



NEWSFLASH

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Please see herein interesting industry information that may be relevant and valuable to you. If you would like more information on any comments noted herein please contact us directly and we will gladly expand or investigate further for you – please direct all enquiries to Graeme Impson on graeme.impson@sctsolutions.co.za

To all our Valued Clients

Please find below reference to the New Customs Preferred Traders Application process which was launched on 9th May 2017.

SCT will gladly assist in any way possible to streamline this process for you with regards to the completion /submission of application as well as any training you might require in terms of understanding the minimum requirement when it comes to sufficient knowledge on Customs Rules / Regulations

Please let us know if you are wanting to proceed with an application or not

ACCREDITATION FOR PREFERRED TRADERS

SARS Customs is responsible for facilitating legitimate trade whilst ensuring compliance with the relevant laws. In order to achieve this goal SARS introduced the accredited client programme.

Accreditation is an advanced programme which forms a partnership between SARS and those clients who have an appropriate record of compliance, financial stability, and who maintain a high quality of internal operational processes and computer systems. In return, SARS Customs offers certain benefits to these clients.

The previous accreditation scheme was amended in the Rules to the Customs Act on 29 July 2011 and the programme was closed. Previous existing clients are now deemed to be on a level one Accreditation status and will maintain the benefits already awarded them until the implementation of the new Customs Acts, which then terminates all level one (1) clients.

The introduction of a level two Accreditation programme, with effect from 1 August 2011 (also known as Preferred Trader) is in response to the need to further improve trade facilitation, whilst securing international supply chains and encouraging greater compliance. This initiative is aligned to the SAFE Framework of Standards.

For this purpose, the Rules on Accreditation now include a test of sufficient knowledge, provision for a Customs Relationship Manager, the appointment of a Customs Accreditation Review Committee and a compliance measurement programme.

The Preferred Trader programme is based on international standards as defined in the Revised Kyoto Convention and aims to enhance Customs to business partnerships. The SARS Preferred Trader Compliance programme has been designed to be equivalent to the European Union (EU) Authorised Economic Operator (AEO) Compliance model.

What are the scheme's benefits?

SARS promises accredited clients specific benefits attached to level two status:

- The appointment of a Customs Relationship Manager tasked with facilitating the relationship between the client and Customs
- Reduction of the amount of security required for compliance with a Customs procedure
- Fewer routine documentary and physical inspections
- Prioritising a request for tariff and valuation determinations
- Prioritising access to non-intrusive inspection techniques when goods are stopped or detained for inspection

Which client types can apply to be an accredited client?

Only a registered importer and/or exporter, including any importer and/or exporter deemed to be a level one accredited client in terms of Rule 64E.10 (a), may apply to partake in level two of the Accreditation programme. Further client types will be included at a later stage.

What are the requirements for Accreditation?

- Clients must ensure that the applicants, the person having the management of the applicant and the employee responsible for Customs accreditation matters have not:
 - Been convicted of an offence involving fraud and dishonesty;
 - Been convicted of any offence in terms of the Act;
 - Incurred an administrative penalty over a period of three (3) years immediately preceding the application in respect of any offence in terms of the Customs and Excise legislation, which are deemed serious offences involving dishonesty, intent or bribery.
- Have not been convicted of any offence in terms of:
 - Section 59 of the Value – Added Tax Act No. 89 of 1991; or
 - Section 104 of the Income Tax Act No. 58 of 1962.
- An appropriate accounting and logistical systems is a requirement and the applicant must:
 - Communicate electronically by registering as a user in accordance with the provisions of Section 101A. this provision does not exclude the use of a Customs broker/ Clearing forwarding agent;
 - Maintain a full audit trail of all Customs activities;
 - Have a record of verifiable procedures for backup, recovery, archiving and retrieval of business records;
 - Have an effective record keeping and operational systems consistent with generally accepted accounting principles.
- Applicants must demonstrate sufficient knowledge of Customs. The applicant must designate an employee who will be responsible for Customs matters and the person must complete an assessment which will be administered by the SARS Institute of Learning.
- Applicants must produce an evidence of sufficient financial resources:
 - Audited financial statements of the business for the past three (3) financial years;
 - Where no such statements are available, sufficient evidence to prove the viability of the business, which may include proof of available financial resources of whatever nature.

What is the accreditation procedure for importers and exporters?

Applications are handed in at the relevant SARS Customs Branch Offices where there is a specific process to follow, thereafter are sent to Head Office for the final decision. The relevant offices are:

- Cape Town Office - P 166, Sanlam Building, 15th Floor, 22 Hans Strydom, Cape Town;
- Durban - Albany House, East Wing, 3rd Floor, 61/62 Margaret Mncadi Avenue, Durban;
- Gauteng South - SARS House, First Floor, 49 New quay Road, New Redruth, Alberton;
- Gauteng North – OR Tambo International Airport, New Agents Building;
- Port Elizabeth - S Sanlam Building, 6th Floor, 3 Chapel Street, Central, Port Elizabeth.

The application process involves the following:

- Evaluating the information supplied in the application form;
- Conducting an inspection (the client will be informed of the place of inspection and will be consulted about a date); and
- Informing the applicant of the outcome and signing the agreement if approved.

Which forms to complete?

- [SC-CF-06-A1 - Request for information and self-evaluation;](#)
- [DA186 - Application for Customs and Excise accredited client status](#)
- [Accreditation agreement of clients - Rule 64E.09\(3\).](#)

For more information, see the Guide for Accreditation [SC-CF-07](#). It will assist the client in the completion of the application and other provisions required for possible acceptance to level two accreditation status.

For queries relating to Preferred Trader, kindly contact the SARS Contact Centre.



We thank you for your continued support and partnership

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