# New SARS Customs Declaration requirement

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Further to the announcement by SARS of phase 1 of the scheduled implementation of the Customs Modernisation initiative, one of the major concerns reported relates to the new Procedure Category Codes to be introduced from 1 October 2010.

"Whereas previously the person preparing a bill of entry for submission to SARS was required to specify the Customs 'Purpose Code' for clearance they will now have to provide a 'Customs Procedure Category' and 'Use' code on submission of the entry to SARS," explains Glenn Lawson of Core Freight Systems, the specialist South African forwarding and customs clearing software service provider.

"Without minimising the effort required to accommodate this from a systems perspective this does not change a fundamental principle for our clients – the proposed use of goods subject to Customs Declaration remains a primary requirement to determining the correct information to be supplied on the Bill of Entry. This is not an IT systems issue per se – the determination of the appropriate Category and Use Code should remain the responsibility of the person who previously determined the applicable Purpose Code. SARS have published a table which may be referred to in order to identify the Procedure Category/Use codes applicable under the new regime. This table contains a column describing the proposed use of the goods subject to declaration. Whomever is responsible for the Clearing Instruction to be applied when framing a bill of entry will simply have to identify the use of goods and apply the corresponding procedure codes as listed by SARS.

"In order to assist CoreFreight operators to familiarise themselves with the new Category/Procedure code requirement we have already introduced the concept in the August release of the application in production use at all our clients," continues Glenn. "Pending implementation by SARS operators will continue to select the existing 'Purpose Code' on registration on a file, however, the new Category/ Procedure codes which will be required by SARS in the future are displayed for selection by the clerk as appropriate, without impacting their current Customs EDI submissions. We believe that practical hands-on exposure delivered to all CoreFreight users within their work environment has been the most effective mechanism to kick-start preparation for the change, and have received positive feedback in this regard."

While the change from Purpose Code to Procedure Category Code will certainly require the industry to adapt the real revolution should be in the improved efficiencies other elements of the Modernisation programme will allow SARS to deliver. ◆