

CUSTOMS AND BORDER MANAGEMENT

EXTERNAL POLICY

SUPPLIES TO FOREIGN GOING CRAFT

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1 SCOPE

- a) This document provides for the control and regulation of supplies to foreign going craft as stores, spares and equipment, irrespective whether it is free circulation or bonded goods, under cover of a Dispatch and Delivery Note (DDN).
- b) For the purpose of this document the term **supplies** refers to stores, spares and equipment.
- c) This policy addresses:
 - i) Provisions regarding the supply of goods to foreign going craft;
 - ii) The qualifying criteria to become a supplier of stores to foreign going craft; and
 - iii) The supply and record keeping of bonded and free circulation stores to craft;
- d) Excluded from this policy:
 - i) Special storage (SOS) warehouse application;
 - ii) Refusal, suspension and cancelation of warehouse licenses;
 - iii) Suitability of buildings;
 - iv) Overtime goods;
 - v) Surety requirements relevant to warehouses;
 - vi) The warehousing clearance procedure and the up taking into the warehouse register at time of import;
 - vii) Exporter application;
 - viii) Accreditation application;
 - ix) Registration to transact with SARS Customs via electronic data interchange (EDI);
 - x) Stores arriving onboard the foreign going craft; and
 - xi) Treatment of sealable goods.

2 POLICY

- a) Section 38(3)(a) stipulates that an export declaration (refer to the Completion Manual SAD Declarations For Exportation – SC-EX-01-05) must be submitted to Customs prior to export of any goods and similarly due clearance is required for bonded goods prior to removal of from a licensed warehouse facility in terms of Section 20(4).
- b) The dock pass system and all other special dispensations or concessions previously allowed for the supply to foreign going craft are withdrawn from the effective date of this policy.
- c) Stores, spares and equipment can therefore not be delivered to foreign going craft until such time as a declaration was submitted and released.
- d) However, accredited clients communicating with SARS via EDI may remove / export qualifying goods under cover of a dispatch and delivery note (DDN) to foreign going craft and submit an export declaration, SAD 500 (refer to the Completion Manual SAD Declarations For Exportation – SC-EX-01-05), at a predefined time period after the fact.
- e) **Duty free goods** which qualify as stores, spares and equipment are allowed to be stored in these warehouse facilities.
- f) Declarations must be supplied **per foreign going craft** to which supplies were supplied; this may mean more than one DDN per such craft (Refer to Rule 38A.10). Multiple DDNs may therefore be grouped and declared on a single SAD 500.
- g) Declarations must be made according to bonded goods qualifying as stores, bonded goods supplied as spares and equipment and goods supplied as qualifying free circulation stores.

- h) The simplified tariff heading 9992.00 must be used on the declaration for qualifying free circulation goods cleared as stores. This tariff heading may not be used for the following goods, which must be declared under the full tariff heading as per Schedule No. 1:
- i) Goods supplied as spares or equipment;
 - ii) Prohibited or restricted goods in terms of Section 113;
 - iii) Tobacco products and alcoholic beverages in free circulation; and
 - iv) Fuel levy goods.
- i) Bonded goods, including bonded spares and equipment, must be declared using the full tariff heading as per Schedule No. 1.
- j) To qualify for this dispensation the supplier of stores must be accredited in terms of Section 64E:
- i) As a licensee of a warehouse licensed in terms of Section 21(1) for the supply to foreign going craft; or
 - ii) A supplier of free circulation goods as an exporter; and
 - iii) Suppliers supplying both bonded and free circulation goods must be accredited for both client types.
- k) Non-accredited clients must lodge formal clearance and obtain release before the supply of goods to foreign going carriers.
- l) Supply and record keeping of bonded and free circulation stores
- i) The supplier is obligated to keep accurate record of all documentation pertaining to the supply of goods to foreign going craft.
 - ii) Documentation may include:
 - A) Order placed for replacement of supplies;
 - B) DDN for goods supplied;
 - C) Receipt issued for goods returned;
 - D) Invoices;
 - E) Declarations, etc.
 - iii) A licensee / exporter may utilise a receipt in any format on condition that such receipt contains all the required information as per Rule 38A.09(b).
 - iv) Supporting documents, when requested by Customs, must be provided within 1 day from such request.
- m) The Controller / Branch Manager will determine a reasonable time prior to departure within which suppliers may deliver supplies to foreign going craft. This decision will be based on the amount of traffic, port infrastructure and other location specific constraints.

3 REFERENCES

3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Sections 9, 19, 20, 21, 24, 38A, 64E, 101A, 113, 119A Schedule No. 1 Part 1 to the Customs and Excise Act: Tariff heading 99.92 Customs and Excise Rules: Rule 9.02, 9.03, 19, 20, 21, 38A, 119A
Other Legislation:	Promotion of Administrative Justice Act No. 3 of 2000: Section 3
International Instruments:	Kyoto Convention Specific Annex J Chapter 4 Stores, Standard 1, 10, 15, 16, 17, and Recommended Practice 2, 8, 11 and 18

3.2 Cross References

DOCUMENT #	DOCUMENT TITLE	APPLICABILITY
SC-EX-01-02	External - Completion Manual SAD Declarations for Exportation	All
SC-SP-02-02-S1	External SOP – Supplies to Foreign Going Craft	All

4 DEFINITIONS AND ACRONYMS

Accredited client	A client accredited in terms of the provisions of Sections 64E
Client	Any person or enterprise conducting business with SARS
DDN	Dispatch and Delivery Note
Dispatch and delivery note	The document used by accredited clients to remove goods to foreign going craft prior to lodging the declaration
Duty free goods	Goods not subject to Customs duties in terms of Schedule No. 1
EDI	Electronic Data Interchange
Foreign going craft	Either “foreign going aircraft” or “foreign going ship” as defined in Rule 38A.01
Fuel levy goods	Goods on which a levy is imposed in terms of Schedule No. 1 Part 5
Non-accredited client	A client not accredited in terms of the provisions of the Customs Act
Receipt	The document completed and kept as record of supplies returned to the licensee / exporter by the pilot / master or appointed representative of the foreign going craft
SAD	Single Administration Document
Schedule No. 1	Ordinary Customs And Excise Duties, Ad Valorem Customs And Excise Duties, Sales Duties And Surcharge and consists of:- Part 1 – Ordinary Customs Duty Part 2A – Specific excise duties and specific customs duties on imported goods of the same class or kind Part 2B – Ad valorem excise duty and ad valorem customs duties on imported goods of the same class or kind part 3 – Environmental levy goods Part 5 – Fuel levy Part 8 – Ordinary levy
Supplies	For the purpose of this document the term supplies refers to stores, spares and equipment
TH 9992.00	Stores for foreign-going ships and aircraft

5 DOCUMENT MANAGEMENT

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Policy Owner:	Group Executive: Customs Strategy and Policy
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