

CUSTOMS

EXTERNAL POLICY

ACCREDITATION

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1 SUMMARY OF MAIN POINTS

- a) SARS grants accreditation status to existing and new registered importers and exporters wishing to be accredited provided that they meet the accreditation criteria.
- b) To be considered for accreditation, clients can:
 - i) Do self-assessment to see if they meet the accreditation criteria by completing the self-assessment evaluation SC-CF-07-A02;
 - ii) Apply for accreditation by submitting the SC-CF-07-A02, the DA 186 and systems questionnaire SC-CC-03-A20; and
 - iii) Write the accreditation test.
- c) Should the client not be successful, a compliance improvement programme can be used to assist the client to meet the criteria if agreed to between SARS and the client.

2 POLICY

- a) Accreditation can be initiated by:
 - i) The South African Revenue Service (SARS) approaching the client to participate in the accreditation programme; or
 - ii) Interested clients contacting SARS for assistance with participation in the accreditation programme.
- b) The clients that are considered for level two (2) accreditation status are importers and exporters registered with SARS.
- c) Each client is entitled to be allocated a Customs Relationship Manager (CRM) who must:
 - i) Facilitate the relationship between the client and SARS; and
 - ii) Educate the client about the accreditation programme including information pertaining to what is expected of him / her in terms of meeting the accreditation criteria.
- d) The criteria to become accredited:
 - i) Clients must ensure that the applicant, the person having the management of the applicant and the employee responsible for Customs matters have not:
 - A) Been convicted to fraud or dishonesty;
 - B) Been convicted of any offence in terms of the Act;
 - C) Incurred an administrative penalty, over a period of three (3) years immediately preceding the application, in respect of any offence in terms of Sections 80 to 84 and 86 of the Act; or
 - D) Been convicted of any offence in terms of:
 - I) Section 59 of the Value-Added Tax Act No. 89 of 1991; or
 - II) Section 104 of the Income Tax Act No. 58 of 1962.
 - ii) An appropriate accounting and logistical system is a requirement for level two (2) and the applicant must:
 - A) Communicate electronically by registering as a user in accordance with the provisions of Sections 101A. This provision does not exclude the use of a Customs broker/agent.
 - B) Maintain a full audit trail of all Customs activities.
 - C) Have a record of verifiable procedures for backup, recovery, fall back, archiving and retrieval of business records.
 - D) Have an effective accounting, record keeping and operational system consistent with generally accepted accounting principles.
 - iii) Applicants must demonstrate sufficient knowledge of Customs. The applicant must designate an employee who will be responsible for Customs matters. This person must before being employed in that capacity pass an assessment administered by the Commissioner as stipulated in Section 64E(1)(b)(iv) read with Rule 64E.13(c). The assessment will be administered by the SARS Institute of Learning (SIOL) and applicants must indicate the specified venue of choice (SC-CF-07).

- iv) **Applicants** must produce evidence of sufficient financial resources:
 - A) Audited financial statements of the business for
 - I) The past three (3) financial years; or
 - II) Such lesser period as the Commissioner allows; or,
 - B) Where no such statements are available, sufficient evidence to prove the viability of the business, which may include proof of available financial resources of whatever nature.
- e) **Where the client does not meet the criteria according to their own self-assessment, they may develop their own** compliance improvement programme by:
 - i) **Addressing all the failure(s) with the assistance of the CRM;**
 - ii) **Putting measures in place to qualify i.e. system improvement; and**
 - iii) **Re-applying when ready.**
- b) **Where the client qualifies, he / she must submit the** DA 186, systems questionnaire **SC-CC-03-A20** and self-assessment **SC-CF-07-A02**.
- f) **The client must ensure truthfulness and accuracy of the information completed.**
- g) **SARS conducts audits when considering applications. The outcome of such audits has a bearing on the decision for approval or rejection of applications for accreditation.**
- h) **If accreditation is not recommended, a compliance improvement programme may be agreed to with the client. Alternatively, the client can withdraw if no longer interested.**
- i) **Where accreditation is recommended:**
 - i) **SARS requires the client to appoint a representative who can demonstrate** sufficient Customs knowledge.
 - ii) **The client representative is required to write the test to check if his / her Customs knowledge is sufficient** to handle the Customs matters of the client.
 - iii) Clients will be notified of the test date and venue arrangements fourteen (14) day(s) prior the commencement of the test.
 - iv) **The candidate(s) must provide a certified copy of their identity document together with the required application for accreditation test SC-CF-07-A01** to the SARS Customs Office where business is conducted at least thirty (30) days prior to the date of the test. Late applications will stand over to the next available date.
 - v) Any **change** in the **client representative** requires **that** the newly **appointed** person undergoes the required test within ninety (90) days after the appointment in such a position. Any such change made must be communicated to SARS immediately when it occurs.
 - vi) The **assessment must** be conducted online and consists of a two (2) hour multiple-choice questionnaire.
 - vii) **The test covers the legislation as well as information which is not limited to the material contained in:**
 - A) SC-CC-24 - Internal Administrative Appeal - **External Policy**;
 - B) SC-CC-26 - Alternative Dispute Resolution - **External Policy**;
 - C) SC-CF-04 - Completion of Declarations - **External Manual**;
 - D) SC-CF-19 - Registration, Licensing and Designation - **External Policy**;
 - E) SC-CF-21 - Clearance of Goods Qualifying for Rebate - **External Policy**;
 - F) SC-CF-22 - Special and Extra Attendance - **External Policy**;
 - G) SC-CF-23 - Completion of the DA 185 - **External Manual**;
 - H) **SC-CF-55 - Clearance Declaration - External Policy**;
 - I) **SC-CR-A03 - Valuation of Imports - External Policy**;
 - J) **SC-CR-A07 - Valuation of Exports - External Policy**;
 - K) **SC-CR-A09 - Tariff Classification - External Directive**;
 - L) **SC-MT-02 - International Mail - External Policy**;
 - M) **SC-RO-01-02 - Preferential Rules of Origin - External Guide**;
 - N) **SC-RO-01-06 - Invoice Declarations - External Policy**; and
 - O) **SC-SE-05 - Bonds - External Policy**.
 - viii) **Where the result of the test is:**
 - A) **Below 70% the client representative may re-do the test or withdraw the application.**
 - B) **A minimum of 70% or above, SIOL must issue a certificate.**

- ix) A result achieved by the successful candidate is valid for a period of three (3) years, where after the test will need to be retaken.
- j) The decision to accept or refuse the application for accreditation will be communicated to the client.
- k) The specific benefits applied to level two (2) status are:
 - i) The appointment of a Customs Relationship Manager tasked with facilitating the relationship between the client and Customs.
 - ii) Reduction of the amount of any security required for compliance with a Customs procedure.
 - iii) Fewer routine documentary and physical inspections.
 - iv) Prioritising a request for tariff and valuation determinations.
 - v) Prioritising access to non-intrusive inspection techniques when goods are stopped or detained for inspection.
 - vi) Prioritising and expediting inspections.
 - vii) Permitting, on application, the inspection of goods at the client's premises, irrespective of the type of goods.
- l) In the event that the client has been found non-compliant after they have been granted accreditation status, cancellation / suspension may be considered as stipulated in Rule 64E:
- m) Record keeping
 - i) The recipient or importer of the goods imported or exported must keep the documents for record purposes for a period of five (5) years:
 - A) Books, accounts and documents in respect of all transactions relating to the Rules for the purpose of any acquittal procedure; and
 - B) Any data related to such documents created by means of a computer.
 - ii) 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).
Every client must produce such books, accounts and documents on demand.
- n) Penalties
 - i) Failure to adhere to the provisions of the Act, as set out in this document, is considered an offence.
 - ii) Offences may render the recipient or importer liable to, as provided for in the Act:
 - A) Monetary penalties (see SC-CO-01-01);
 - B) Criminal prosecution; and/or
 - C) Suspension, cancellation of registration, license or accreditation.
- o) Promotion of Administrative Justice Act
 - i) 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:
 - A) Provides for the review of administrative action by a court or where appropriate, an independent and impartial tribunal;
 - B) Imposes a duty on the State to give effect to those rights;
 - C) Promotes an efficient administration as well as good governance; and
 - D) 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.
 - ii) 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.
 - iii) A person must be given:
 - A) Written reasons of the nature and purpose of the proposed administrative action;
 - B) A reasonable opportunity to make representations;
 - C) A clear statement of the administrative action; and

- D) Adequate notice of any right of review or internal appeal, where applicable.
- iv) Just administrative action requires the Customs Officer to consider all the facts presented and obtained in addition to affording the client the opportunity to be heard, prior to instituting any administrative action.
- v) Before administrative action can be taken by Customs the client must be allowed the opportunity to:
- A) Obtain assistance and, in serious or complex cases, legal representation;
- B) Present and dispute information and arguments; and
- C) Appear in person.
- vi) Clients whose rights have been significantly and unfavourably affected by administrative action and who have not been given reasons for the action may, within ninety (90) days after the date on which the client became aware of the action, request Customs to furnish written reasons for the action.
- vii) Customs must within ninety (90) 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.
- p) **Appeals Against Decisions**
- i) 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-CC-23.
- ii) 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-25.

3 RELATED INFORMATION

3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act, Act No. 91 of 1964: Sections 59A, 60, 61, 64B, 64D, 64E, 64E, 80, 84 and 86 Customs and Excise Rules: 59A, 60, 61, 64B, 64D, 64E
Other Legislation:	Promotion of Administrative Justice Act (3 of 2000): Section 3
International Instruments:	Kyoto Convention, General Annex, Chapter 3 Part 7 – Special Procedures for Authorised Persons - All WCO SAFE Framework of Standards: Customs to Business Pillar of Framework and tangible benefits for accredited traders, Articles 4 and 5

3.2 Cross References

DOCUMENT #	DOCUMENT TITLE
SC-CC-24	Internal Administrative Appeal Process - External Policy
SC-CC-26	Alternative Dispute Resolution - External Policy
SC-CF-19	Registration Licensing and Designation - External Policy
SC-CF-22	Special and Extra Attendance - External Policy
SC-CF-23	Completion of Declarations - External Manual
SC-CF-55	Clearance Declarations - External Policy
SC-CR-A-03	Valuation of Imports - External Policy
SC-CR-A-07	Valuation of Exports - External Policy
SC-CR-A-09	Tariff Classification - External Directive
SC-MT-02	International Mail – External Policy
SC-RO-01-02	Preferential Rules of Origin – External Guide
SC-RO-01-06	Invoice Declarations – External Policy
SC-SE-05	Bonds – External Policy
SC-TA-01-04	ATA Carnet – External Policy

3.3 Quality Records

Number	Title
DA 185	Application for Registration and Licensing
DA 186	Application for Customs and Excise Accredited Client Status
SC-CC-03-A20	Systems Questionnaire
SC-CF-07-A01	Application for Accreditation Test
SC-CF-07-A02	Request for Information and Self-Assessment

4 DEFINITIONS AND ACRONYMS

Accredited Client	A person registered under the provisions of the Act as an exporter, importer or licensed under the provisions of the Act as a clearing agent, remover of goods in bond and a licensee of a Customs and Excise warehouse on who accredited client status has been conferred
Client representative	Person in the employ of the client who must pass the accreditation test to prove that he/she has sufficient Customs knowledge to handle the Customs matters of the client as stipulated in Rule 64.E
Compliance Improvement Programme	A programme for those clients who do not qualify in terms of the accreditation criteria or fail to continue to meet the accreditation criteria
The Act	The Customs and Excise Act No. 91 of 1964

5 DOCUMENT MANAGEMENT

Policy Owner	Executive: Customs and Excise Processing
Detail of change from previous revision	<p>a) Changed:</p> <ul style="list-style-type: none"> i) This document from an External Guide to an External Policy ii) Policy Owner changed from Group Executive: Customs Operations to Executive: Customs and Excise Processing iii) SARS Academy to SARS Institute of Learning iv) The pass rate from 60% to 70% v) The q code for Request for Information and Self-assessment from SC-CF-06-A01 to SC-CF-07-A02 vi) SC-EX-01-03 to SC-CF-55 <p>b) Inserted:</p> <ul style="list-style-type: none"> i) Level two (2) accreditation benefits ii) The following standard paragraphs: <ul style="list-style-type: none"> A) Record Keeping B) Penalties C) Promotion of Administrative Justice Act D) Appeals against decision
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