

Welcome to SAIT Session 9 Webinar



World of Customs
27 October 2022

YOUR KEY TO THE TAX COMMUNITY

YOUR HOSTS TODAY



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Sharon Maguire has been in the Global Trade, Shipping & Consulting industry for over 30 years. Sharon moved from Exports, Warehousing, etc. for large corporates, into the Shipping Lines, she was with ZIM Integrated Logistics and CMA CGM and later Goldstar, handling both sales and operations. She moved into the LCL/Groupage Seafreight market with Thrutainers, and further progressed to African destinations handling exports out of Kenya and Dar es Salaam. Sharon has now joined us at AyenTrade in her portfolio as Senior Manager.

CONTENT

1. Administrative Updates
2. Legislative Updates
3. Legislative Interpretation
4. Changes in Operating Times Of Practice Management, Ports, Branches, and Offices
5. Topic – [Tax Practitioner Competencies for Global Shipping & Costing impacts]

Administrative Updates

SAIT Customs and Excise Technical Work Group

A comprehensive list of scheduled Customs and Excise Technical Work Group (WG) meetings can be accessed [here](#), and the list of Work Group members can be accessed [here](#).

- The next WG meeting will be held on Thursday 27th October 2022 from 14h30 to 15h30.

SARS Information

- **17 October 2022:** SARS updated the Prohibited and Restricted Imports and Exports list.
- **14 October 2022:** SARS updated the Customs Weekly List of Unentered Goods.

Legislative Updates

Tariff Amendments

Publication Date	Summary	Effective Date
Customs & Excise Act, 1964 <ul style="list-style-type: none">· Part 1 of Schedule No. 1 – Note 5 in Chapter 22 Comments to be recorded on the Customs & Excise Tariff Amendments Comment Sheet		1 st November 22
Explanatory Note		

The description of Additional Note 5(c)(i) is being amended to provide for the usage of grape juice in the manufacture of ciders as prescribed in the Regulations to the Liquor Products Act 60 of 1989.

Comments can be submitted to – technicaltariff@sars.gov.za

Due date for comment: 1 November 2022

Legislative Updates

Tariff Amendments

Publication Date	Summary	Effective Date
Customs & Excise Act, 1964		

The tariff amendment notices as published in *Government Gazettes* 47262 and 47254 on 7 October 2022, relate to the amendments to –

- [General Notes in Schedule No. 1 \(R.2605\)](#)

– by the deletion of the references in Note O.1 pertaining to “Arab Republic of Egypt” and “Democratic Republic of Sao Tome and Principe”, the date of implementation and phasedown period applicable to these two countries (**with retrospective effect from 1 January 2021**); and

- [Part 1 of Schedule No. 2 \(R.2575\)](#)

– by the substitution of anti-dumping item 215.02/7324.10/03.06, in order to give effect to the name-change of the manufacturer/exporter excluded from the payment of anti-dumping duties on stainless steel sinks originating in or imported from the People’s Republic of China – ITAC Minute 06/2022 (**with retrospective effect from 3 December 2021**).

South-African-Breweries-Pty-Ltd-v-CSARS-and-Another

13-September-2022

Customs and excise – Principal-agent relationship: South African Breweries (Pty) Ltd ('SAB') imported Corona light beer from Mexico from August 2018 to November 2019, utilising the services of Ocean Light Shipping CC as clearing agent. The goods were cleared in 139 import transactions. SAB later discovered that the goods were fraudulently cleared by Ocean Light as traditional African beer – a product attracting less import duties and as a result of which, import duties and VAT amounting to R139m was not paid over to SARS.

SARS had, through third party appointments and VAT refunds due to SAB, already recovered amounts from SAB and issued letters of demand to SAB for a sum R130 590 852.89. SAB contended, inter alia, that Ocean Light was the agent of SARS, that Ocean Light was the importer in terms of section 1(f) of the Customs & Excise Act, and that SARS should hold Ocean Light liable for taxes because SAB had paid all amounts due to SARS, to Ocean Light. Its internal administrative appeal was dismissed and SAB applied for the review and setting aside as against it, of each decision of SARS to reverse the original decisions to accept the declared duties, charges and VAT and clear the consignments of imported beer.

It also sought to review and set aside SARS's decision dismissing the internal administrative appeal.

SARS List of Penalties and Contraventions ?

Capacity to Conduct Appeals ?

Update on the SARS RLA on-boarding roadshows

SARS is conducting roadshows in the regions to assist traders to onboard onto the electronic Registration, Licensing and Accreditation (RLA) eFiling system. Onboarding to the RLA system will lessen manual processing that would, at times, cause delays.

The regional roadshows will provide traders the opportunity to have physical interactions with SARS' Registration, Licensing and Accreditation officers, who will support traders to activate their eFiling profiles and navigate the RLA eFiling system by submitting applications themselves.

Traders in KwaZulu-Natal are now invited to visit the SARS Durban offices :

Any Day from 17th to 28th October 22 – 9 to 10am, 11 to 12pm, and 1 to 2 pm.

PC Room 1, 201 Pixley Keseme Street, Trescon Building 2nd Floor (No Parking at Trescon please use arcade at Liberty Building, opposite to SARS Building).

Look out for RLA Road Shows in your Area.

Legislative Interpretation

SARS publications and court decision

Date of delivery	Case Reference	Summary

For a summary of the progress during the current legislative cycle, refer to the summary contained in the week of 22 – 28 September 2022.

Legislative instruments published

SARS publications and court decisions

No SARS publications or court decisions were published for the period 13 – 19 October 2022.

Changes in Operating Times

Port / Branch / Office

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14 October 2022:

Temporary solution for over carried cargo - In light of the Transnet strike and the increasing movement of over carried cargo, all shipping lines and traders need to be aware of the temporary solution for over carried cargo.

The temporary solution is mandated under the provisions of section 40(3)(a)(i)(C) to the respective Branch Office, where once processed, a manual release will be provided to the declarant and allow for the movement and manual processing of the Vouchers of Correction when ships over carry cargo.

40. Validity of entries

Global & Regional Developments

- A) **High-level Forum: Accelerating Digitalization in Customs to boost Intra-African Trade Programme**
Theme: “Leveraging on ICT to boost Intra-African trade.”
Kigali, Rwanda
Thursday, 3rd & Friday 4th November 2022
- B) The SAIT Customs Summit intended for 3rd November has been postponed to early 2023.
- C) WCO E Learning Module Introduction Available in next CPD Point Event.
- D) **Africa Trade and Customs Week Summit 7th to 9th November - SAIT members may receive a 20% discount** The 20% discount would be for the first 10 new tickets from SAIT members, then unfortunately it would be the normal standard delegate price of R 9,372 after.

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Tax Practice: *On the Move* - World of Customs

Members can access the eighth session (8 of 10) of the [World of Customs webinar](#) that took place on 29 September 2022. The webinar was hosted by Mark Goodger (GMLS) and Kayn Woolmer (Anthony Norman). Kayn provided excellent guidance for Tax Practitioners and well worth seeking the recording.

• **7 October 2022:** Customs RLA – SARS published a reminder for users of the supporting documents that, are required when applying for a Customs client type. In the [SC-CF-19 Registration, Licensing and Designation Policy](#) is an Annexure document called SC-CF-19-A01 Documentary Requirements – External Annex. Open the policy in Adobe Acrobat Reader and click on the Annex opening in the left panel.



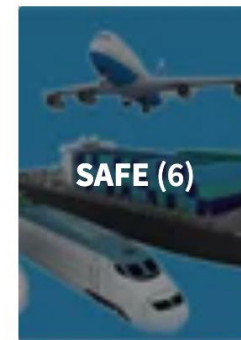
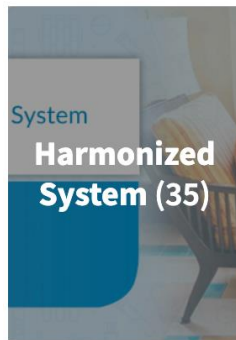
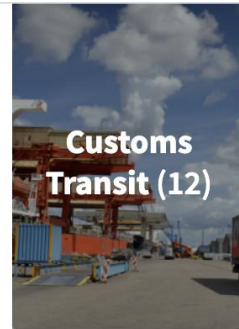
WCO Academy

The point of
access to the
WCO expertise

Welcome to the WCO Academy,

The World Customs Organization's e-learning portal **for the private sector and academia.**
Interested in widening your Customs knowledge? Access today a wealth of ever-expanding training opportunities.

PRODUCTS BY TOPICS



SALE!



Authorised Economic Operator (AEO) Validation

€120,00 €50,00

Description

AEO stands for **Authorized Economic Operator**.

In this course, you will learn about the concept of AEO.

A major goal of this course is to foster understanding between Customs and Economic Operators given that AEO benefits all parties involved.

This course will take approximately **3 hours** to complete.

This course was developed with the financial support of HM Revenue & Customs (HMRC).

Modules included:

- Part I: Global Supply Chains and AEO Concept
- Part II: AEO Application
- Part III: SAQ review and preparation of validation
- Part IV: on-site Validation
- Part V: Report and decision
- Part VI: Post-validation
- Authorised Economic Operator (AEO) Validation – Course Certificate

Important

In application of Article 13.1 of the EU Council Directive 2006/112/CE on the common system of the value added tax, all orders for goods and services provided by the WCO are invoiced exclusive of VAT since the WCO is regarded as non-taxable person in respect to the activities or transactions in which it engages as public authority within its scope of activity defined in the Convention of 15 December 1950 establishing a Customs Co-operation Council, even where it collects dues, fees, contributions or payments in connection with those activities or transactions.

Quantity discounts

1-4	5-10	11+
€50,00	€22,50	€17,50

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EXAMPLE OF
COURSE



Important

In application of Article 13.1 of the EU Council Directive 2006/112/CE on the common system of the value added tax, all orders for goods and services provided by the WCO are invoiced exclusive of VAT since the WCO is regarded as non-taxable person in respect to the activities or transactions in which it engages as public authority within its scope of activity defined in the Convention of 15 December 1950 establishing a Customs Co-operation Council, even where it collects dues, fees, contributions or payments in connection with those activities or transactions.

WCO Academy Subscription (1 Year Subscription)

€350,00 for 1 year with a 3-day free trial

Description

This subscription gives you access to all the WCO Academy standalone modules on each topic. You can benefit from a 3-day free trial before the subscription starts. This subscription does not contain the certificates of the courses. These can be purchased separately.

Quantity discounts

1-4	5-10	11-50	51+
€350,00	€300,00	€250,00	€200,00

SHIPPING AND PITFALLS OF GETTING GOODS INTO SOUTH AFRICA

AyenTrade Agencies

AyenTrade Agencies was established to compliment our Tax and Trade Advisory business, Anthony Norman & Associates on an operational basis as some of our clients required outsourced administrative and operational support with regard to the importation of their goods.

We are registered with South African Customs as an importer, exporter and registered agent, and also hold licenses as a remover of goods in bond, and a clearing agent. We are currently opening our warehouse for bonded and non-bonded goods.

We provide operational support in respect of the importation and exportation of goods into, and out of South Africa.

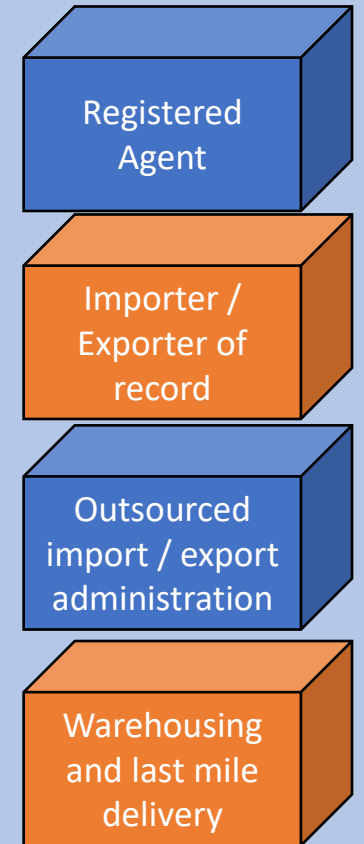
Jointly our consultants have freight and customs advisory experience of over 105 years, and we leverage this experience in dealing with imports, exports and customs advisory services. As such, we have assisted many corporate and multi-national organisations to navigate their international trade processes and compliance with multi-jurisdictional requirements.

We have assisted clients to import sports equipment, motor vehicles, foodstuffs, mining machinery, manufacturing machines, project cargo (such as wind turbines and solar equipment), electrical equipment, clothing, human blood serum.

We also manage the import and export departments on behalf of customers. We currently manage a portfolio with an annual customs value in excess of R800m.

OUR MAIN DIFFERENTIATOR OVER MANY ADVISORY FIRMS IS THAT ON A DAILY BASIS WE ACTUALLY DO WHAT WE ADVISE OUR CLIENTS TO DO AND IMPLEMENT OUR ADVICE

Advisory Services



SHIPMENTS INTO SOUTH AFRICA



- Aspiring entrepreneurs from South Africa attend trade shows in various countries overseas and get excited as the prospect of selling these goods in South Africa.
- Often, they do not adequately investigate the requirements are for importing goods into South Africa and do not understand the landscape of the shipping industry. They typically ask the shipper if they can send the goods to South Africa and deliver to them.
- Shippers will typically advise that it is not a problem they will send the goods to South Africa.
- When the cargo arrives in South Africa the shipping line will send out the Arrival Notification ("ANF") to the entrepreneur who is keen to have the goods delivered. Often, the receiver is then very surprised when they are told that customs clearance is required and that there are additional charges to be paid.
- Please understand this happens more than you realize, you only need to see the volumes of cargo held at the States Warehouse. The States Warehouse cannot accept anymore unpacked containers as they do not have the space, they cannot accept full containers either, so the containers are being stored at other depots. The States Warehouse cannot have enough auctions for the amount of cargo that they have and a lot of the cargo is destroyed.

What actually happens when we import goods?

- The prospective buyer identifies the goods which he intends to acquire as well as the supplier for those goods...
- They enter into negotiations in terms of the proposed transaction
- Negotiations include issues such as...
 - Quality and quantity;
 - Need to assure that the quality of the products meet the buyer's expectations and are within statutory limitations; and
 - The correct quantity is available, bearing in mind the shipping considerations.
 - Timing;
 - When the goods are required; and
 - When the goods will be available
 - Shipping
 - Who arranges and pays for shipping of the goods
 - Charges
 - Who is responsible for paying charges
 - Who is responsible for customs clearance

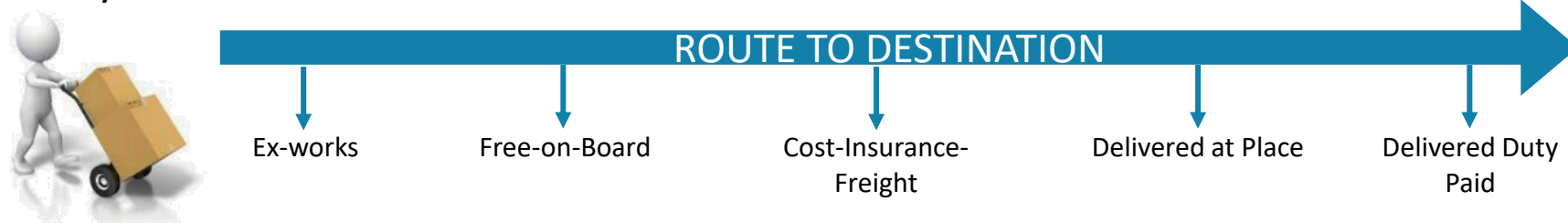


International Commercial Terms

Some international supply chains can become extremely complex. These complexities often result in misunderstandings, disputes and litigation. Typically these disputes arise as a consequence of insufficient definition of the roles and responsibilities in an international trade transaction, as well as insufficient definition of which party carries the risk of the goods during the international transportation thereof.

During 1936, the ICC published a more comprehensive set of international rules for the interpretation of trade terms. These rules were called Incoterms (**I**nternational **C**ommercial **T**erms). Since then, there have been various periodic revisions thereto, namely Incoterms 1953, Incoterms 1967, Incoterms 1976, Incoterms 1980, Incoterms 1990 and Incoterms 2000. The latest and current version was released in January 2011 and is referred to as Incoterms 2010 in keeping with the update thereof every 10 years.

Incoterms rules are accepted by governments, legal authorities and practitioners worldwide for the interpretation of most commonly used terms in international trade. They are intended to reduce or altogether remove uncertainties arising from different interpretation of the rules in different countries. Therefore, Incoterms are intended primarily to clearly define the tasks, costs and risks associated with the transportation and delivery of goods between sellers and buyers.



GROUPAGE SHIPMENTS

The impact of buying CIF for Groupage is

Rebates

“Rebates” are essentially “*kick-backs*” offered by groupage agent at the Port of Load (“POL”) to the exporter (shipper) in order to secure the cargo with a particular Operator.

The problem for the buyer is that these rebates are **then** collected in South Africa from the buyer, typically in the form of “CAF”, Degroupage fees etc... So the consignee often ends up effectively paying double the freight cost, the excess being repaid to the shipper as this “rebate”.

Higher Landside Charges

The landside charges in South Africa on a CIF term are often more than double to what they are on a FOB consignment.

Unfortunately there is nothing you can do about this once the shipment arrives as if you don't pay, you don't get release and then storage charges start to be incurred and again if you don't pay you do not get release. Unfortunately the consignee is usually held over a barrel with a gun to their head.

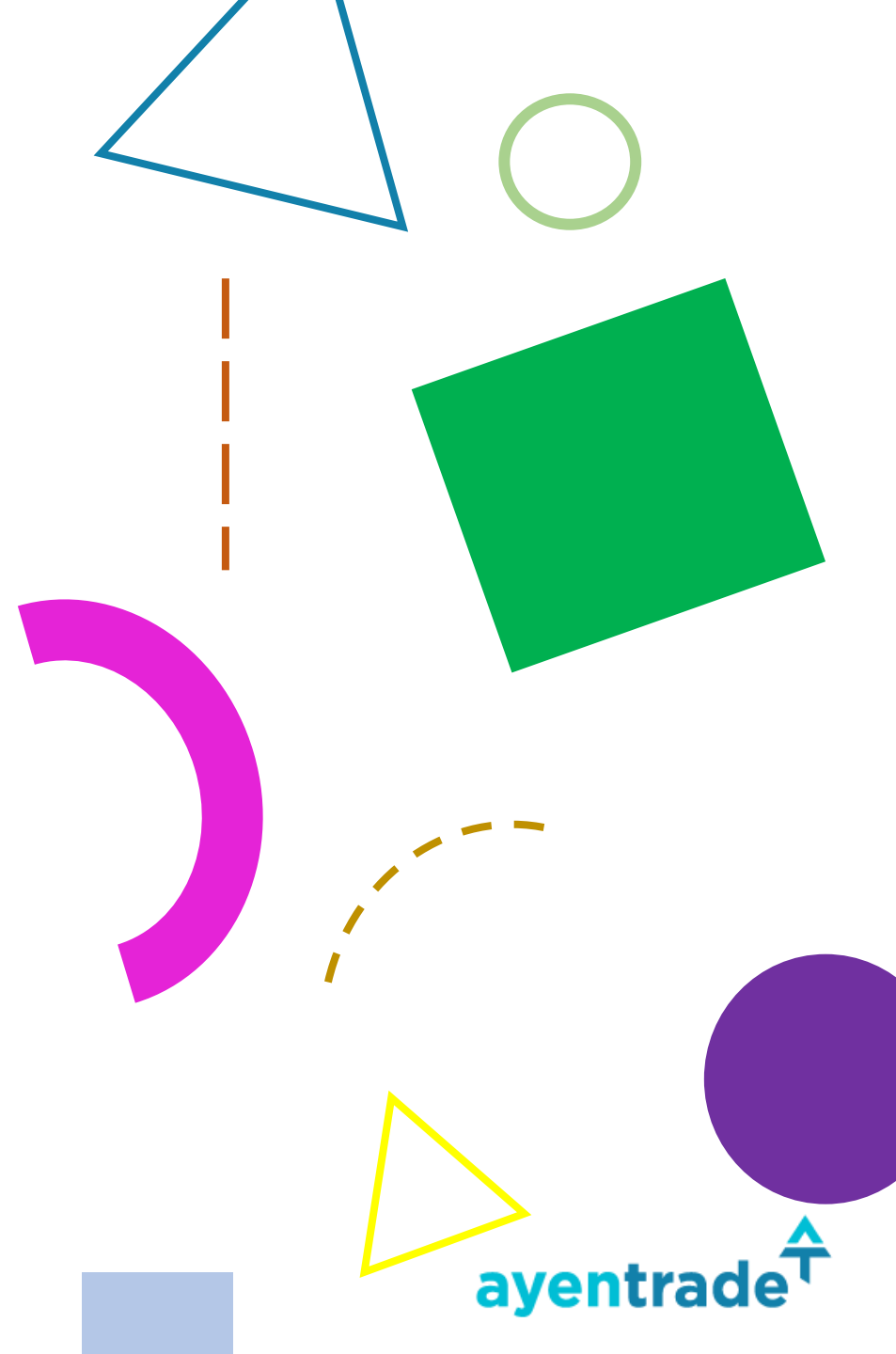


Request to the shipper to change the shipment to a FOB term, if the shipper is not prepared to amend to FOB, then ask them to ship DDU or DDP.


Insist that all charges must be confirmed up front and no additional charges will be accepted by the consignee, any additional charges will have to be reverted to shipper.

FCL SHIPMENTS CIF VERSUS FOB

- Unfortunately the POL very often get much better rates than what the shipping line can offer in South Africa.
- If you have a good agent at POL it is worth checking what rates they are able to get and negotiating with them up front.
- Sometimes for the big corporate agents you will find that they have a central – Global control on freight rates that will be negotiated with the relevant Head Offices of each shipping line.



CONSIGNING A FCL INTO JOHANNESBURG



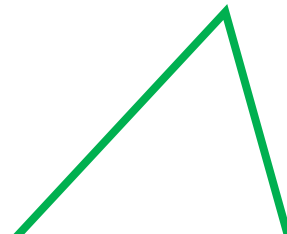
Importers in Johannesburg often think that consigning the shipment to Johannesburg is more convenient and quicker.

HOWEVER

- Container will automatically be railed to Johannesburg, while cheaper it is inconsistent and fraught with delays
- You will be required to pay a Container Turn-in Fee to the shipping line for the empty to be returned in Johannesburg. This is to cover the empty movement of the container back to Durban,

Redirect your container to Johannesburg by road and you then arrange with the haulier to do a return load. This works out cheaper for the consignee because the haulier rates are typically significantly cheaper than the shipping lines.

Although it may sound counter intuitive, sometimes you will save on shipping by taking a FCL container over a large LCL Groupage consignment. This is due to the additional costs (terminal handling charge “THC”, unpack charges and storage costs).



BILLS OF LADING EXPORT OR IMPORT

- If there is a letter of credit (“LC”) involved there is very often a **latest shipment date** on the LC.
 - If this is the case and the vessel is delayed, the shipper might request a “Received for Shipment” Bill of Lading. This means that the container is in stack but it does not mean that the container is loaded and that container can still be short shipped. The Captain of the vessel has final say on what is loaded, especially if the vessel is delayed.
 - If the container has been loaded, this can be checked on Navis, you can then request a Bill of Lading – “Shipped on Board”. The Lines might fight you if the vessel has not sailed, but once the container has been loaded on board, then the cost of unloading is not worth while for the shipping line.
 - At no stage will a shipping line issue a “**Clean** Shipped on Board” Bill of Lading, as they do not watch the container being packed so they cannot vouch for the cargo in the container.
- If your client is negotiating an LC, please be sure to advise them of the above detail, as the line will not accept a charge for the amendment to an LC.

REMEMBER THAT A SIGNED ORIGINAL BILL OF LADING GIVES THE HOLDER OWNERSHIP OF THOSE GOODS (KEEP IT SECURE)

CPD Questions

1.)What is an Incoterm?

- a) Internal Costing Terminology
- b) Hazardous Goods Classification
- c) International Commercial Term

2.)What does CIF mean?

- a) Carriage, Insurance and Freight
- b) Cost, Insurance and Freight
- c) Customs Inclusive Freight

3.)What does FOB mean?

- a) Freight on Base
- b) Free-On-Board
- c) First Order of Business

4.)What is THC?

- a) Terminal Handling Charge
- b) Thorough Haulage Contract
- c) Technical High Cube

5.)What does FCLG mean?

- a) Freight Cost with Loading Gear
- b) Free Carrier at Lloading Gate
- c) Full Container Load - Groupage



A photograph of three business professionals in a meeting. A woman with blonde hair is on the left, a man in a suit and tie is in the center, and a woman with dark hair is on the right. They are all looking towards the right. The background is a dimly lit office with bookshelves and a framed portrait. A large, semi-transparent yellow circle is overlaid on the right side of the image.

Thank you