

CUSTOMS

EXTERNAL POLICY

**SUBMISSION OF ADVANCE IMPORT
PAYMENTS**

TABLE OF CONTENTS

1	SUMMARY OF MAIN POINTS	3
2	POLICY	3
2.1	Submit New Advance Payment Notification	3
2.2	Amend or Cancel Advance Payment Notification	4
2.3	Apply for an Advance Import Payment	4
2.4	SARS Correspondence on eFiling	5
2.5	Keeping of records	6
2.6	Penalties	6
2.7	Promotion of Administrative Justice Act	7
2.8	Appeals against decisions	7
3	RELATED INFORMATION	8
3.1	Legislation	8
3.2	Cross References	8
3.3	Quality Records	8
4	DEFINITIONS AND ACRONYMS	8
5	DOCUMENT MANAGEMENT	8

1 SUMMARY OF MAIN POINTS

- a) The importer, already registered with SARS, submits a completed Advance Payment Notification (APN) on SARS eFiling.
- b) The importer receives an APN reference number assigned by SARS and communicates it to the authorised dealer and inserts it on the CCD.
- c) Payments made to foreign suppliers are reported to the South African Reserve Bank (SARB) after which the importer makes clearance.

2 POLICY

2.1 Submit New Advance Payment Notification

- a) Where a client intends to make use of an advance foreign exchange payment of R50 000.00 and above, he/she must:
 - i) Be a registered importer; and
 - ii) Submit an Advance Payment Notification by:
 - A) Logging into SARS eFiling as prescribed in SC-IT-03; and
 - B) Selecting the:
 - I) Organisation's Tax Practitioner's portfolio type and taxpayer details on whose behalf an APN must be submitted as explained in SC-IT-03. A client with an Individual portfolio will not have access to the APN functionality.
 - II) The Customs menu on the eFiling ribbon at the top of the page.
- b) The importer selects the:
 - i) Advance Payment Notification menu item; and
 - ii) Submit New Advance Payment Notification menu option.
- c) If the importer is not registered with Customs:
 - i) SARS eFiling requests him/her to register with Customs as an importer before submitting an Advance Payment Notification to SARS.
 - ii) The importer:
 - A) Clicks on the OK button to go back to the Customs menu; and
 - B) Registers as an importer with Customs as prescribed in SC-CF-19.
- d) If the importer is registered with Customs and the Customs client number is valid:
 - i) SARS eFiling:
 - A) Displays the Notice of Intention for Advance Import Payment Prior to Import Declaration being lodged page; and
 - B) May pre-populate information obtained from other SARS systems.
 - ii) The importer verifies the pre-populated information (if any) where incorrect the importer amends the information.
- e) The importer captures the outstanding information on the APN as listed in SC-CC-33. Where the financing of a transaction is split between several authorised dealers, the first APN reference number assigned by SARS must be reflected on all the other related APNs submitted to SARS, in the Related AIP Reference field.
- f) The importer submits the completed APN to SARS.
- g) SARS eFiling validates the captured information and if the importer has:
 - i) Not completed all the fields on the APN correctly:
 - A) SARS eFiling:
 - I) Requests the importer to complete all the required fields; and

- II) Highlights the missing or invalid information.
 - B) The importer clicks on the OK button.
 - C) SARS eFiling returns to the incomplete Notice of Intention for Advance Import Payment; and
 - D) The importer:
 - I) Captures the required information on the APN; and
 - II) Submits the APN to SARS.
- ii) Completed all the fields on the APN correctly an unique APN reference number is assigned.
- h) The importer clicks on the Continue button.
- i) SARS eFiling moves the APN record to the Advance Payment Notification History page where the importer can view the previous submitted APNs.
- j) The importer may approach the authorised dealer indicated on the APN to apply for an advance foreign exchange payment as prescribed in in paragraph 2.3.

2.2 Amend or Cancel Advance Payment Notification

- a) The importer must amend or cancel information that is incomplete, incorrect or outdated on the APN. In order to view a previously submitted APN the importer accesses the eFiling system as prescribed in SC-IT-03 and views the APN data in the Advance Payment Notification History option. The importer selects:
 - i) Customs menu on the eFiling ribbon at the top of the page;
 - ii) Advance Payment Notification menu item; and
 - iii) Advance Payment Notification History menu option.
- b) The importer selects the View link next to the relevant APN reference number.
- c) SARS eFiling displays the selected APN information. If the information is incorrect the APN information must be amended. The importer clicks Back to return to the Advance Payment Notification History page.
- d) In order to amend or cancel an APN the importer verifies whether the advance import payment has been paid to the foreign supplier by the authorised dealer.
 - i) If payment has been made the APN may not be amended or cancelled.
 - ii) If payment has not yet been made the importer selects the Amend/Cancel Advance Payment Notification menu option.
 - A) A list of all the previously submitted APNs are displayed;
 - B) The importer selects the View link next to the relevant APN; and
 - C) The selected APN information is displayed.
- e) The importer may:
 - i) Click on the Submit Cancellation Request button; or
 - ii) Amend the APN by:
 - A) Capturing the amended information, refer to SC-CC-33 for a list of editable APN fields; and
 - B) Clicking on the Submit Amendment button.
- f) In order to complete the submission of the amendment or cancellation request the importer must follow the process in paragraphs 2.1g) to 2.1j).

2.3 Apply for an Advance Import Payment

- a) The importer must:
 - i) Within thirty (30) days after receiving the APN reference number request the authorised dealer to make an advance foreign exchange payment; and

- ii) Communicate the SARS assigned APN reference number to the authorised dealer.
- b) If the thirty (30) days have elapsed the APN is deleted from the SARS eFiling system and the importer must submit a new APN to SARS as prescribed in paragraph 2.1.
- c) After making the advance import payment, the authorised dealer reports the payment to the South African Reserve Bank (SARB).
- d) A valid CCD must:
 - i) Be submitted to Customs as prescribed in SC-CF-54 within four (4) months from the date of the advance foreign exchange payment; and
 - ii) Reflect the APN reference number in the additional information field as prescribed in SC-CF-55-A01.
- e) If the importer:
 - i) Does not submit the CCD within the permissible time period:
 - A) SARS may generate a case.
 - B) The importer is requested to submit supporting documents.
 - C) The importer must refer to paragraph 2.4 for assistance with the viewing of SARS correspondence and the uploading of supporting documents.
 - ii) Does submit a CCD within the given time period he/she:
 - A) Follows the CCD process as prescribed in SC-CF-54-S01 until the CCD is released; and
 - B) Presents the authorised dealer with a copy of the released CCD.

2.4 SARS Correspondence on eFiling

- a) The importer can view the SARS correspondence or upload supporting documents on SARS eFiling by:
 - i) Accessing the APN functionality through eFiling as prescribed in SC-IT-03; and
 - ii) Selecting the Return menu on the eFiling ribbon at the top of the page.
- b) SARS eFiling displays the SARS Correspondence menu item on the left hand side.
 - i) The user selects the:
 - A) SARS Correspondence menu item; and
 - B) Search Correspondence menu option.
 - ii) SARS eFiling displays the Search Correspondence page with a list of all the SARS correspondence issued to the importer.
- c) The importer locates the applicable SARS correspondence by:
 - i) Searching through the list of all the correspondence received from SARS; or
 - ii) Typing in specific search criteria:
 - A) The importer clicks on the Search button.
 - B) If the correspondence is not found in the list the importer can start a new search by:
 - I) Clicking on the Clear button; and
 - II) Inserting new information.
 - C) When the relevant correspondence is found the importer clicks the View button next to the SARS correspondence.
 - D) SARS eFiling displays the correspondence in a new tab.
- d) Where the importer has identified the supporting documents required by SARS in the APN letter he/she prepares a folder with all the required supporting documents by:
 - i) Formatting each individual document to PDF; and
 - ii) Specifying each document with an identifiable name.
- e) The importer clicks on the Upload button next to the supporting document that he/she wants to upload:

- i) SARS eFiling displays:
 - A) The Upload Documents page; and
 - B) A list of all the documents that must be uploaded.
 - ii) The importer clicks on the Upload button next to the document that must be uploaded.
- f) SARS eFiling displays a folder which allows the importer to browse for the documents. The documents must not exceed the limit of 5MB each. The importer:
- i) Searches for the folder in which the supporting documents were saved. If the importer:
 - A) Cannot find the supporting document he/she clicks on the Cancel button.
 - B) Finds the document he/she:
 - I) Clicks on the saved supporting document to select it for uploading; and
 - II) Clicks on the Open button.
 - ii) SARS eFiling uploads the selected supporting document.
- g) If the supporting document has been uploaded:
- i) Successfully, SARS eFiling will display next to the uploaded document a:
 - A) View icon; and
 - B) Remove icon.
 - ii) Unsuccessfully, SARS eFiling informs the importer that there was an error in uploading the document. The importer continues to upload the supporting documents as prescribes in paragraphs d) to f) above until the document is successfully uploaded.
- h) The importer submits the supporting documents to SARS. If all the documents:
- i) Have not been uploaded successfully, SARS eFiling requests the importer to upload all the supporting documents. The importer:
 - A) Clicks on the OK button to return to the Upload Document page to confirm what supporting document(s) must still be uploaded; and
 - B) Repeats the process prescribed in paragraphs d) to f) above until all the document are uploaded.
 - ii) Have been uploaded successfully, SARS eFiling request the importer to confirm that all the documents have been uploaded. If the importer is:
 - A) Not sure he/she clicks on the Cancel button. Once submitted the importer will not be able to add more documents unless SARS forwards a new request for supporting documents.
 - B) Sure he/she clicks on the Confirm button. SARS eFiling forwards the uploaded supporting documents for processing.

2.5 Keeping of records

- a) Every declarant must keep for record purposes for a period of five (5) years:
 - i) Books, accounts and documents in respect of all transactions relating to the Rules for the purpose of any acquittal procedure; and
 - ii) Any data related to such documents created by means of a computer.
- b) The five (5) year period is calculated from the end of the calendar year in which the document was created, lodged or required. (Sections 101 and 101A).
- c) Every declarant must produce such books, accounts and documents on demand.

2.6 Penalties

- a) Failure to adhere to the provisions of the Act is considered an offence.
- b) Offences may render the client liable to, as provided for in the Act:
 - i) Monetary penalties refer to SC-CO-01-02;
 - ii) Criminal prosecution; and/or

- iii) Suspension and/or cancellation of their deferment account, registration, license, accreditation and/or designation.

2.7 Promotion of Administrative Justice Act

- a) The Promotion of Administrative Justice Act (PAJA) No. 3 of 2000 gives effect to everyone's right to administrative action that is lawful, reasonable and procedurally fair. Any person whose rights have been adversely affected by administrative action has the right to be given written reasons, as contemplated in Section 33 of the Constitution of the Republic of South Africa, 1996. PAJA:
 - i) Provides for the review of administrative action by a court or where appropriate, an independent and impartial tribunal;
 - ii) Imposes a duty on the State to give effect to those rights;
 - iii) Promotes an efficient administration as well as good governance; and
 - iv) Creates a culture of accountability, openness and transparency in the Public Administration or in the exercise of a public power or the performance of a public function, by giving effect to the right to just administrative action.
- b) Administrative action which significantly and unfavourably affects the rights or valid expectations of any person must be procedurally fair. A fair administrative procedure depends on the circumstances of each case.
- c) A person must be given:
 - i) Written reasons of the nature and purpose of the proposed administrative action;
 - ii) A reasonable opportunity to make representations;
 - iii) A clear statement of the administrative action; and
 - iv) Adequate notice of any right of review or internal appeal, where applicable.
- d) Just administrative action requires the Customs Officer to consider all the facts presented and obtained in addition to affording the cargo reporter the opportunity to be heard, prior to instituting any administrative action.
- e) Before administrative action can be taken by Customs the cargo reporter must be allowed the opportunity to:
 - i) Obtain assistance and, in serious or complex cases, legal representation;
 - ii) Present and dispute information and arguments; and
 - iii) Appear in person.
- f) Declarants whose rights have been significantly and unfavourably affected by administrative action and who have not been given reasons for the action may, within thirty (30) days after the date on which the client became aware of the action, request Customs to furnish written reasons for the action.
- g) Customs must within forty five (45) days after receiving the request, give the client adequate reasons in writing for the administrative action. If Customs fails to furnish adequate reasons for the administrative action, it is presumed in any proceedings for judicial review that the administrative action was taken without good reason.

2.8 Appeals against decisions

- a) In cases where clients are not satisfied with any decision taken in terms of the Customs and Excise Act they have a right of appeal to the relevant appeal committee. The policy in this regard, as well as the process to be followed, is contained in document SC-CA-02.
- b) Should clients be unhappy with a decision of any appeal committee their recourse will be to lodge an application for ADR (Alternative Dispute Resolution) with the relevant appeal committee. The committee will add its comments thereto and forward the application to the ADR Unit for attention. The policy in this regard, as well as the process to be followed is contained in document SC-CC-26.

3 RELATED INFORMATION

3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Sections 4(3)(ivC), 4(3A)(i), 10, 38, 39, 40, 41, 59A and 120(1)(mC) Customs and Excise Rules: Rules 38, 39, 40, 41; 59A.03(1), 59A.03, 120.10, 120.11, and 120.13 Tax Administration Laws Amendment Act No. 33 of 2019: Sections 12 and 18 Value-Added Tax Act No. 89 of 1991: Sections 7(1)(b), 13
Other Legislation:	Promotion of Administrative Justice Act No. 3 of 2000: Sections 3 and 5 Currency and Exchange Tax Act No. 9 of 1933: Section 9
International Instruments:	None

3.2 Cross References

DOCUMENT #	DOCUMENT TITLE
SC-CA-02	Internal Administrative Appeal – External Policy
SC-CC-26	Alternative Dispute Resolution – External Policy
SC-CC-33	Submission of Advance Import Payments – External Guide
SC-CF-19	Registration, Licensing and Designation – External Policy
SC-CF-55	Clearance Declaration – External Policy
SC-CF-55-A01	The Completion of Declarations – External Annex
SC-CO-01-02	Offences and Penalties - External Policy
SC-MT-02	International Mail – External Policy

3.3 Quality Records

NUMBER	TITLE
SAD 500	Customs Declaration Form
SAD 501	Customs Declaration Form (Continuation Sheet)
SAD 504	SAD: Voucher of Correction (direct)
eFiling data	Advance Payment Notification

4 DEFINITIONS AND ACRONYMS

ADR	Alternative Dispute Resolution
APN	Advance Payment Notification
CCD	Customs Clearance Declaration
PAJA	Administrative Justice Act
SARB	South African Reserve Bank

5 DOCUMENT MANAGEMENT

Policy Owner	Director: Customs: Border Operations, Ports of Entry & Customs Compliance
Detail of change from previous revision	Removed the advance import payment reporting requirement between the South African Reserve Bank and SARS from paragraph 2.3 as this requirement and system changes will be implemented with the next phase
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