



World of Customs

SAIT Webinar
28 April 2022

YOUR KEY TO THE TAX COMMUNITY

Submissions made during the period:

- No submissions currently in the pipeline. Quiet period – SARS focussed on March year-end. Expect to pick up again May onwards.
- The SARS Commissioner Mr Edward Kieswetter will announce the preliminary revenue collection outcome for 2021/2022 on Friday 1 April 2022 at 14:00. Members can access the live event on [YouTube](#).

Changes on SARS's side:

- 19TH April 2022 - SARS published an updated document for Registration Licensing and Designation.
- 14th April 2022 – SARS published the process to deal with the licensed warehousing for marking of imported unmarked illuminating kerosene / specified aliphatic hydrocarbon solvents (AHS).
- 14TH April 2022 – SARS shared the World Bank Group Trade Facilitation and Gender Report.
- 14th April 2022 – SARS has alerted taxpayers to new eFiling scam.
- 13th April 2022 – SARS updated the Prohibited and Restricted Goods List.
- 11th April 2022 – SARS announced that all temporary registrations issued during the National State of Disaster would cease with immediate effect when the National State of Disaster ended on the 5th April 2022.

Changes on SARS's side (continued):

- 11th April 2022 – SARS updated the Customs Weekly List of Unentered goods.
- 7th April 2022 – SARS conducted a search and seizure operations in various sectors across KwaZulu-Natal, Western Cape and Gauteng.
- 6th April 2022 – SARS recorded the Customs Requirements for Travellers and Traders Webinar on SARS YouTube channel.
- 5TH April 2022– SARS updated the Customs Weekly List of Unentered Goods.
- 1st April 2022 – SARS announced the extension of the ePenalty deadline. SARS will extend the pilot by another month until 30th April 2022. The imposition of monetary penalties for non-submission of cargo reports will commence from 1st May 2022.
- 1st April 2022 –SARS announced the 2022 preliminary tax return collection outcomes covering the periods 1st April 2021 to 31st March 2022.
- 31st March 2022 – SARS published the Trade Statistics for February 2022.
- 28th March 2022 – SARS updated the Customs Weekly List of Unentered Goods List.
- 25th March 2022 – SARS published the Excise Guide for Small Business.

SARS Legislative changes:

SARS published the following tariff amendments

1 April 2022: Impositioning of provisional payments in relation to anti-dumping duties against the alleged dumping of non-articulated welded link chains, which are manufactured from round section of iron or steel wire, bars or rods of a diameter of 4 mm or more, but not exceeding 20 mm, originating in or imported from the People's Republic of China – ITAC Report 686; and

Amendment to rules under section 120 to insert Kosi Bay as a place of entry in the Schedule to the Customs and Excise Rules, 1995 (DAR231)

6 April 2022: Amendment to Part 5A of Schedule No. 1, by the substitution of Note 8 by the increase of 1c in the carbon fuel levy from 8c/li to 9c/li for petrol and from 9c/li to 10c/li for diesel, respectively, to give effect to the Budget proposals announced by the Minister of Finance on 23 February 2022. Additionally, Part 5A in Schedule No. 1 is amended through the reduction of R1.50 per litre of the general fuel levy for petrol from R3.85/l to R2.35/l and for diesel from R3.70/l to R2.20/l as announced by the Minister of Finance on 31 March 2022;

SARS Legislative changes (continued)

6 April 2022:

Amendment to Part 3D of Schedule No. 1, by an increase of R12 per g//km CO₂ on carbon dioxide emissions tax from R120 to R132, on new passenger vehicles with emissions exceeding 95g/km and by R16g/km CO₂ from R160 to R176, on new double cab vehicles with emissions exceeding 175g/km, to give effect to the Budget proposals announced by the Minister of Finance on 23 February 2022;

Amendment to Part 3 of Schedule No. 6, as a consequence to the reduction in the general fuel levy, as announced by the Minister of Finance on 31 March 2022. The diesel refund provisions are adjusted accordingly;

SARS Legislative changes (continued)

- 6 April 2022:** Amendment to Part 3A of Schedule No. 1, by an increase of 3c/bag in the rate of environmental levy on plastic bags from 25c/bag to 28c/bag, to give effect to the Budget proposals announced by the Minister of Finance on 23 February 2022; and
- Amendment to Part 3C of Schedule No. 1, by an increase of R5/lamp in the rate of environmental levy on light bulbs from R10/lamp to R15/lamp, to give effect to the Budget proposals announced by the Minister of Finance on 23 February 2022.
- 8 April 2022:** Amendment to the rules under sections 64E and 120 to clarify the validity period of accredited client statuses, to provide for information sharing and to clarify and legally regulate the position regarding accredited client statuses (granted under the repealed rules), that expired after the COVID-19 'lockdown' (DAR232).
- 14 April 2022:** Amendment to Part 3 of Schedule No. 6, as a consequence to the increase in the general fuel levy, as announced by the Minister of Finance on 31 March 2022, the diesel refund provisions are adjusted accordingly;

SARS Legislative changes (continued):

14 April 2022: Amendment to Part 3F of Schedule No. 1, by an increase of 7.5 per cent in the rate of environmental levy on carbon dioxide equivalent from R134 to R144 per tonne, to give effect to the Budget proposals announced by the Minister of Finance on 23 February 2022; and

Amendment to Part 5A of Schedule No. 1, by the increase of R1.50 per litre of the general fuel levy for petrol from R2.35/l to R3.85/l and for diesel from R2.20/l to R3.70/l, as announced by the Minister of Finance on 31 March 2022.

19 April 2022: Amendment to Part 1 of Schedule No. 2, in order to amend the anti-dumping duties imposed on the species, Gallus Domesticus, originating in or imported from the Netherlands, in order to include Pluimveeslachterij C van Miert BV, Pluimveeslachterij Mieki Hunsel BV and Frisia Foods BV on the list of companies exempted from paying the duties

Kwa-Zulu Natal Floods:

- National State of Disaster
- Backlog

Customs Value:

- General Agreement on Tariff and Trade (GATT)
 - The instruments of the agreement must receive due consideration, except where there is a manifest deviation or an irreconcilable conflict with provisions of Sections 65, 66 and 67.
- a) Section 65(1) stipulates that the value for Customs duty purposes of any imported goods shall, at the time of entry for home consumption, be the transaction value thereof, within the meaning of Section 66. **“66. Transaction value.—**(1) Subject to the provisions of this Act, the transaction value of any imported goods shall be the **price actually paid or payable** for the goods when sold for export to the Republic,”

Customs Value (continued):

- a) Section 67 stipulates that in ascertaining the transaction value of any imported goods in terms of Section 66(1), there shall be added to the price paid or payable for the goods –
 - a) To the extent that they are incurred by the buyer but not included in the price actually paid or payable:
 - a) Any commissions other than buying commission;
 - b) Brokerage;
 - c) Cost of packing, including that of the labor and materials;
 - d) Cost of containers which are dealt with as being for customs purposes on with the goods;
 - e) Inland transport, loading, unloading, etc.....

Customs Value (continued):

Section 40(1)(c) read with Section 41(4)(a) states that an entry shall not be valid unless the true value of the goods on which duty is leviable, or which is required to be declared under the provisions of the Act have been declared. This includes all particulars in respect of the transaction value or of any:

- i.** Commissions;
- ii.** Discounts;
- iii.** Costs;
- iv.** Charges;
- v.** Expense;
- vi.** Royalty;
- i.** Freight;
- ii.** Duty Tax;
- iii.** Drawback;
- iv.** Refund;
- v.** Rebate;
- vi.** Remission; or
- vii.** Other information, which relates to and has a bearing on the value

Customs Value (continued):

- a) The FOB contract has been retained by South Africa as the basis for valuation. Consequently, all costs, charges and expenses up to the point where the goods are loaded onto a ship or other vehicle, are dutiable.
- b) Sections 66(1) and 67(4), defines the port or place of export in the country of exportation for the purposes of Sections 66(7)(a)(ii); 66(8)(d); 67(1)(e) and 67(2)(a).
- c) Section 67(1)(e), provides for additions to the price charged for goods, to the extent that it is not already included in the price:
 - i) Transportation expenses; and
 - ii) Insurance, loading, unloading, handling and associated charges incidental to delivery of the goods to the port or place of export in the country of exportation and placing those goods on board a ship or any other vehicle at that port or place.

Customs Value (continued):

The Act defines six (6) methods of valuation which must be applied in sequential order, namely the:

- i. Transaction value method (Method 1), which is the primary method and must be applied whenever the conditions as prescribed are fulfilled, Section 66(1);
- ii. Identical goods value method (Method 2) - Section 66(4);
- iii. Similar goods value method (Method 3) - Section 66(5);
- iv. Deductive value method (Method 4) - Section 66(7);
- v. Computed value method (Method 5) - Section 66(8); and
- vi. Fall-Back value method (Method 6) - Section 66(9), which can only be applied if all the previous methods cannot be used.

Customs Value (continued):

INCOTERMS 2020:

Example: EXW – Factory, Wadeville – INCOTERMS 2020

There are 7 Rules for any mode of transport:

EXW – Ex Works

FCA – Free Carrier

CPT – Carriage Paid To

CIP – Carriage and Insurance Paid To

DAP – Delivered At Place

DPU – Delivered At Place Unloaded

DDP – Delivered Duty Paid

There are 4 Rules for Sea and Inland Waterways:

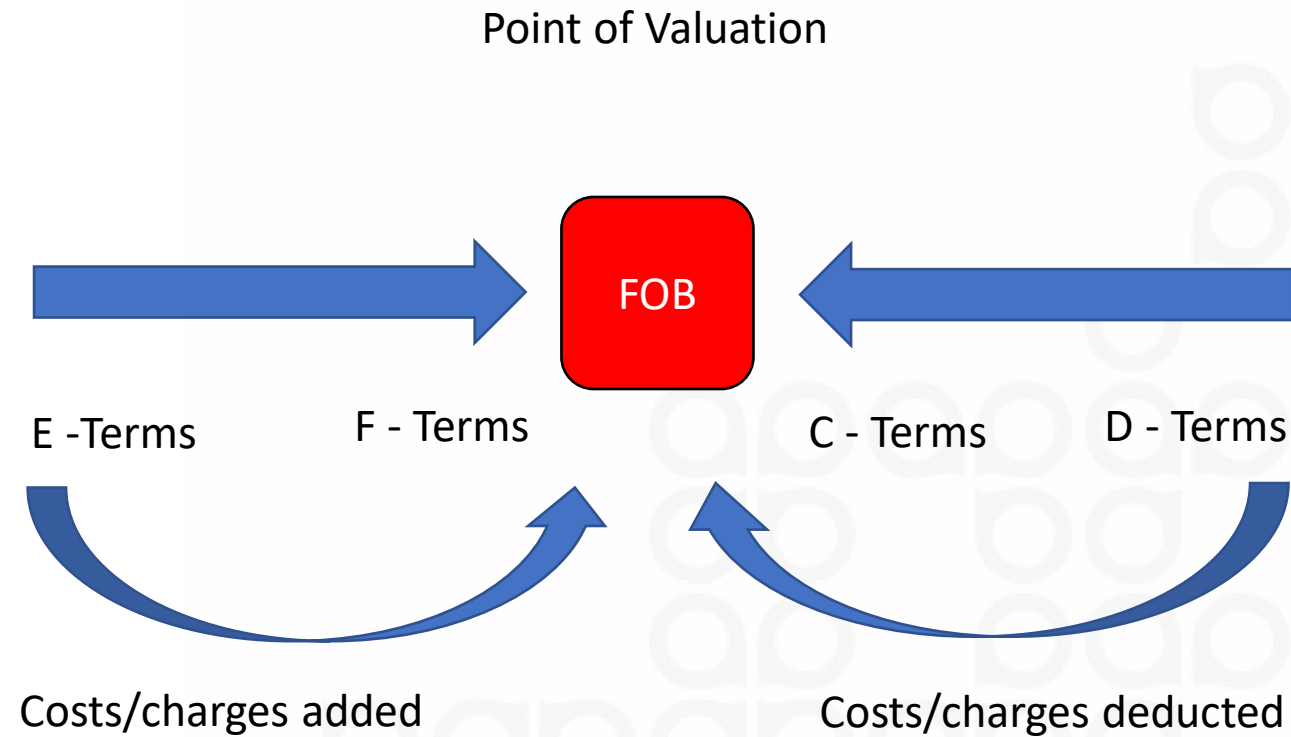
FAS – Free Alongside Ship

FOB – Free On Board

CFR - Cost and Freight

CIF – Cost Insurance and Freight

Customs Value (continued):



David Liebenberg biography

- Worked at SARS Customs for 6 years – 1990's.
- Has 32 years experience working in the Customs and Freight Forwarding Industry.
- Has worked in major Freight Forwarding Companies.
- Served as Director of Customs – SAAFF
- Is TETA registered Assessor.
- Guest lectures at the University of Potchefstroom.
- Established his consultancy business: D. Liebenberg Consultancy in 2014.



Thank you