

Push to make customs procedures more transparent



Virusha Subban

Feedback on draft bills should ensure stakeholders reap the benefits of improved service delivery

THE customs world was abuzz with the February 26 deadline looming for comment on the Draft Customs Control Bill and the Draft Customs Duty Bill.

The South African Revenue Service's (SARS) intention with the draft bills is to make customs procedures efficient, transparent and predictable for traders.

Along with this aim, the emphasis on customs modernisation and stakeholder engagement is apparent. SARS has, by all accounts, been open to engagement even before the February 26 deadline. This is most welcome. Drafting 1 086 sections is, in any event, no mean feat.

Certain trusted and preferred stakeholders will reap the benefits of improved service delivery.

Ideally SARS hopes to move towards an environment where no supporting documents will be required for clearance and goods stopped for inspection by SARS will

eventually be based on risk profiling.

Two of the value propositions behind the overhaul of the existing legislation were expeditious release procedures and an emphasis on electronic communication.

This is evident by the tight timelines prescribed by the Draft Customs Control Bill.

It is proposed that imported goods (whether or not containerised) must be cleared within three days of arrival. The current time period is seven days. The three-day time period might work for industries that are geared up for pre-clearing.

The reporting requirements are quite onerous, not only in number, but in terms of the short time frames allowed for compliance. While the need for SARS to have advance notice of what it may expect is understood, we have doubts about the proposed time frames.

We wonder if, for example, carriers in charge of a foreign-going aircraft bound for SA are aware that

they will be required to give advance notice to SARS of the arrival of the aircraft in the country at least two hours before the arrival of the aircraft at the first customs airport where the aircraft will call after entering SA. This would be the requirement if the voyage time to that airport, taken from the last place where cargo or travellers bound for SA were taken on board, is likely to be more than six hours.

This reporting requirement will have to be met within at least one hour before the arrival of the aircraft at that customs airport in SA if that voyage time is likely to be less than six hours.

Further, this report must:

- Indicate the original place of departure of the aircraft for that voyage;
- Indicate all places where the aircraft called between the original place of departure and SA;
- Include the full voyage schedule of the aircraft, indicating all places in

SA where it is scheduled to call; and

- Any other detail as may be prescribed by rule.

The report must be submitted electronically to SARS. Then, on arrival, an arrival report must be submitted electronically within 15 minutes after the arrival of the aircraft at that airport.

Even in the absence of a definition for the term "day" it still possible to see that some of the time periods prescribed for reporting will place additional pressure on role players in several industries.

A key issue, and one in which all role players will have a keen interest, is the re-issuing of the rules to the customs legislation. The rules will contain key operational issues which role players must still review and comment on prior to finalisation of the customs legislative framework.

■ *Virusha Subban is a senior associate at Edward Nathan Sonnenbergs.*