



• SAFE Framework of Standards Circa June 2005 (WCO)

AEO



What is it and Why is it Important?



• An Authorised Economic Operator (AEO) is a company involved in the international movement of goods and approved by SARS Customs as complying with World Customs Organisation or equivalent compliance and supply chain security standards. AEOs may include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors and freight forwarders.



What are some of the NTB's that exist?

- Frontline Inspections
- Manual Process Flows
- Primitive (paper based)
 Documentary Validations
- Duplicative Systems
- Inefficient Border Crossings
- Poor Infrastructure (ACSA)
- Inadequate cross integration of IT systems
- Non-adherence to protocol (scanner booking appointments)



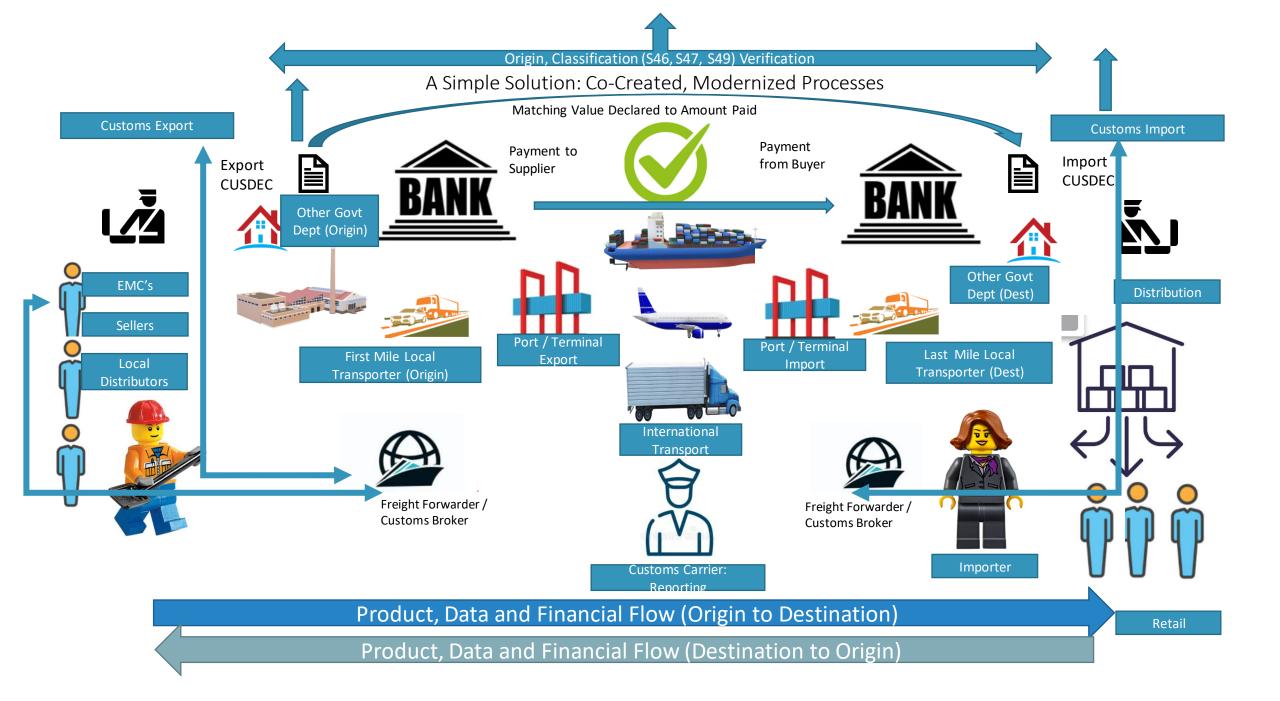
AEO Programme

- What is an AEO Programme?
- An AEO programme is built and based on Customs-Private partnership under the international principle (SAFE Framework of Standards); to secure and facilitate global trade, which was adopted unanimously at the Council Session of the World Customs Organization (WCO) in June 2005. The programme aims to enhance international supply chain security and facilitate movement of legitimate goods.

SARS AEO Programme

The South African Revenue Service (SARS), as a government department that controls and administers the international movement of goods, is in a unique position to provide increased security to the global supply chain, and to contribute to socio-economic development through revenue collection and trade facilitation. SARS introduced different levels of accreditation with benefits assigned to each accreditation level with the aim to provide specific benefits to Accredited clients trading in the regional market (SACU) as well as the international market. All accreditation levels must comply with SAFE.

- Level 1 Accreditation AEO Compliance
- The Authorised Economic Operator compliance programme also known as Level 1 Accreditation is a voluntary programme in which participating entities or traders cooperate with SARS customs in maintaining high quality measures in terms of internal operational processes and computer systems, appropriate records of compliance, sufficient financial resources as well as display sufficient customs knowledge to be held responsible for Customs matters.
- Level 2 Accreditation AEO Safety & Security
- The Authorised Economic Operator safety & security programme also known as Level 2 Accreditation is a voluntary supply chain security programme, focused on improving the security of entities' or traders' supply chain through a documented process for determining and alleviating risk throughout their international supply chain.







APPLICATION FOR ACCREDITED CLIENT STATUS UNDER SECTION 64E OF THE CUSTOMS AND EXCISE ACT, 1964

| 1. APPLICANT'S EXISTING CUSTOMS AND EXCISE CLIENT | NUMBERS |
|--|---------|
| Please state current customs and excise client number(s) (registration or licence) in respect of the *"customs activity or activities" to which this application relates, for which accredited client status is sought | |
| *"customs activity" has the meaning ascribed to in in rule 64E.01 | |
| Please also list all other registration and licence codes issued to the applicant, including codes in respect of activities relating to excise | |
| Please note that the facility codes for licensed storage warehouses and registered rebate stores must be indicated | |



SC-CF-37



SUFFICIENT KNOWLEDGE COMPETENCY ASSESSMENT FOR AEO

"customs activity" means an activity regulated by the Act and involving the import or export of goods, the handling, transit, conveyance, storage and processing of imported goods, or goods to be exported, which are subject to customs control;

Levels of accredited client status and persons who may apply for accreditation

- 64E.04 (1) For the purposes of section 64E(1)(a)(ii) the levels of accredited client status are –
- (a) Level 1, indicating that the accredited client status conferred on the registrant or licensee is that of "Authorised Economic Operator (Compliance)", in respect of which the benefits referred to in rule 64E.14 apply to the extent set out in that rule; and
- (b) Level 2, indicating that the accredited client status conferred on the registrant or licensee is that of "Authorised Economic Operator (Security)", in respect of which the benefits referred to in rule 64E.15 apply to the extent set out in that rule.

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- (2) An application referred to in subrule (1) must be supported by –
- (a) the following documents, available on the SARS website and completed in accordance with any instructions provided on the website in this regard:
 - (i) A Customs Accreditation Self-Evaluation Questionnaire;

Customs and Excise Rules (Act 91 of 1964) (Including amendments published up to 30 June 2023) 878

- (ii) a Systems Questionnaire; and
- (iii) an Accreditation Agreement;

Benefits for Level 1 accredited client status (AEO Compliance)

64E.14 The holder of Level 1 accredited client status is entitled to –

- (a) any one or more of the following benefits as may be determined by the Commissioner generally, for a particular category of clients, or in a particular case:
 - (i) The services of a Client Relationship Manager;
 - (ii) reduction of the amount of any security required in terms of the Act;
 - (iii) fewer documentary and physical inspections for compliance risks;
 - (iv) prioritising of requests for tariff and valuation determinations;
 - (v) prioritising of access to non-intrusive inspection techniques when goods are stopped or detained for inspection;
 - (vi) prioritising and expediting of inspections;
 - (vii) the inspection of goods at the client's premises on appointment, irrespective of the type of goods, and the exemption from payment of a fee for such inspections; and

- (viii) authorisation to make use, in accordance with an agreement entered into with SARS, of a unique SARS logo identifying the holder recognised by SARS as a person with Authorised Economic Operator status; and
- (b) recognition by other customs authorities of the Level 1 accredited client status issued to the holder
 - to the extent provided for in mutual recognition arrangements between SARS and such customs authorities, published on the SARS website; and
 - (ii) provided that consent has been given by the holder on application form DA 186 for the sharing of such information as may be necessary to assure effective and continued mutual recognition; and
- (c) co-ordination of interventions undertaken or required to mitigate compliance risks in respect of such holder's goods by officers and officials from other government agencies
 - (aa) to the extent provided for in memoranda of understanding between SARS and such agencies; and
 - (bb) provided that consent has been given by the holder on application form DA 186 for the sharing of such information as may be necessary for the facilitation of the co-ordinated intervention.

Benefits for Level 2 accredited client status (AEO Security)

64E.15 The holder of Level 2 accredited client status is entitled –

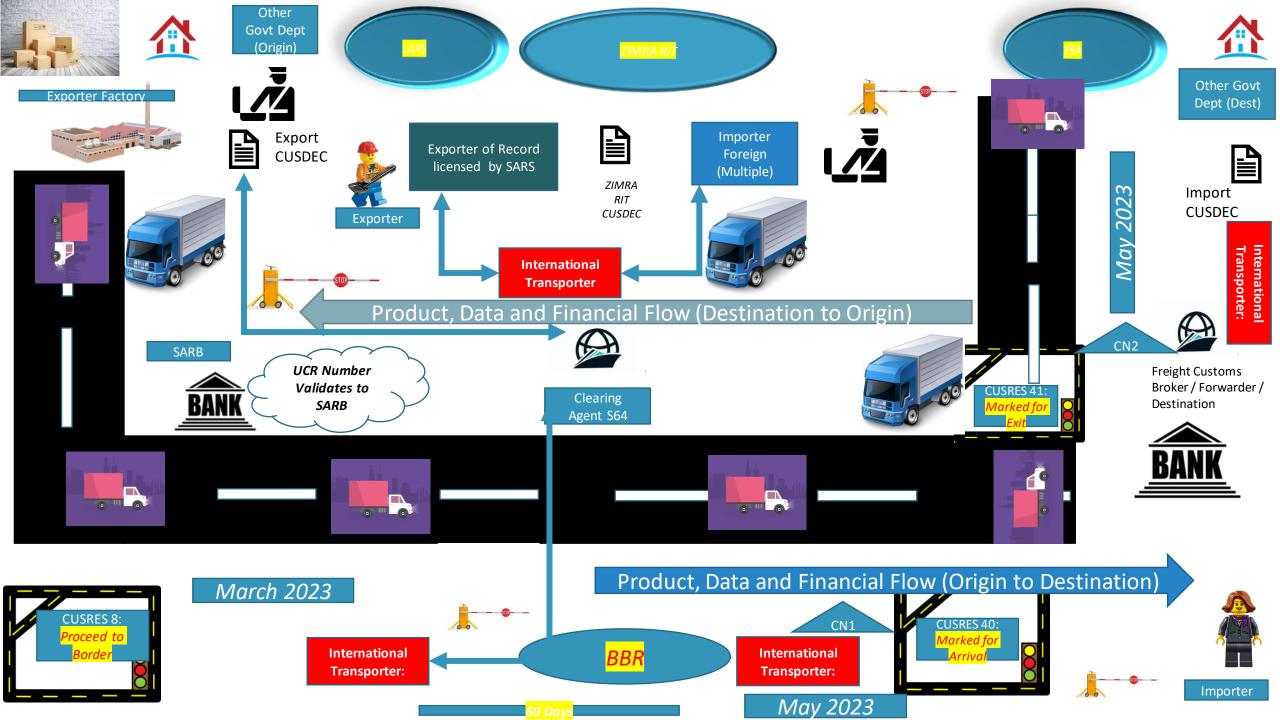
- (a) in addition to the benefits referred to in rule 64E.14(a), to any one or more of the following further benefits as may be determined by the Commissioner generally, for a particular category of clients, or in a particular case:
 - (i) Exemption, on conditions determined by the Commissioner, from customs supervision following application by such holder for special or extra attendance in relation to:
 - (aa) The examination of goods entered on a sight bill of entry;
 - (bb) the unpacking and repacking of goods for export;
 - (cc) the export of goods temporarily imported;
 - (dd) the examination of goods without prejudice; and
 - (ee) the destruction of goods;
 - (ii) prioritising of applications for special or extra attendance services where such holder is not exempted from supervision as contemplated in subparagraph (i);
 - (iii) no charges being imposed for special or extra attendance in respect of applications referred to in paragraph (ii) if the attendance is provided during hours of attendance contemplated in rule 120.01;

- (iv) expedited processing of refund and drawback applications;
- (v) provision of targeted training sessions;
- (vi) provision of trade statistics on a quarterly basis;
- (vii) extension of validity of the relevant license issued to such holder in terms of section 60;
- (viii) reduced cyclical compliance audits for licensees, which will not affect risk based audits or mandatory audits for purposes of maintaining the accredited client status;
- (ix) fewer documentary and physical inspections for compliance and supply chain security risks;
- (x) exemption from security payments; and
- (xi) co-ordination of interventions undertaken or required to mitigate compliance and security risks in respect of such holder's goods by officers and officials from other government agencies –
 - (aa) to the extent provided for in memoranda of understanding between SARS and such agencies; and
 - (bb) provided that consent has been given by the holder on application form
 DA 186 for the sharing of such information as may be necessary for
 the facilitation of the co-ordinated intervention; and

- (bb) provided that consent has been given by the holder on application form DA 186 for the sharing of such information as may be necessary for the facilitation of the co-ordinated intervention; and
- (b) recognition by other customs authorities of the Level 2 accredited client status issued to the holder
 - to the extent provided for in mutual recognition arrangements between SARS and such customs authorities, published on the SARS website; and
 - (ii) provided that consent has been given by the holder on application form DA 186 for the sharing of such information as may be necessary to assure effective and continued mutual recognition.

Validity of accredited client status

- 64E.09 (1) Accredited client status –
- (a) takes effect on the date specified in the status; and
- (b) remains valid for a period of five years.
 - (2) An accredited client status lapses before its expiry in terms of subrule (1)(b) if
- (a) the status is cancelled by the Commissioner as contemplated in section 64E(3);
- (b) the status holder's registration or licence is suspended or cancelled in accordance with section 60(2); or
- (c) the status holder no longer intends to retain the status, and notifies the Commissioner of such intention.



Partners in the International/Regional supply chain: Other Government Agencies

South African Revenue Services (SARS)





Airports Company South Africa (ACSA)

Department of Trade, Industry & Competition (DTIC)



SAPS Border Police (SAPS)

Department of Transport (DOT)





Transnet Port Terminals (TPT)

Department of Agriculture, Land Reform & Rural Development (DALRRD)



health Health REPUBLIC OF SOUTH AFRICA **Cross Border Road Transport Agency** (C-BRTA)

National Department of Health (NDoH)



Border Management Authority (BMA)

CROSS-BORDER

International Trade Administration Commission (ITAC)



National Regulator for Compulsory Specifications (NRCS)

Alignment with reciprocal agencies to enhance the future vision of SAAFF

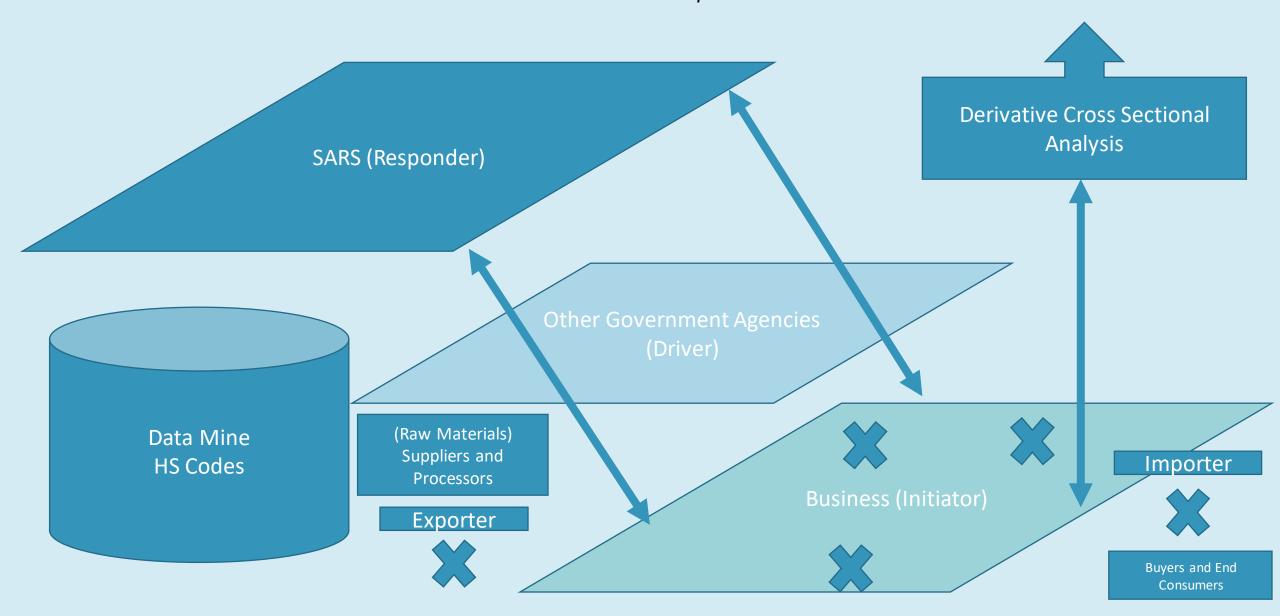
Mc Kinsey defines Supply Chain 4.0 as the *application* of the Internet of Things, the use of advanced robotics, and the application of *advanced analytics of big data in supply chain management*: place sensors in everything, create networks everywhere, automate anything, and *analyse everything* to significantly improve performance and customer satisfaction.

SA Inc has the *most industrialized economy* on the African continent; however, it is still a *developing* economy. The *growth* of our *developing* economy is dependent on the *efficient facilitation* of legitimate trade and the key catalysts to enable this are *digitalization* and *digitization*, two distinct concepts.

| | Digitization | Digitalization |
|------------|---|---|
| Definition | Converting data, documents and processes from analog to digital. | Transforming business processes by leveraging digital technologies, ultimately resulting in opportunities for efficiencies and increased revenue. |
| Examples | Scanning a photograph to create a digital file. Converting a paper report to a digital file, such as a PDF. Inputting an existing paper checklist into a digital checklist app, such as Apple Reminders. Recording a presentation or phone call, turning physical sound into a digital file. | Analyzing data collected by internet-connected devices to find new revenue streams. John Deere¹ does this, using data it collects to advise farmers, helping them maximize crop yield. Using digital technology to transform your reporting processes, collecting and analyzing data in real time and using insights to mitigate risk and promote efficiency on future projects. TruQC provides this service to its clients. |

Source: Digitization vs. Digitalization: Differences, definitions and examples - TruQC (truqcapp.com)

Art of Transforming the SARS and Other Government Agency Processes Presenters Own Compilation



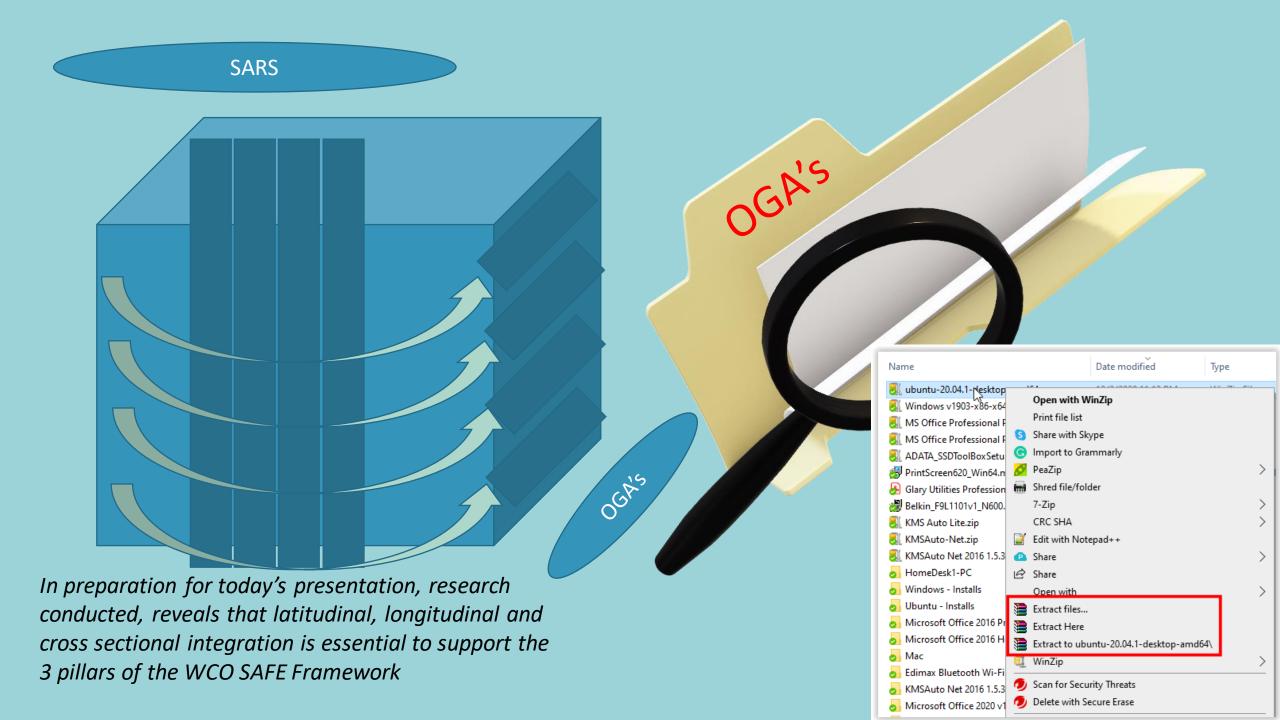
Achieving the Desired Result Click Here Digitization Digitalization Lets have a Look





Enhancing the Interfront System

The world changes daily and Customs agencies are defined by those changes, be it shifting trade and travel trends, to complex socioeconomic and political realities in our interconnected world

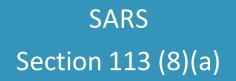




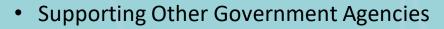
COE







COI



• Dovetailing on the legislative contradictions /



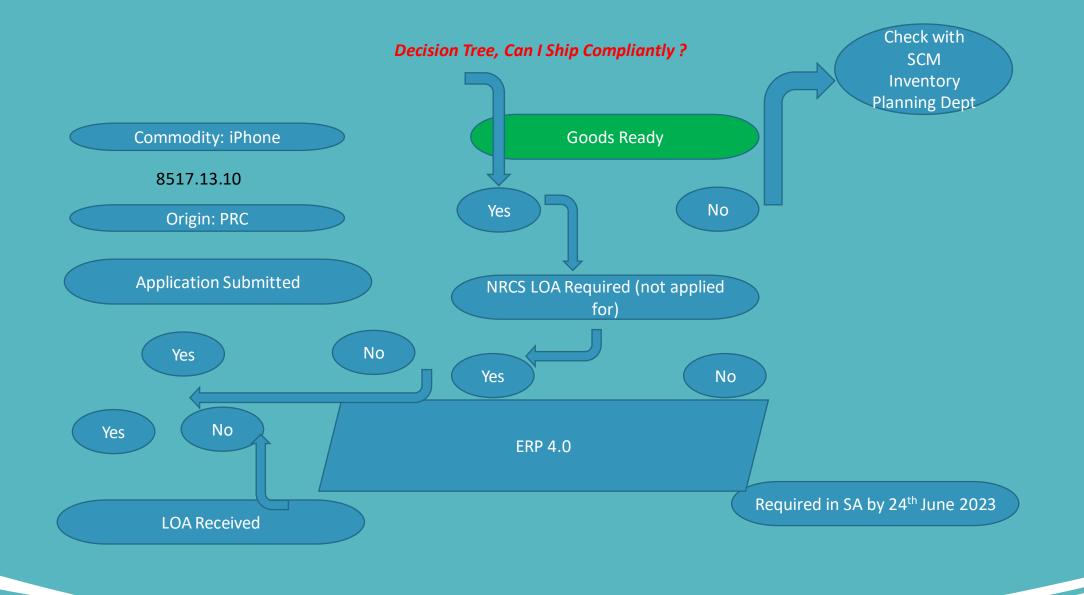


The product you have entered based on the image uploaded is classifiable under HS Code 3303.90.90 — mapped to SARS external policy provisions as per SC-CR-A-09. The rules detailed in General Note A have been applied. In terms of Section 45(1)(a) read with Section 47(1) of the Customs and Excise Act 91 of 1964, hereinafter referred to as Customs Legislative Compliance, the following duties and taxes are applicable.

| Sch1P1 | General | EU | EFTA | SADC | MERCOSUR | AfCFTA | Sch1P2B Item | ROD | Customs VAT |
|---------------|---------|------------------------------|------|------|----------|--------|--|-----|---|
| 3303.90.90(7) | 20% | Free | Free | Free | 18% | 20% | 118.15.01 | 9% | ATV X 15% S 13 2(a) of the VAT Act 89 of 1991 |
| AI Program | Box 47 | SC-RO-02 Not Compliant | | | | | TV + 15% of TV + All Non Rebated Items | | CV + 10% of CV + All Non Rebated Items |

The following OGA requirements are applicable

| Heading / Sub Heading / CD | Article Description | Prohibited or Restricted | Authority | Action Required | Documentary Requirements |
|---|--------------------------------|---|--|------------------------|-----------------------------|
| 3303.90.90 (7) Resulting (Systems Output) | Other Perfume Toilet Waters | Restricted, Foodstuffs, Cosmetic's and Disinfectants Act | Restricted, Foodstuffs, Cosmetic's and Disinfectants Act 54/1972 | Porth Health Office | Endorse Permit |
| Underpinning Logic (Human Input) | EDP, EDT, Aftershave | | | | |
| | | | | | |



Exporter

Date of
Shipment

Freight Forwarder (Origin)

Clearing Agent

Freight Forwarder

Destination



Importer

ETA Arrival

International Benchmarking

(i) File | C:/Users/User/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/Z4893MBH/Singapore%20Customs%20(SC)%20_%20TradeNet.html





A Singapore Government Agency Website TradeNet Logo

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HS/CA Product Code

Search Results

You can click on the HS Description or CA indicated (under Import, Export or Transhipment) to see more information about the item.

Show 10 ∨ entries

Filter (Press Enter to filter. Min 3 chars.): perfume

| S/No. | HS Code | HS Description / HS Quantity Unit | Import | Export | Transhipment | CA Product Code | CA Product Description | CA Product Quantity Unit | Customs Duty |
|-------|----------|--|------------|--------|--------------|-----------------|---|-----------------------------|--------------|
| 21 | 05105010 | ELECTRIC SOUND AMPLIFIER | | | | | | | |
| 21 | 85185010 | <u>SETS WITH POWER RATING OF - 240W OR MORE (NMB)</u> | | | - | | | | - |
| | | OTHER ELECTRIC SOUND | | | | | | | |
| | | AMPLIFIER SETS WITH LOUDSPEAKERS SUITABLE | | | | | | | |
| 22 | 85185020 | FOR BROADCASTING & | | | - | | | | - |
| | | HAVING A VOLTAGE RATING OF 50V OR MORE BUT NOT | | | | | | | |
| | | OVER 100V (NMB) | | | | | | | |
| 23 | 85185090 | OTHER ELECTRIC SOUND AMPLIFIER SETS (NMB) | | | - | | | | - |
| | | AWFLIFIER SETS (NMB) | | | | | USED PARTS INCLUDING | | |
| | | PARTS OF SUBHEADING | | | | | PRINTED CIRCUIT ASSEMBLIES | | |
| 24 | 85189010 | 85181011 85182920 85183040 OR 85184020 INCL PRINTED | <u>ATV</u> | MTV | MTV | PCTWCB032 | OF SUBHEADING 85181011, 85182920, 85183040 OR 85184020 | NMB | - |
| | | CIRCUIT ASSEMBLIES (KGM) | | | | | FOR REPAIR AND/OR | | |
| | | | | | | | REFURBISHMENT | | |

