

Quarterly SACU Customs Bulletin October to December 2011

INSIDE THIS ISSUE

- 1. TIME RELEASE STUDY**
- 2. SACU LEGISLATION PROJECT**
- 3. SACU ADOPTS REGIONAL CUSTOMS POLICIES**
- 4. SACU ADOPTS THE SINGLE ADMINISTRATIVE DOCUMENT (SAD) MANUAL**
- 5. WCO PROJECT MANAGEMENT MISSION TO SACU**

1. TIME RELEASE STUDY

Trade facilitation measures in the world are geared towards improving the efficiency of the movement of goods across both national and international frontiers. These trade facilitation measures target different components of the integrated supply chain. While there are many players in the supply chain for internationally traded goods, trade facilitation measures target those aspects of the supply chain that are related to logistics and transport services, customs and border clearance operations and trade documentation along the supply chain.

The World Customs Organization (WCO) has developed standard guidelines for measuring the time taken for the release of goods. This guideline provides a uniform measuring tool for WCO members. This measure of time taken for the release of goods is referred to as Time Release Study (TRS). The WCO's TRS is primarily designed to measure the time required to release goods. This is normally from the time of arrival of the goods at the port/airport/land border until their release to the importer or a third party on his behalf. It is however possible that release is concurrent with clearance (e.g. low value, non-dutiable goods).

As defined by the Revised Kyoto Convention of the WCO, the release of goods means the action by Customs to permit goods undergoing clearance to be placed at the disposal of the person concerned and "clearance" means the accomplishment of all formalities necessary to allow goods to enter home use, to be exported or to be placed under another Customs procedure.

It is however important to note that besides Customs Authorities, there are often many other government agencies operating at the border posts. Each of these agencies has specific interests in the goods that

Quarterly SACU Customs Bulletin October to December 2011

are undergoing customs clearance. These various interests are defined in national legislation governing security issues, health, trade and other government interests. For this reason it is important that a TRS is conducted in a comprehensive manner to cover all border agencies.

SACU Member States have individually and collectively undertaken TRS for purposes of gathering the baseline data to indicate time taken to release goods at border posts. This baseline data is used to assess and identify any deficiencies or challenges related to procedures, processes and documentary requirements. TRS also provides information to the trading entities about time required to release goods from customs. However it is important to outline that TRS does not cover customs procedures alone as there are other agencies at the border posts.

SACU undertook a pilot TRS in 2010 between Botswana and Namibia. The study was conducted in Trans Kalahari and Mamuno border along the Trans Kalahari Corridor. The focus of the study was to consider customs clearing procedures and their efficiency in facilitating trade. The study targeted Customs clearance procedures related to import, export and transit of goods between Namibia and Botswana. The

study was conducted using the WCO tools on TRS. The pilot provided a basis for conducting comprehensive TRS in SACU in order to effectively improve border procedures for better facilitation of trade.

A planned way forward is to conduct a full TRS along the Trans Kalahari Corridor borders in collaboration with the TKC. This new studies will draw from the lessons learnt from the pilot study of 2010. The initial targeted borders are Skilpadshek/Pioneers gate. The Secretariat will engage with concerned Member States with a view to commence preparations for the study. The study is to take place during the financial year 2012/13.

2. SACU CUSTOMS LEGISLATION PROJECT

The 2002 SACU Agreement requires that Member States apply similar legislation with regard to customs and excise duties. Due to the nature of the international supply chain and global trade, Customs Administrations are faced with an ever changing environment in which they operate. For this reason the role of customs to control and manage trade, protect society and facilitate legitimate trade requires a sound and robust legal framework. The legal framework that supports these vital functions requires



Quarterly SACU Customs Bulletin October to December 2011

regular amendment in order to be effective within this mandate.

South Africa has initiated a review of her customs legislation in order to meet these demands and to conform to international standards and best practice. The Southern African Revenue Service (SARS) as the custodian of the customs legislation in South Africa has completed the process of legal drafting and developed a draft Customs Control Bill and Customs Duty Bill.

Having noted these developments in customs legislation in South Africa, SACU Council of Ministers directed that other Member States commence the process of review of their Customs legislation using the South African draft Bills as a model. This will facilitate and ensure that SACU countries continue to implement a similar Custom legal framework.

The SACU Secretariat, under the SACU-WCO Customs Development Programme, convened a workshop in order to implement this Council Decision. A Customs Legislation workshop was held on 25 to 26 November 2011 in Pretoria, South Africa. The objective of the workshop was to explore practical steps to support the process of legislative review in all SACU Member States in implementing the Council Decision.

The outcome of the meeting was a roadmap that will be implemented by

each Member State to commence the process of legal review using the South African draft Bills as model legislation. As Member States are at varying level of development in this area, the roadmap recognizes and accommodates these differences. South Africa has equally agreed to assist Member States in this process. The Secretariat is assisting Member States to address their capacity constraints through technical and financial assistance in their quest to implement the Council Decision.

3. SACU ADOPTS REGIONAL CUSTOMS POLICIES

In December 2011, the SACU council of Ministers approved the SACU Customs Policy document that covers 5 key customs policy areas namely, customs legislation, customs risk management, customs IT connectivity, and customs trade partnerships.

The SACU Customs Policy document was developed in 2009 by the SACU Customs Administrations. However due to the importance of the private sector operators in the region, the SACU Council decided that the Customs Policy document needs to be discussed with the members of the private sector in Member States. The private sector consultations were concluded in June 2011.

Quarterly SACU Customs Bulletin October to December 2011

Based on the comments received from the members of the private sector in Member States, a final version of the SACU Customs Policy was finalized.

The approval and adoption of the SACU Customs Policy document presents an important milestone in the implementation of the SACU Customs development programme that is being pursued by SACU countries in collaboration with the WCO and Swedish International Development Corporation Agency (SIDA). This policy documents provides a guiding tool for the implementation of various projects under the Customs development programme.

4. SACU ADOPTS THE SINGLE ADMINISTRATIVE DOCUMENT (SAD) MANUAL

As part of an effort to improve the efficiency of Customs Administrations and to make the clearance of goods easier and more convenient for traders, the Single Administrative Document was introduced on 1 October 2006 across the Customs Union. This followed the successful piloting of the SAD in the Trans Kalahari Corridor (TKC) between Namibia, Botswana and South Africa over a two year period.

Following the adoption of the SAD form as a customs declaration form for all SACU trade, a Working Group on the SAD commenced work on the development of the SACU SAD Manual. This work initially focused on the SAD 500 and 501 forms and was subsequently expanded to include all the intra-SACU trade designated forms which include the SAD 502 (Transit Control), SAD 503 (Voucher of Correction), and the SAD 507 (Additional Information).

On the basis of existing Manuals in the region a common formulation for each of the SAD fields was agreed as well as the relevant information required for a uniform interpretation and application of the SAD form in the region. A best fit description and interpretation was agreed and compiled into a regional SACU SAD Manual to ensure uniformity in information and application of the SAD across the Customs Union.

In December 2011, the SACU Council of Ministers adopted the Single Administrative Document (SAD) Manual as the reference document for the uniform interpretation and application of the SAD across SACU.

The completion of the SACU SAD Manual marks an important step towards harmonization of the border processes and in providing

Quarterly SACU Customs Bulletin October to December 2011

further certainty to the trading community in SACU.

5. WCO PROJECT MANAGEMENT MISSION TO SACU

SACU and the WCO are currently collaborating in the implementation of the SACU-WCO Customs Development Programme. The WCO contribution into the programme is in the form of technical customs expertise. The WCO is also responsible for the management of the funding provided to the programme by the SIDA.

In an effort to provide further support to the Secretariat in project management, the WCO visited the SACU Secretariat from 8 to 14 December 2011 on a Programme Management mission. The purpose of the visit was to work with the Secretariat's Project Management Team on the review of the programme implementation over the last 2 years and agree on strategies towards enhancing the programme performance. The mission also took stock of the activities implemented and lessons learnt in order to prepare for pilot implementation in 2012. The

mission further provided an opportunity for the WCO to meet with the representatives of the other Departments in the Secretariat that assist in the programme in terms of administrative, financial and legal expertise to facilitate implementation of the programme.

Finally, the mission was also meant to provide and identify support required by the Regional Programme Manager in the implementation of the programme. The Regional Programme Manager is a WCO attaché based at the SACU Secretariat in Windhoek, Namibia.

This publication has been produced and published under the authority of the Directorate of Trade Facilitation and Revenue Management - SACU Secretariat.

SACU Secretariat © 2011