as issued by SARS.

Please do not hesitate to contact us should you require further information.

Yours faithfully,

SAIT Customs and Excise Tax Industry Work Group

Disclaimer

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South African Revenue Service

Customs & Excise Comment Sheet

Email

C&E_legislativecomments@sars.gov.za

Number of pages of comments (including this page)	5
Date	25 May 2022
Comments from	Beatrie Gouws – Head of Strategic Development and Stakeholder Management on behalf of the SAIT Customs and Excise Industry Work Group
Company / Institution / Department	South African Institute of Taxation

Rule	Comment	Recommendation
SAD500	<p>We set out below our comments with reference to the LAPD-LPrep- Draft-2022-38-Draft-SAD500, Customs-declaration-form:</p> <ul style="list-style-type: none"> The explanatory note to the aforementioned, stated the following <i>“This amendment is consequential to the amendment of section 44 providing for....</i> <p>It is unclear which previous section amendment is being referred to given that, we have not had sight of any amendment in this regard that took place during the previous year’s legislative cycle. We recommend that clarity be provided in this regard.</p> <ul style="list-style-type: none"> The form aims at introducing a Field “8C Carrier (ROG)” and an associated “TIN” in order to make provision for a manual form SAD 500 to have a 	<p>We set out below our suggested recommendations regarding the use of the SAD 502 and the 505:</p> <ul style="list-style-type: none"> The table inserted in the general comments field (below) is a snippet from the SC-TR-01-05 – Removal of Goods – External Policy, which provides a great synopsis of the specific use and instance of the SAD 502 and SAD 505 forms respectively as contained in the legislation. To provide some background on the individual form itself, we recommend that the SAD 502 should also be completed by the relevant Customs authority, i.e., from port of entry's arrival point up to the destination point. In the past, obtaining SARS stamps and endorsements has proven to be a challenging task and therefore the law (compliance) does not appear to be followed by the responsible administration. As a result, the SAD 502 is not typically proposed for use by licensed removers of goods in bond to transport containerised goods from container terminals before they



	<p>field representative for licensed removers' details and Customs code.</p> <p>It appears that this amendment is a duplication, additionally, this amendment may also complicate the current processes, on the basis that provisions have already been created on the SAD 502 and SAD 505 to insert ROG details.</p> <p>Both the SAD 502 and SAD 505 forms are legally legislated forms as well as compulsory for the movement of bonded goods.</p> <ul style="list-style-type: none"> • We are therefore of the view that it would be fitting to use the presently created provisions (as outlined above), as opposed to creating a separate provision - which may not only be a form change but may also be linked to, or require a system enhancement. We note that the current system capabilities already accept the respective fields provided for a ROG and the code. 	<p>are released, for purposes of examination as contemplated in section 4(8A);</p> <ul style="list-style-type: none"> • The link to the SAD 505 (as provided in the General Comment section below), is in our view better suited to achieve the desired controls, as well as to facilitate the movement under the necessary controls. <p>For example, the header details of the SAD 505 contain all the information required for the declaration, including space for the ROG, its Code and the guarantor.</p> <p>To the extent that the ROG has to be moved between the terminal and destination, it is not inconceivable to believe that some sort of guarantor may be required if not removed by the terminal operator.</p> <ul style="list-style-type: none"> • We agree with the content of Box 87 (of SAD 505), therefore we are agreeable for this content to remain as is as it relates to the ROG loading. • We recommend that Box 89 (of SAD 505) be amended to include the endorsement from the terminal operator, for example.
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	<p>Additionally, we note that the proposed Field 8C Carrier (ROG) will only allow for a single ROG to be listed, while past practice has shown that in many instances a subcontractor is used. It must be further noted that the SAD 502 and SAD 505 already made provision for subcontractors.</p>	<ul style="list-style-type: none">• Similarly, we recommend that Box 88 be amended to include reference, for endorsement at the destination of the containers. <p>In essence we are of the view that, by amending the SAD 505, SARS may have better control while maintaining a single and much more streamlined process, rather than to adopt a new field in the SAD 500 form.</p>
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General comments:

MOVEMENT PARTICULARS	SAD 502	SAD 505	DA 187
Imported and intended for direct removal in bond to a destination within South Africa		X	X
Imported and intended for direct removal in bond to a destination within the SACU	X		X
Imported and intended for direct removal in transit to a destination outside the SACU	X		X
Imported and removed from a place where landed in South Africa from a ship, aircraft or other vehicle to a Customs and Excise warehouse		X	X
Imported and removed from a Customs and Excise warehouse to another warehouse in South Africa		X	X
Removed from a Customs and Excise warehouse in South Africa to another warehouse within the SACU	X	X	X
Exported from a Customs and Excise warehouse in South Africa to a destination outside the SACU	X	X	X
If excisable, and removed from a Customs and Excise warehouse to another such warehouse within South Africa		X	X

- Link to the SAD 505

[SAD 505](#):- Customs Declaration Form (BOND or TRANSIT CONTROL)

General comments:



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