SARS Customs Modernisation – The next step

Glenn Lawson of Core Freight Systems

t is almost two years ago that SARS took the first steps on their journey of modernisation, with the stated intent to transform the department into a "world-class Customs agency". Some of the key initiatives identified with the exercise were:

· Electronic Supporting Documents, which removes the burden on the trader or broker to deliver physical documents to SARS;
· Enforcement of mandatory EDI between traders, brokers, carriers and release agents;
· Implementation of risk-based customs assessment to improve integrity of the customs processes and ensure that opportunity for gain or collusion between internal and external parties is negated;
· Single Registration application process which would provide a single form for SARS clients to register for any Customs products;
· Preferred Trader programme to provide greater benefits to those clients who demonstrate appropriate compliance;
· Enhanced Customs Risk Management through a number of initiatives but including cargo manifest declaration processing;
· Centralisation of capabilities and establishment of "Centres of Excellence";
· Integration of the SARS contact Centre and capability to address customs queries; and
· Introduction of the "Customs Modernisation Programme" which includes the introduction of a new integrated Customs solution which would address the problems associated with the operation of the 37 diverse IT systems in use prior to modernisation and implementation of SAP Financials to allow traders improved control over their customs account and deferment profile.

"We obviously do not fully understand what this implied from a SARS perspective as much of the effort relates to issues internal to Customs, we do, however, believe that much has been achieved in respect of those enhancements that were dependent upon our input, as IT service providers to the South African Freight Forwarding and Customs Clearing industry" commented Glenn Lawson of Core Freight Systems.

"This has included the accommodation of new Customs Procedure Codes ("CPC"s) in conformance with the World Customs Organisation's latest Data Model, implementation of the manifest acquittal requirements of SARS via provision of electronic message facilities and the submission of supporting documents via SARS e-filing in response to Customs queries."

"However, the status of the roll-out of, for example, the new integrated Customs IT solution is internal to SARS and we do not have any particular insight into the progress which has been made in this regard.

Likewise we are not able to comment on the implementation of Single Registration, Preferred Trader, Centres of Excellence projects. Notwithstanding these are clearly wonderful concepts and we are delighted that SARS is pursuing these, their implementation will undoubtedly contribute to the efficiency of South African trade".

The next high profile push in the Modernisation journey is around changes to the "Cross-Border" environment, essentially the control of movement across South Africa's land borders and the introduction of systems and procedures already in routine use for Sea and Air cargo movement. This is scheduled for initial roll-out at the Kopfontein border-post between the Republic and Botswana towards the end of January 2012 and, depending upon the success of the exercise, the change-over at the other border posts will be effected thereafter.

"This should certainly enhance the experience of crossing the border for those organisations who are compliant with new SARS procedures" states Glenn.