

IMTS

SOUTH AFRICA

ZAMBIA
NOVEMBER 2010



LEGAL ENVIRONMENT

The Customs and Excise Act, No. 91 of 1964

- Section 117
 - Compilation and dissemination of Trade Data
- Section 4(3)
 - Confidentiality of Information

INFORMATION TECHNOLOGY

Data Submission:

- Manual data capture, Diskette, and Electronic Data Interchange (EDI). EDI uses WCO CUSDEC message format for clearance declarations.

Data Processing:

- **Exports**

In-house developed software in Natural, and runs on an Adabas Natural Database (IBM).

- **Imports**

In-house developed software in Cobal, and runs on an HP Itanium Server.



NATIONAL SYSTEM

RSA uses the General trade system

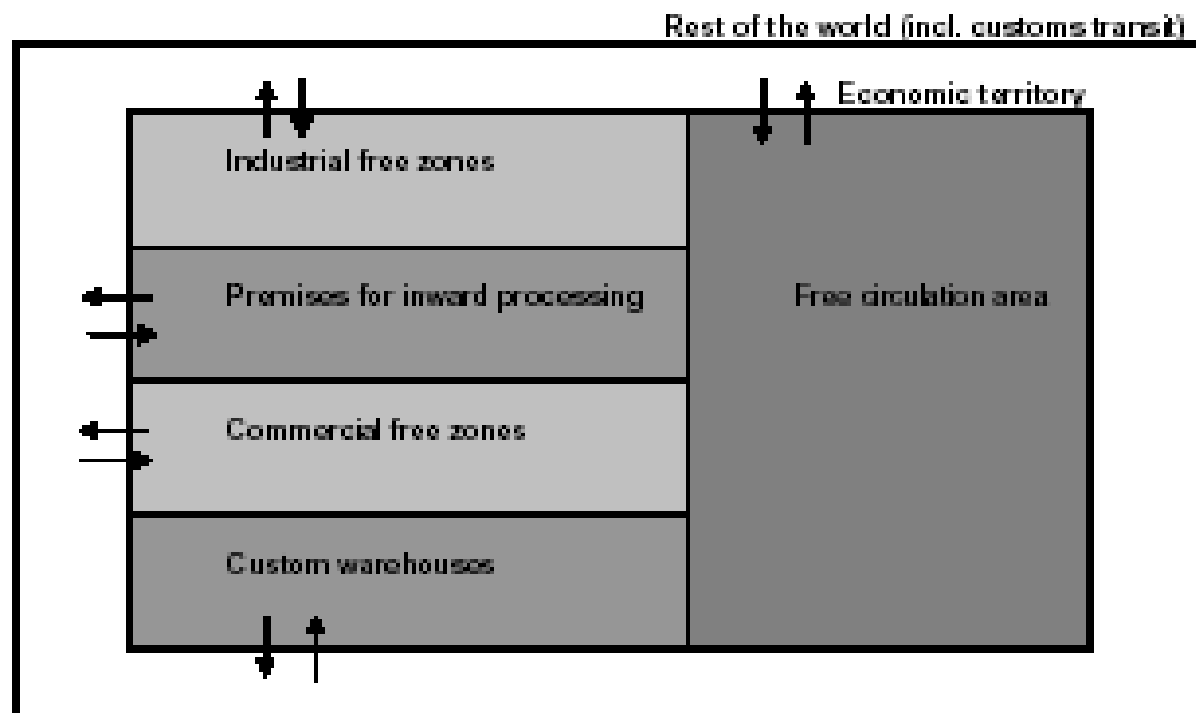
Imports of foreign goods

Re-imports of domestic goods

Exports of domestic goods

Re-exports of foreign goods

Goods are recorded when they enter or leave the economic territory



DATA SOURCES

- Data is submitted to customs as follows:
 - Manually; i.e. hard copies handed at a customs branch office
 - Electronic submission; i.e. disk; CD; DVD or memory stick
 - Electronically by a service provider on behalf of the client
- Manual declarations are captured on the customs systems by the customs officer.
- Electronic declarations are verified by a customs officer before it is accepted.
- The only exclusion to the above is the value for the export of Gold, which is obtained from the South African Reserve Bank.

DATA COLLECTION

Statistical information is sourced from the customs declarations

- **Challenges**

- Client details not updated on system
- Incorrect tariff headings, rebate items, warehousing particulars
- Capturing errors
- Value declared too high
- Incorrect rate of exchange used
- No quantity declared
- Incorrect country of origin/destination
- Invalid exporters code
- Declaring different commodities under one TH on one line
- Operational policies are developed and implemented without proper consultation with the Trade Stats unit

RESOLUTION

- Customs **verification process at time of clearance** and post clearance.
- **Communication** with customs staff and clients.
- **Penalties** issued to clients for contraventions on both import and export.
- Client **accreditation status** is **reviewed** and **revoked** if necessary.
- **Enhancement of system rules.**
- **Consultation** between customs operations and trade stats unit in the development of policies and procedures.

NOMENCLATURE

- **Commodity classification**

- HS Harmonised Commodity Description and Coding System
- ISIC Standard Industrial Classification
- SITC Standard International Trade Classification
- BEC Broad Economic Categories

- **Partner Countries**

- Data is based on country of origin and destination

- **Transport Codes**

- Code 1 Sea
- Code 2 Rail
- Code 3 Road
- Code 4 Air
- Code 5 Mail
- Code 6 Other (unknown)

EXPORTS CUSTOMS PROCEDURE

CURRENT:

The purpose of coding export declarations is to assist SARS to compile the trade statistics for South Africa, as accurately as possible:

- **Code 1:** The value of these goods will be taken into account when determining the trade balance of RSA.
- **Code 2:** The value of these goods will not be taken into account when determining the trade balance of RSA. These are goods with no commercial value; no exchange of currency takes place between parties.

Code 1 is included in the Trade Statistics of RSA:

- **ELG** Export Local Goods
- **EIG** Export Imported Goods
- **EAS** Export Ship and Aircraft Stores
- **XE** Export Ex-Warehouse Imported Goods
- **XES** Export Ex-Warehouse Imported Goods for Ship & Air Stores
- **ZE** Export Ex-Warehouse Local Goods
- **ZES** Export Ex-Warehouse Local Goods for Ship & Air Stores

EXPORTS CUSTOMS PROCEDURE

FUTURE:

- The current purpose codes will be replaced with procedure codes with effect from 1 November 2010.
- The World Customs Organisation (WCO) requires its members to have all customs information requirements aligned with version 3 of the WCO Customs Data Model, therefore RSA is making this change.

Conversion of purpose codes to customs procedure codes:

- **ELG to H 60 00** Outright Exports of free circulation goods
- **EIG to H 60 00** Outright Exports of free circulation goods
- **EAS to F 51 - -** Supply of 'Stores' of goods in free circulation
- **XE to H 67 40** Outright Export - under the "Warehouse Procedure"
- **XES to F 53 40** Supply of 'Stores' – imported goods –under the "Warehouse Procedure"
- **ZE to H 68 46** Outright Exports – excisable goods for an Excise Warehouse
- **ZES to F 52 00** Supply of 'Stores' – excise products – ex Excise Manufacturing Warehouse

IMPORT CUSTOMS PROCEDURE

CURRENT CODES:

● **Included in Trade Statistics of RSA:**

- **DP** Direct Duty Paid
- **WH** Direct Warehousing
- **IR** Industrial Rebate
- **GR** General Rebate (Partial)

Excluded in Trade Statistics of RSA:

- **GR** General Rebate (Partial)
- **WE** Warehouse For Export
- **XDP** Ex-Warehouse Duty Paid
- **XIR** Ex-Warehouse Industrial Rebate
- **XGR** Ex-Warehouse General Rebate
- **XIB** Ex-Warehouse In bond Removal
- **XRW** Ex-Warehouse Re-Warehousing

The image shows a blurred view of a customs form. The form is divided into several sections, including a 'SUMMARY OF SOCIAL DUTIES AND TAXES' section at the bottom. The form contains various fields for data entry, including 'TOTAL SOCIAL DUTIES', 'AMOUNT DEDUCTIBLE', 'NET SOCIAL DUTIES', 'DUTY PAID', 'TOTAL PAYABLE', and 'REMARKS'. There is also a section labeled 'FOR OFFICIAL USE'.

IMPORT CUSTOMS PROCEDURE

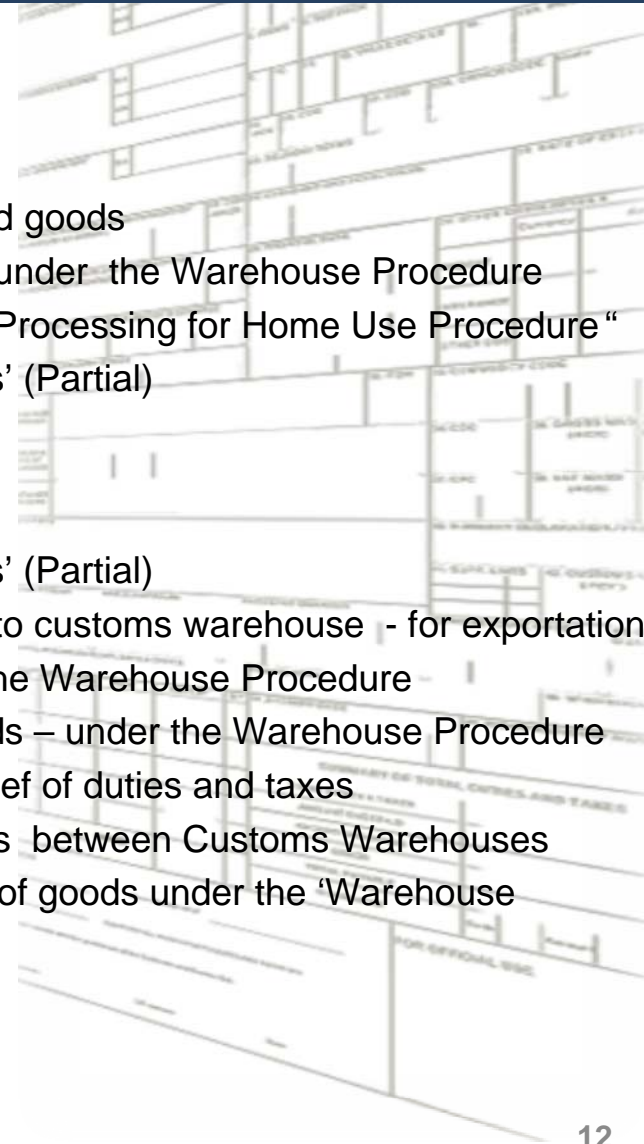
FUTURE CODES:

● **Included in Trade Statistics of RSA:**

- **DP to A 10 00** Home use of goods, on imported goods
- **WH to E 40 00** Clearance of imported goods – under the Warehouse Procedure
- **IR to K 85 00** Placement of goods under the “Processing for Home Use Procedure”
- **GR to A 14 00** Home Use under ‘relief of duties’ (Partial)

● **Excluded in Trade Statistics of RSA:**

- **GR to A 14 00** Home Use under ‘relief of duties’ (Partial)
- **WE to E 42 00** Clearance of imported goods into customs warehouse - for exportation
- **XDP to A 11 40** Home Use of Goods – under the Warehouse Procedure
- **XIR to K 85 40** Processing for Home Use Goods – under the Warehouse Procedure
- **XGR to A 14 40** Home Use of goods under ‘relief of duties and taxes
- **XIB to E 43 40** Clearance for Removal of goods between Customs Warehouses
- **XRW to E 44 43** Clearance for Re-warehousing of goods under the ‘Warehouse Procedure’



COVERAGE OF SPECIFIC GOODS

- **Goods for processing**
 - Considered temporary imports, not included in trade balance
- **Ships & Aircraft Stores**
 - Included under a special chapter (99). No specific TH
 - Alcohol, Cigarettes, spares & equipment, prohibited and restricted goods and fuel are classified according to the TH and are included as such.
- **Electricity**
 - Is included in the trade balance, both imports and exports
- **Bulk water**
 - Currently imported from Lesotho, not included in trade balance
- **Petroleum**
 - Included in trade balance. Temporary imports and export of imported goods not included.

PERIODICITY

Preliminary Data

- Verification of data is completed a month after the transaction date.
- Queries should be resolved within 7 days.
- The import, export trade data and the trade balance is reported a month later (i.e. August 2010 data will be released on 30 September 2010)
- The Senior Manager and the Economist quality assures the data prior to release.
- The trade balance is presented to the Executive Customs Management 3 days prior to release and to the South African Reserve Bank and Statistics SA 2 days before release.
- The Senior Manager: Trade Stats, the Chief Customs Officer and the Commissioner of SARS approves the trade release 2 days before release.
- The trade balance is published on the SARS internet at 2pm on the last day of the month and in the case of December, the second last day of the month (working day). Issue of press release.

PERIODICITY

Audited data

- Further verification of data is completed two months after the transaction date.
- Amendments are published subsequent to the initial release.
- An advance release calendar that provides a monthly release dates is published on the SA Revenue Service Internet website (<http://www.sars.gov.za>).
- Annual data is finalised 120 days after the calendar year has ended.

PUBLICATION

Web site

- **Unaudited data:**

- Preliminary Trade Statistics - 23 Sections and Trade Balance (Monthly)

- **Audited data:**

- Bilateral Trade Statistics(Monthly)
- World Zone information (Monthly)
- Audited trade balance graphs (Monthly)
- Main Trading partners (Annually)



SUCESSES

- **Close partnership with SARS and the following entities:**
 - South African Reserve Bank
 - Statistics South Africa
 - Department of Minerals and Energy
 - South African Freight Forwarders Association
 - Other Government & Public entities
- **Implementation of an analysis capability within the Trade Stats Unit.**



FUTURE PLAN

- Modernisation of Customs systems.
- Audit of Trade Data by SARB; STATS SA or an expert in trade stats (consultant).
- Publish revised trade balance monthly.



THANK YOU

