Leveraged Legal Products: Rules of Origin

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South African Revenue Service

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## **External Stakeholders**

## GRADUAL IMPLEMENETATION OF THE 13 BLOCKS SADC CERTIFICATE OF ORIGIN(SCO) AND TRANSITIONAL ARRANGEMENTS FOR THE SMOOTH PHASING-OUT OF THE 12 BLOCKS SCO

You will recall that in the past SARS has been issuing and certifying both 12 and 13 blocks SCO for goods destined within SADC Countries. In 2020 SARS requested the SADC members states to gradually phase-out the 12 blocks SCO in compliance with the record of the decisions of the 28<sup>th</sup> meeting of the Ministers of Trade that was taken in 2016, Gaborone, Botswana.

The transition from the 12 to 13 blocks SCO took a considerable period due to excess stock. Now that SARS and Traders have limited stock of the 12 blocks SCO, it is now an opportune time to transition to the 13 blocks SCO in compliance with the 28<sup>th</sup> Ministerial decision.

During July 2023, Customs Branch offices started to sensitise the branch stakeholders about the transition. SARS has started to issue 13 blocks SCO with effect from the 01 July 2023 and will stop to issue and process them until the 15 August 2023. Traders with the 12 blocks SCO will be allowed to process them until the 30 August 2023. SARS has made a provision for identified retailers to continue with the 12 blocks SCO until they finished stock and then transition to the 13 blocks SCO. Arrangements have been made with SADC members states to accept and accord preference to those identified retailers. The main reason for this arrangement is that retailers can request and utilise a high number of SCO, therefor they will assist in ensuring the smooth transition.

Please note that the transition from the 12 to 13 blocks SCO does not require traders to amend or enhance their systems nor change the procedure for lodging SCO, it only impacts SARS internally.

We urge traders to return the 12 blocks SCO to the nearest Customs and Excise office. During August 2023, no trader would be returned or refused to process the 12 blocks SCO, however as from 01<sup>st</sup> September 2023 only traders issued with 13 blocks SCO would be certified except for identified retailers. We kindly request traders to return unused 12 blocks SCO so that they can be reallocated to identified retailers.

Traders are urged to sign and stamp the back of the SCO under Declaration by the Producer. Traders exporting to Mozambique should continue completing and processing the 13 block SCO as they previously did.

Kindly note that henceforth, the 12 blocks SCO will no longer printed and be accepted for preferential rates of duty. All Customs and Excise branches have enough stock of the 13 blocks SCO and urge traders to escalate offices that do not have 13 blocks SCO to Mr Alfred Ramoroka at <a href="mailto:aramoroka@sars.gov.za">aramoroka@sars.gov.za</a> or Ms Sarah Phejane at <a href="mailto:sphejane@sars.gov.za">sphejane@sars.gov.za</a> for actioning.

This measure is taken to align our SCO with the format prescribed in the Consolidated SADC Protocol on Trade.

Please contact rules of origin at <u>rulesoforigin@sars.gov.za</u> for further clarity.

Yours Sincerely,

03 August 2023

ALFRED RAMOROKA

MANAGER: RULES OF ORIGIN AND TRADE AGREEMENTS