

# Welcome to all SAIT & Private Sector Members - CPD Webinar



**World of Customs**  
**Thursday 05 September 2024**

*YOUR KEY TO THE TAX COMMUNITY*

# YOUR HOSTS TODAY



**DR MARK GOODGER (Anchor)**

LLM Maritime Studies & PD

Email: [mark@gmls.co.za](mailto:mark@gmls.co.za)

Mobile: +27 82 555 0565

- SAIT Master Chartered Tax Advisor
- Professional Doctorate (PD) –in International Trade & Business
- Managing Director at GMLS
- LLM Maritime Studies & UKZN Lecturer & Honourary Research Fellow
- CPD Accredited Trainer

**SPECIAL GUEST**

**MICHAEL LAWRENCE (Executive Director)**

The National Clothing Retail Federation (NCRF)



**SPECIAL GUEST**

**JASON BLACKMAN**

**Senior Director - Global Customs Compliance - DHL Supply Chain**

Email: [Jason.E.Blackman@dhl.com](mailto:Jason.E.Blackman@dhl.com)

Mobile: +44 7977 837647



**DR RODRICK VAN ROOYEN (Ronnie) (News & Updates) SAIT Official Customs Coordinator**

- LLM Maritime Law (University of KwaZulu-Natal)
- MPhil Maritime Studies (University of Stellenbosch)
- Master Tax Practitioner (SAIT)

Email: [rodrick@gmls.co.za](mailto:rodrick@gmls.co.za)

Mobile: +27 83 653 6932



# AGENDA

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1. SAIT News & Updates
  2. The Shein/Temu news exposure
  3. Customs Concessions
  4. The Deminimus Principle
  5. The Level Playing Field
  6. Full Compliance impacts
  7. Into the Future
  8. CPD Questions
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# TOPIC FOR TODAY

## “Customs Compliance & E-Commerce.”



# The Future

- WCO Framework of Standards on Cross-Border E-Commerce
- ICC HQ Paris – PSCG
- WCO First Standards 2018
- Timely and accurate information for Customs
- Growing Global Volumes
- NTBs & Impacts
- New Standards on Data quality

<https://www.sars.gov.za/media-release/changes-to-customs-import-system/>

# The Future

- Fair Trade, Revenue Collection, Community Protection
- C2B & C2C – Also B2B – Method of Platforms
- Customs challenges – illicit trade, counterfeit etc.,
- Advance information
- Risk Management
- Single Window
- RKC & Immediate Release Guidelines

# 8 Principles of Cross-Border E-Commerce

The Luxor Resolution outlines the eight guiding principles for cross-border E-Commerce:

1. Advance Electronic Data and Risk Management,
2. Facilitation and Simplification of Procedures,
3. Safety and Security,
4. Revenue Collection,
5. Measurement and Analysis,
6. Partnerships,
7. Public Awareness, Outreach and Capacity Building, and
8. Legislative Frameworks.

# SARS

4.1 Simplified Clearance Procedures

5. Fair and Efficient Revenue collection models vendor/buyer etc., collection models.

Correction in Phases

Collecting VAT

Collecting VAT & Duties

Fully automated Policy-driven & E-commerce System.

## **3-stage Vision**

- Smart Clearance,
- Efficient Risk Management,
- Effective Controls.

# Changes to Customs Import System

Tshwane, 8 August 2024

**8 August 2024** – The South African Revenue Service (SARS) remains committed to providing clarity and certainty in the implementation of its mandate of promoting legitimate trade for the economic development of the country in an era of rapidly expanding e-Commerce. This will be achieved by making it simple and easy to facilitate an increased movement of goods.

Pursuant to the above mandate, SARS noted legitimate concerns that have been expressed in the importation of several of goods, especially clothing, via e-Commerce by a number of importers who have not been paying the obligatory Customs duties and VAT on these imports, resulting in unfair competition with other industry players.

The concerns stem from the fact that, due to the immense scale of trade via e-Commerce, SARS Customs implemented a “concession” for goods valued at less than R500, in terms of which importers paid a flat rate of 20% in lieu of Customs duties and no VAT.

To address these concerns and to provide clarity for traders involved in the importation of goods via e-Commerce, SARS will make several changes in line with the World Customs Organization (WCO) framework to deal with the already changing trade landscape.

<https://www.sars.gov.za/media-release/changes-to-customs-import-system/>

# What happens when your goods arrive?

- Place order – via App – no duty quoted – warning
- Pay for goods
- App & Email notifications

**De Minimis**

# **The application of the Global Principle**

**Mr Michael Lawrence**

(Executive Director)

The National Clothing Retail Federation (NCRF)

## The application of the Global Principle



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(Executive Director)

The National Clothing Retail Federation (NCRF)

# AEO – Safety & Security

## Can this impact E-commerce?



**Mr Jason Blackman**

Senior Director - Global Customs Compliance - DHL Supply Chain

# SARS Video – Customs Framework to Bolster Legitimate e-Commerce Trade (±3min)



## Links:

[SARS Enhances Customs Framework to Bolster Legitimate e-Commerce Trade \(youtube.com\)](#)

[SARS Enhances Customs Framework to Bolster Legitimate e-Commerce Trade \(youtube.com\)](#) SARS Enhances Customs Framework to Bolster Legitimate e-Commerce Trade (youtube.com)

# Thank You

For all who have attended CPD Webinars in the past.

For all who attend Work Group Meetings.

For all who promote SAIT Customs Professional Membership, attending, and chairing meetings.

# SAIT CPD Webinar Questions & Answers Thursday 05-09-24

- Q1** Is VAT payable on E-commerce Declarations? (Yes/No)
- Q2** E-commerce is available anywhere, anytime? (True/False)
- Q3** Advance Data and Manifest information is crucial for Customs Facilitation of E-commerce? (Yes/No)
- Q4** Is a DA 306 a Customs Declaration? (Yes/No)
- Q5** De Minimis Principle is a Trade Facilitation mechanism to address all high-value shipments that can be grouped together for one Single Declaration? (Yes/No)
- Q6** The WCO is concerned about Trade Facilitation by Customs Authorities when dealing with E-commerce? (Yes/No)
- Q7** Should any Logistics Operator collect compliant Duties and VAT from you, to process your E-commerce Customs Declaration? (Yes/No)
- Q8** Digitalisation in a modernised Customs environment is not crucial for the Customs Authority? (Yes/No)
- Q9** Customs Administrations should consider legislative provisions that facilitate E-commerce transactions? (Yes/No)
- Q10** HS Code Valuation & Origin are crucial technical criteria for a normal Customs Declaration. This is not the case with E-commerce Declarations? (True/False)

