

# Face lift for SA custom regulations

By [Dylan Govender](#)

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According to current statistics produced by SARS' manifest processing system (MPR), the country's road modality is at 76% when it comes to electronic submission compliance with sea and air lagging at 50% and 24% respectively.



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However, thanks in part to pressure from industry stakeholders, SARS has indicated that it will begin implementing the first phase of the 'reporting of conveyances and goods' (RCG) project that falls under the New Customs Acts Programme (NCAP) this month (April).

***“ The first phase of RCG has been concluded and is set to go live in April in the efforts to provide control of all vessels, aircraft, trains, vehicles, goods and persons entering or leaving the country; to facilitate the implementation of certain laws levying taxes on goods and of other legislation applicable to such goods and persons; and for matters incidental to that. ”***

Currently, MPR enables shipping lines and airlines to report both pre-arrival and post-arrival manifest information to SARS electronically, thereby reducing the reporting cost of compliance considerably. The new 'cargo processing system' (CPS) to be implemented under the RCG project reflects the new legislative framework in respect of cargo reporting and will significantly improve cargo management and supply chain security moving in and out of the country.

## Simplifying a dynamic environment

SARS believes that reporting of information by third parties in the RCG programme will enable customs to risk-assess information about vessels, aircraft, trains, vehicles, passengers, crew, and cargo entering or leaving the country.

Other benefits include enhancing supply chain security by enabling customs to detect the importation and exportation of prohibited goods, establishing cargo visibility to determine the physical status of goods, and enabling customs to better plan for incoming and outgoing shipments.

***“ So even though there is no benefit to trade during this phase, service providers will be impacted in terms of the reporting structure required to comply. This is done to ensure that there is a more effective environment for***

*reporting and, by the end of this year, a significantly more simplified declaration process.* ”

And once this initial phase is completed, trade will begin to realise benefits at the start of the second work programme commencing in April next year that will be focused on registration, licensing, and accreditation.

This will require all clients of SARS to re-register within a period of 30 days and bring about the actual implementation of the new Acts around import and export regulation.

## Streamlining the supply chain

Of course, as with any piece of legislation, there is understandably some uncertainty from industry in terms of its implementation. To this end, SARS has been committed to providing reassurance and has undergone a series of roadshows detailing the process.



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Even though there is a concern around the rollout schedule given the long period of inactivity, the focus is on streamlining the import and export supply chain. Given how frequent customs stops negatively impact efficiencies and revenue potential, the NCAP is focused around making it a more beneficial environment for all stakeholders.

Even though it is still early days around other legislation such as the [Protection of Personal Information Act \(PoPI\)](#), the similarities are there. What was once considered to be an area of concern will slowly give way to a more confident industry especially when it comes to compliance around data. The NCAP, although in a vastly different industry, will likely see some organisations struggling to overcome aspects of what is required. But once that is done, significantly more business benefits will be enabled.

## The future of the industry

While RCG is the first phase under the new Customs Act Programme NCAP, the trade industry is yet to see major changes that will have an impact on not only customs control, but the industry at large. These programmes will afford importers and exporters the opportunity to vet their service providers to ensure that proper processes and procedures are followed based on their requirements through the CSK test certification.



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SARS is planning to open this test for nine to ten months before it introduces the Registration, Licensing and Accreditation (RLA) in 2019. While it is not mandatory for importers and exporters to be CSK certified, it will give them a competitive advantage over their competitors and their proven knowledge of the new act.

The act's last phase will see the rollout of declaration processing (DPS) where importers and exporters will be able to apply for special clearances of goods to be released from customs control - streamlining processes to meet client deadlines.

The new customs act will surely shake things up in the industry - leaving no room for error while promoting economic growth in the country.

Organisations in this sector cannot wait to get more stability and clarity on what is to come.

## ABOUT THE AUTHOR

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