

# **Submitting the Customs Declaration SAD500/1**

## **Movement of Cargo past Customs.**

With international trade, cargo would be going from one country to another country and therefore be moving past at least two Customs Cargo Control points, known as the Cargo Cops.

Because Customs don't have the time and resources to check every shipment coming in and going out of a country, they want someone to make a declaration about this cargo in writing.

Customs cooperate with each other worldwide, so if any irregularity is uncovered, then Customs would refer to the 4 declarations made, 2 inside the country of Export and 2 inside the country of Import.

The Traders need to make 2 Customs Declarations and the Carriers need to make 2 Customs Declarations.

## **Who is authorized to make this Trader Customs Declaration?**

The companies that appear on an international commercial invoice, namely the seller (Box 2), the one that made up the invoice and the buyer (Box 8), the one to whom the invoice is made out to, may do so.

An international invoice is one made between two parties in two different countries.

Another party authorized to do a Customs Declaration, is someone that is mandated, which means authorized in writing to do so, by one of the parties on the invoice, the seller or buyer. This other party would have to be registered with customs to carry out the declaration. Their details would be in Box 14.

## In what currency should the invoice be?

The currency on the invoice can be anything, it does not have to be of the seller's country or of the buyer's country, as long as the full required payment goes to the seller's country and the product leaves the seller's country. This is the Price recorded in Box 28 which is for the Product recorded in Box 31(or all the Box 31's).

For all the other financial data Boxes (except 28), the required values would have to be converted into the country's currency in which the declaration is made, Export & Import Territories.

The reason the correct invoice currency must be used on the Customs Declaration is for the banks (who are licensed by the government) to make and receive international payments, to easily trace payments and report data to the government via the Reserve Bank.

## Important words to understand for the Customs Declaration

### Cargo & Goods

The two words we use in the shipping industry for the word "Product" are cargo and goods, so what is the difference? Cargo are products that are consigned, just think as **C** for **C**argo is **C** for **C**onsigned, known in the shipping industry as an "indent", meaning "**c**argo **c**ontracted" to a buyer.

A product at the time of the contract may not yet be made, but it is a promise from the seller, to the buyer, that the **cargo** will be available at a given time. It may still be growing in the ground and only be ready in 9 months time.

This "indent" happens when the Buyer's order is accepted by the seller in writing. This shipment would have to be declared twice with Customs, on Export and Import declarations, and this is where the responsibility starts.

When it is the **seller's** responsibility to deal with customs (on Export and/or Import), then if Customs (at Export or Import) for some reason reject the

declaration, then the **buyer** would have a legal right to recover from the **seller** for any loss of potential revenue due to the seller's lack of knowledge in dealing with Customs.

When it is the **buyer's** responsibility to deal with customs (on Export and/or Import), then if for some reason Customs reject the declaration, then the **seller** would have the legal right to recover from the **buyer** for any loss of potential revenue and any additional expenses, known as consequential losses.

Therefore not dealing with Customs correctly could have serious financial implications. This could be both with Customs and the trading partner that is suffering in any way due to the lack of knowledge of the offending party in dealing with Customs.

With the Incoterm Code **EXW**, the buyer would be doing both the Export & Import Customs Declarations. The seller has no dealings with Customs.

With the Incoterm Code **DDP**, the seller would be doing both the Export & Import Customs Declarations. The buyer has no dealings with Customs.

On any of the other **Incoterms** used (if you see any other code besides EXW or DDP in Box 20), the seller would always be doing the Export Customs Declarations and the buyer would always be doing the Import Customs Declarations, so each trader (or their agent) would only do **one** Customs Declaration per shipment.

The word "Goods" on the other hand, is a movable asset, something that you could sell to make revenue, like stock, that is why Customs call it "**goods**", as if the paper work is not approved by them, they could have this auctioned off, "movable asset", and take some money for the government.

This is also why companies that are in the service of moving products also call it "Goods", as they, like Customs, have the common law right to sell the goods(movable asset) if they are not paid for their services. This common law right is known as a "**Lien**".

## Transport & Carrier

Another two words we use in the shipping industry for moving the cargo/goods is, Transport and Carrier, so what is the difference?

Transport is local, within one country, **T** for **T**ransport and **T** for **T**own to **T**own. Carrier is from Country to Country, **C** for **C**arrier and **C** for **C**ountry.

## Freight

The next word is “**F**reight”, which reminds us of the word “**F**oreign”. Transport companies have transport charges but carrier companies have freight charges. This is because they are going **f**oreign and can therefore demand payment in any **f**oreign currency they choose.

## Deemed

The word “deemed” which is the most important word with international trade, is often not well understood. The opposite of deemed means to be tested before authorized to do something.

Like a driver’s license, to be tested as competent before you are authorized to drive alone. The testing beforehand concept comes in when a person could endanger life or property if not competent to do so.

The word deemed means a formal recognition of understanding that the person knows what they are doing, no pre testing required. You can just fill in a form and sign it, and have a registered company, but you better know what you are doing.

With customs, a person/company licensed to deal with them, are declaring that they carry the full knowledge of what is required by law to trade internationally.

Deemed then means that the harm is not to others life or property but only to the person/company not doing things correctly.

## Documents

Documents are much like taking photos of some event. The complete file of documents is like the photo album.

A photo of someone with the date printed into it, could state many things, that's why all documents should always have dates.

The country of export is moving the products out and the payments in. The county of import is moving products in and payments out (Photo/Papers).

On a photo of a person, you could factually assume some things, that the person was alive that day. The person must have slept and eaten before that date. That if the person is still alive on a later dated photo, that they would have to had eaten and slept between the takings of the 2 photos.

When customs look at documents, they also want to be able to “see” what is happening between the traders and the countries.

The 3 documents (photos) required anywhere in the world, to make the trade move are,

- 1) Commercial Invoice. **CI**
- 2) Carrier's Receipt. **CR**
- 3) Customs Declaration. **CD**

Without these 3 documents, no one could legally trade anywhere in the world. Why? The reason is because we always go past the “Cargo Cops”, Customs, in writing, everywhere in the world, this is the minimum requirement.

Often a requirement at work is for us to sign in and then sign out for a day's work. Now you could get someone to sign for you and get your wages every month. But when someone finds out that this is not correct, then various people would get into trouble, well it is the same with Customs worldwide.

Custom can't check every shipment in and out of a country, but they have internationally a system in place that at any time they want to check the “**PPP**”, **P**arties, **P**apers and **P**roducts; they could do so very easily.

The first document is the Commercial Invoice; one party in one country is invoicing another party in another country. The minimum information required of the parties is the three “**CCC**”, a **C**ompany name, an address linked to a **C**ity, and then linked to a **C**ountry name. Box 2 & Box 8

The next document required for customs is the Carrier's Receipt. When a Carrier gives out a receipt for cargo, consigned to someone in another country, the carrier will then also have to make a Customs Declaration. This information is recorded in Box 18.

This is in the same way that one of the parties on the commercial invoice would do so with Customs. The Carrier's Declaration is not called a SAD500 but is called a **Manifest**, which customs could use to check the **SAD500**.

The word manifest comes from the old days before we even had paper to write on. The king or emperor would appoint someone (today it's called Customs) to check all foreign movement in and out of a country.

This officer would ask the person in charge of that movement, “Do you have anything to Manifest”, meaning to **reveal**. “Do you have anything “on board” that I should know about?”.

The Customs officer is talking to those that are going “abroad” or coming from “abroad”, going over the border? When we welcome someone **aboard**, we are declaring that this vehicle/vessel is going **abroad**.

Another example of something similar is when as a passenger at the departure airport. When you are checking in for a flight, an authorized person would ask for a verbal declaration, “Do you have anything valuable or dangerous in your luggage”.

If you did, then you could be manifesting some danger for the flight. If you said that you did not and they found something, you may have to face

some serious consequence. The word manifest is therefore revealing some form of danger.

When we fly within a country, our name will be on the Passenger List. When we fly **abroad**, our name will be on the Passenger **Manifest**. The document changes its name when we are required to make a declaration.

The wording used by the carrier, describing the cargo, would be compared to the wording used on the SAD500. Customs may at any time compare the SAD500 against the Manifest. Customs have up to two years to do any checks after they have released the cargo for export or import trade.

## **Prohibited and Restricted Goods**

Every country would make up its own list for Prohibited or Restricted goods for export and import trade. One product might be prohibited for export but only restricted for import.

Think of it this way, we have three doors, one says “Entry Prohibited”, means don’t go in there. The other door says “Entry Restricted, staff only, and the last door, no notification. Then generally, you could just knock on the last door and go in if it is unlocked.

With customs, prohibited, means do not try to take this product across the border, out or into the country, depending on which list it appears, export or import or both.

You may do a Customs Declaration and get away with it for a while, but if they catch you, you are deemed to know that it was not the right thing to do, that product was on the prohibited list.

When cargo is restricted, this means that it is controlled by a permit. An export or Import permit, which regulate quality or quantity.

Quality permits restrictions are controlled by government departments such as Department of Health, department of Agriculture, Department of Environment or various other departments.

Trade permits controlled by the DTI, have more to do with volume. The list of Prohibited and Restricted goods are produced by Customs on the SARS website.

In imports, some products would have to be tested as a sample only before the Import permit is issued. One such example is when the SABS, (South African Burro of Standards) they need to first test if something is safe. Only when the product is accepted may the permit be issued.

On international trade, some products are controlled by a regulatory authority. This means you first need to get a permit, as an example, diamonds are controlled by the South African Diamond and Precious regulator.

Here is an example from the Customs list of restricted goods.

21.05	<b>Ice cream and other edible ice, whether or not containing cocoa:</b>	Importation into the RSA is subject to a permit from the Director: Veterinary Services, Pretoria, or a person designated by him (only if it contains dairy products)  See Notes 21.2 to 21.4  Endorse License	Animal Diseases Act No. 35/1984	PHO - Port Health Section of the Dept. Of Health  STATE VETERINARY SERVICES (National Department of Agriculture)	State Veterinarian Services  PHO	Endorse Permit	Permit from Director: Veterinary Services, Pretoria, or a person designated by him (only if it contains dairy products)
1	2	3	4	5	6	7	8

- 1) Heading : this is the 4 digit number, the first 4 numbers of the HS code.
- 2) Designation of goods : the description of the goods as to the place it belongs in the HS code book.
- 3) Prohibition or Restriction : What is the control over these goods.
- 4) Authority : The Act that gives them the control.
- 5) Action Required / Detained for : The authority to be notified when stopped.
- 6) Competent Authority : The authority to give out the permit.
- 7) Customs Mandate Requirement : What Customs must check out for.
- 8) Document requirement : what Customs must see on the permit.



Here below is an example of above point number 5 given for articles from chapter 71 in the HS code book.

If the importer is not in possession of a valid import permit from the South African Diamond and Precious Metals Regulator, confiscate the goods and contact the SAPS Organized Crime Unit (Precious Metal and Diamonds Desk at 012 393 1898)

## **Transpose Clearing information onto the Customs Declaration**

Here are some important principles, rules and legal requirements of the Customs Act as they relate to the framing and submission of Customs declarations.

### **When are goods deemed to be Imported?**

Goods are deemed to be imported when the carrier hands in a manifest to customs at the importing country. Customs will expect a SAD500 for whatever is on that list (manifest).

If a SAD500 is not handed in for something on that list, within a given timeframe, the carrier must report that to Customs, it will then go to the “cargo jail” known as the States Warehouse. It is later sold or destroyed by Customs. This is laid out in section 10 of the Customs Act.

### **When are goods deemed to be Exported?**

Goods are deemed to be exported when the carrier hands in a manifest to customs at the exporting country. Customs may want proof that a SAD500 was passed for whatever is on that list and that the exporter is holding a receipt from the carrier.

If a SAD500 was not handed in for something on that list, then customs would instruct the carrier to bring the goods back. The goods on arrival

back at the country of export will then go to the “cargo jail” known as the States Warehouse. If the exporter is not able to satisfy customs, then it is sold or destroyed by customs.

### **When must the Export SAD500 be submitted?**

For Exports, this should be done before the cargo is handed over to the carrier. On submission of the SAD500, customs may want to inspect the goods or examine documents to prove that this was a reasonable contract.

That means, is this contact done at a fair market price, is the seller not just trying to get money out of the country, like hiding some gold or drugs inside the normal cargo.

### **When must the Import SAD500 be submitted?**

For imports, this should be done within 7 days of the carrier arriving at the country of import or within a later time which the Commissioner may allow.

The codes we use in Box 19 will determine the time allowed. This is laid out in section 38 of the Customs Act. Following codes are for Box 19.

- 1) Code 1 : Bulk : 7 days to do customs clearance.
- 2) Code 2 : Break Bulk : 14 days to do the customs clearance
- 3) Code 5, 7 & 8 : Containers : 28 days to do the customs clearance

Bulk is when the carrier is the packet, like a petrol tanker truck.

Break Bulk are the 6B's, Boxes, Bales, Bundles, Barrels, Bags & Bear (naked), and may be palletized.

Containers are Bulk or Break Bulk packed into shipping company containers.

### What documents may Customs require with the SAD500?

Due to the nature of the electronic clearance today with Customs, no documents are seen by Customs. This is just like an email that would be sent to customs in a required format.

However when an enquiry is done by Customs, they would call for supporting documents. If Customs are satisfied, then they would release the shipment for export or import trade. If Customs want to do further checks, they would call to look at the goods.

## **EXPORT**

On exports, the main document is the commercial invoice and any relevant export permits that may be required. If customs want to do any further checks, they may call for the correspondence between the seller and buyer.

It is best to have the carrier's name on the Commercial Invoice.

## **IMPORT**

With imports, the two main documents commercial invoice and the carrier's receipt (CR). There are 3 types, namely, water, air and land.

- 1) Water : Bill of Lading.
- 2) Air : Airway Bill
- 3) Land : Waybill or Consignment Note

A Packing Note (not packing list, a note is a fixed value, like a R10 note, not R10 list), which was designed by traders to hide any values from staff that may be handling the cargo, but don't need to see the invoice.

The Packing Note may have some more accurate information left off the invoice, such as weights, totals and description of packaging but not the true description of the product or its price.

If the importer has selected not to do their own customs declaration, then customs may want to see the Importer's written clearing instruction to the agent.

If the Commercial invoice price is not FOB (Free on Board) (exporting country), then Customs may want to see the Shipper's statement of expenses.

When cargo is restricted, then the relevant permits should be available.

Another additional document required is the statutory approved Certificate of Origin (CoO) to claim a discount on import duties, such as the EURO 1 or SADC Certificate.

### **What values are required on the SAD500?**

The international trade values are looked at in 4 parts.

- 1) The total cost to make the product, the **EXW** price.
- 2) The total cost up to loading onto a carrier, the **FOB** price. Box 22
- 3) The total cost to bring it to the country of import, **CIF** price. Box 12
- 4) The total cost that must be paid directly to the seller, **CI**. Box 28

When determining values for Customs, then additional documents, other than the commercial invoice, will be required for the values on the SAD500.

## **EXPORTS**

On exports, if the value on the commercial invoice is bigger than Box 22 (FOB), then other documents showing values of services may be needed.

These documents such as freight and insurance charges outside the country of export would permit the seller's bank to make payments on those services outside the country of export.

## **IMPORTS**

Whenever the Commercial Invoice is less than Box22( FOB), meaning not all the cost that occurred inside the country of export are on the invoice, then according to section 39 of the Customs Act, a “Shipper’s Statement of Expenses” must be completed by the importer.

The Shipper’s Statement is a declaration by the importer stating that they had “shipping” charges inside the country of export that are not covered on the invoice from the seller.

These values are then added to the commercial invoice amount that is used to calculate import duties. There should be supporting documents to the shipper’s statement of expenses, showing these values of services and taxes, that are not included in the invoice. Those charges could be as follows.

- 1) Cost of export Customs clearance.
- 2) Cost of load & transport to port/airport.
- 3) Cost of export Terminal Tax (cargo dues).
- 4) Cost to load the ship.

If the commercial invoice is bigger than FOB for Box 22, then values would need to be deducted from the value shown on the invoice to get to a value of FOB. All the cost that was included on the invoice, from the time the carrier was loaded would be deducted.

- 1) Cost of freight to a place outside the country of export.
- 2) Cost of insurance to a place outside the country of export.
- 3) Cost incurred inside the country of import.

### **When is a customs declaration valid?**

The entry is only valid if there are no mistakes on the declaration. This means that even if Customs pass the entry with a mistake that they did not pick up, then it becomes automatically by default an invalid declaration.

Customs have 2 years to recheck their own work. If this was not so, then customs would be under too much pressure to check every single shipment. The person making the declaration is supposed to be the expert not Customs. This is laid out in section 40 of the Customs Act.

### **Complete the Customs Declaration**

The SAD500 Customs Declaration form is divided into 3 parts known as the 3C's.

- 1) Companies information, Box 1 to 30 (Top section)
- 2) Cargo Information, Box 31 to 46 (Middle section)
- 3) Calculations paid to SARS, 47 to End. (Bottom section)

The SAD means – Single Administrative Document

### **Companies in Box 1 to 30**

This would cover all the activities between the seller and buyer. The carriers they used. The Customs office used for declaration. The countries of origin, export and destination. Details of full shipment. Places of Customs exit/entry. Clearing Agents used. Financial values.

### **Cargo information in Box 31 to 46**

This has to do with the one HS number. Products are divided up into a worldwide Harmonized System, each product with its own number.

If there are 10 different products listed on the Commercial Invoice, then we are going to use the SAD501, the continuation form, which has 3 cargo information sections on one form, but then only has a small top section.

For 10 HS codes, 4 forms will be required. SAD500 = ONE + SAD501 X 3 forms.

This part will have the description of the type of cargo as described in the HS Customs book with its HS number. The FOB value of just the one HS number, in Box 42, as each different HS number may have a different rate of import duties.

### **Calculations in Box47 to end (money boxes)**

This is the money that you are going to pay over to the government. This section is not used for exports. This section is also not used when cargo goes into a bond store.

The two types of bond stores are, one for the Customs Union (SAD505) and one for the non Customs Union (SAD502). The one for the Customs Union would only collect taxes when we move the cargo out of Bond and into the market, while the non Customs Union would never collect taxes as we are only storing it for another country outside of the Customs Union.

The following Annexes from Customs given with the 73 page SAD500 manual, would be helpful for completing the top 2 sections of the Customs Declaration.

- A) Alphabetic Codes in respect of customs district offices. Used in Box A1 & 27B (3 pages).
- B) List of alphabetic country codes. Used in Box 17 (8 pages).
- C) Country Currency Codes. Used in Box 28 (6 pages).
- D) List of Authorized Dealers. Used in Box 28 (1 page).
- E) Places of Exit. Used in Box 29 (2 pages).
- F) CPC combination Matrix. Used in Box 37 (13 Pages)
- G) Supplementary Unit Codes. Used in Box 41D. (1 page).
- H) Export Coding. Used in Box 44A. (2 pages).
- I) Countable Quantity Code. Used in Box 45. For Bond/Rebate store operation. (3 pages).
- J) SAD Cross reference (documents for Customs Declaration) (9 pages).

## **SAD 500 – CUSTOMS DECLARATION FORM**

The pages numbers listed here refer to the Customs manual.

### **PART 1 SAD500 up to Box 30**

#### **BOX A** Office of Destination or Departure

##### **Box A1**- OFF. CODE

Customs office code : the place at which release of the goods will be attained. P 6 / 3.1.2

##### **Box A2** – MANIFEST NUMBER

Carrier Document Number. P28 / 3.1.53

Carrier Document Issue Date. P30 / 3.1.54

Carrier Document Issued At. P30 / 3.1.55

##### **Box A3** – REGISTRATION NO.

Not in Customs manual refer previous customs notes. First sub box currently not utilized. Second sub box for a serial number allocated to the declaration by the clearer. This serial number will be used to transmit any information / status regarding the declaration electronically back to the clearer. This number starts at 1 and can be as long as 6 characters.

##### **Box A4** – ASSESSMENT NO. & DATE

The date of assessment/acceptance of the original declaration. P 6 / 3.1.3

##### **Box A5** – RECEIPT NO. & DATE

Not in Customs manual, refer previous customs notes. This box is currently not utilized.



**Box 1** – DECLARATION

The Procedure Category Code (PCC). This is the reason code for bringing the cargo into the country or taking it out of the country P 7 / 3.1.6

**Box 2A** – EXPORTER / CONSIGNOR (name and address)

Exporter Name. P18 / 3.1.31

Exporter Street Name and Number. P19 / 3.1.32

Exporter Building Name and Floor. P19 / 3.1.33

Exporter Suburb. P19 / 3.1.34

Exporter City/Town. P20 / 3.1.35

Exporter Street Code. P20 / 3.1.36

Supplier Name. P21 / 3.1.38

Supplier Street Name and Number. P22 / 3.1.39

Supplier Building Name and Floor. P22 / 3.1.40

Supplier Suburb. P22 / 3.1.41

Supplier City/Town. P23 / 3.1.42

Unregistered Trader Name, sates 2B but is 2A P12 / 3.1.17

Unregistered Trader Street Name and Number, sates 2B but is 2A P13 / 3.1.18

Unregistered Trader Building Name and Floor, sates 2B but is 2A P13 / 3.1.19

Unregistered Trader Suburb, sates 2B but is 2A P14 / 3.1.20

Unregistered Trader City/Town, sates 2B but is 2A P14 / 3.1.21

Unregistered Trader Street Code, sates 2B but is 2A P14 / 3.1.22

**Box 2B** – TIN (identification number)

TIN – Unregistered Trader Identification P11 / 3.1.16 to page 15 / 3.1.22

TIN – Trader’s Identification Number from DA185 application to trade. Page 18 / 3.1.30

VDN – Valuation Determination Number – Used on imports only. Page 21 / 3.1.37

Export Code. P18 / 3.1.30

Supplier Code. P21 / 3.1.37

**Box 2C** – BSIC

BSIC – This is the VAT number. P28 / 3.1.52

**Box 3** – FORMS

Not in Customs manual refer previous customs notes. This is the total number of forms used for the declaration. If more than one HS code is required, then a continuation form, SAD501 is used. This form holds place for three HS codes. If a SAD507 is used, then that also would count as an extra form.

**Box 4** – NO NAME

A code which describes the function of the Customs Declaration. Is this a original, change or cancellation declaration. P 7 / 3.1.

**Box5** – ITEMS

Total lines : How many HS numbers are used in the declaration. P8 / 3.1.8

**Box 6** – TOT PACK

Not in Customs manual, refer previous customs notes. This is the total number of packages for the complete declaration. The shipping company container is not used here as it does not belong to the trader. This total here is related to Box 31 and all the other Box 31's if more than one HS code was used. Box 31 could never be bigger in total than Box 6.

**Box7** – DECLARANT REF. NUMBER

This is for any reference number or code that the trader would like to use to keep track of this declaration with their own shipping file. P6 / 3.1.2

**Box8A** – IMPORTER / CONSIGNEE (name and address)

Customs manual page 6 / 3.1.2

Unregistered Trader Identification, states 8B but is 8A page 12 / 3.1.17 to page

**Box8B** – TIN (identification number)

Customs manual page 11 to 15.

TIN – Unregistered Trader Identification page 11 / 3.1.16 to page 15 / 3.1.22

TIN – Trader's Identification Number from DA185 application to trade. Page 15 / 3.1.23

**Box8C** – BSIC

BSIC – This is the VAT number. P28 / 3.1.52

**Box 9** – NO NAME

Not in Customs manual, refer previous customs notes. This box is currently not utilized. Box named as “Person Responsible for Financial Settlement”.

**Box 10** – No Name

Not in Customs manual, refer previous customs notes. This box is currently not utilized. Box named as “Country last Consigned”.

**Box 11** – NO NAME

Not in Customs manual, refer previous customs notes. This box is currently not utilized. Box named as “Trading Country”

**Box 12** – VALUE DETAILS

CIF Value for import only. Not used for export. The total value of the cargo up to the place the carrier will deliver. P57 / 3.5.1

**Box 13** – NO NAME

Not in Customs manual, refer previous customs notes. This box is currently not utilized. Box named as “Common Agricultural Policy (CAP)”.

**Box 13A** – INVOICE NO. & DATE

This is used for Imports only. Not used for Export. P41 / 3.3.1 +2

**Box 14A** – DECLARANT/AGENT

Agent’s name. P8 / 3.1.7

**Box14B** – TIN

Agent's Customs license number. P8 / 3.1.7

**Box 15 (3)** – COE

Country of Export Code. P9 / 3.1.9

**Box 16 (3.2)** – COO

Not in Customs manual, refer previous customs notes. The applicable two-character alphabetic code allocated to the relevant country of origin must be entered in this field. The country of origin is not necessarily the same as the country of export. When it is not possible to establish the country of origin in terms of the Act, the general country code "ZNC", allocated for this purpose, must be used.

When more than one country of origin is sold together, then the country with the most cargo is used here. This information is required again in Box 34 for this very reason, as each HS code could come from a different country of origin.

**Box 17 (3.3)** – COD

Country of Destination Code. . P9 / 3.1.10

**Box 17A** – OWNER

TIN number of party taking ownership of bonded good in a Customs warehouse. P25 / 3.1.46

**Box 17B** – REBATE USER CODE

Rebate user code of processing premises. P25 / 31.1.46

**Box 18 (3.4)** – IDENTIFICATION, DATE AND NATIONALITY OF TRANSPORT AT ARRIVAL**Box 18A**

Denotes the name of the vessel or road vehicle. P30 / 3.1.56

Arrival date of flight. P31 / 3.1.58

Arrival date of maritime or road. P32 / 3.1.59

**Box 18B**

Denotes flight number and date or ship voyage number. P31 / 3.1.57

**Box 19 (3.5)** – CONTAINER

Not in Customs manual refer previous customs notes.

First of all, this is not the correct name for this box. It should be called TYPE OF CARGO. The word “container” is only a type of operation.

A single numeric code that indicates the type of cargo must be inserted in this box.

Code 1. Bulk

Code 2. Break Bulk

Code 4. Empty

Code 5. FCL Groupage (Container consigned to Groupage agent)

Code 7. LCL (Less Container Load) (more than one invoice in a container but not Groupage agent)

Code 8. FCL (Full Container Load)

Code 0. Other

**Box 20** – DELIVERY TERMS

Not in Customs manual refer previous customs notes. This box is currently not utilized. The Incoterm code and address would be inserted here. Customs have fined companies for not using this Box.

**Box 21** - IDENTIFICATION, DATE AND NATIONALITY OF TRANSPORT AT FRONTIER

Not in Customs manual refer previous customs notes. This is for an operation when using more than one vehicle is used to carry out the operation. The second mode of transport code (Box 25) must be inserted in Box 26.

The registration number, date and country code of the vehicle on which the goods were loaded when they first arrived at the border.

If the carrier is by air or sea, enter the Flight / Voyage No. and date.

The name of the second ship iro over carried cargo must be inserted here.

In the case of Bond operation, then the transport information utilized in removing the goods to the place of destination/exit is mandatory irrespective of distance.

**Box 22** – CURRENCY AND TOTAL VALUE

Not in Customs manual refer previous customs notes. The first box currently not utilized. The second sub box is the total customs / export (FOB) value of all the items on a declaration in S.A. Rand.

**Box 23** – RATE OF EXCHANGE

Not in Customs manual refer previous customs notes. This box is currently not utilized.

**Box 24** – OTHER COST DETAILS

Not in Customs manual refer previous customs notes. This box is currently not utilized.

**Box 25** – TMF

The type of the carrier conveying the imported or exported goods. P27 / 3.1.49

**Box 26** – TMI

Denotes the mode of inland transportation to be used to convey goods after “arrival” of imported goods, and delivery of exported goods for “departure” from South Africa. P27 / 3.1.50

**Box 27** – PLACE OF DISCHARGE

Not in Customs manual refer previous customs notes.

**Box 27A**

This sub box is not currently utilized.

**Box 27B**

In the case of goods being removed in bond, the three-digit alphabetic code representing the Controller of Customs and Excise in whose area of control the receiver is situated must be entered in the second sub box. See annexure



**Box 28** – FINANCIAL DATA

UCR Unique Consignment Reference number. Export only. P35 / 3.1.68

Credit Terms. Export only. P36 / 3.1.69

Transaction Bank Code. Export only. P37 / 3.1.72

VAT indicator. P37 / 3.1.73

Transaction Value. Export only. P57 / 3.5.2

Transaction Value Currency Code. Export only. P57 / 3.5.3

**Box 29** – OOE

Port or place of Entry or Exit. P11 / 3.1.14

**Box 30** – LOCATION OF GOODS

In regard to maritime and air carriers. The code of the place from where the goods will leave after Customs have released/detention the declaration.

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## **PART 2 SAD500 Box 31 to 46**

This is all the information of one line item. If more than one line or HS number is used, then a SAD501 would be required. Each SA501 can hold three lines.

The only part to be very careful is the weight Box 35. What is not mentioned correctly in the customs notes? That on the SAD501, only the weight of the line must be inserted in this Box. All the weights inserted on all the SAD501's would be subtracted from the weight on the SAD500 to calculate the weight of the first line of the declaration.

### **Box 31 – PACKAGES & DESCRIPTION OF GOODS**

#### **Box 31A – MARKS & NUMBERS**

Marks, Numbers & Description of Packages. P34 / 3.1.65

Partial Clearance Quantity. Imports only. P34 / 3.1.66

#### **Box 31B – NUMBERS & TYPE OF PACKAGES**

##### **Box 31B1**

No. of Packages. P33 / 3.1.62

##### **Box 31B2**

Full / Empty Indicator. P40 / 3.2.2

##### **Box 31B3**

Seal Number. P40 / 3.2.3

When more than one type of item is in one package? Not in Customs this manual, refer previous customs notes. The No. of Packages is then left out in Box31B1 and then indicated here as “part of one” with package identification. E.g. **Part of One package No. 40.**

#### **Box 31C – CONTAINER NUMBERS**

Denotes the number of ISO container conveying the goods. P39 / 3.2.1

**Box 31D** – DESCRIPTION

Denotes the description of goods as required by Section 40(1) – P50 / 3.4.17

**Box 32** – ITEM

Denotes the line item number for a declaration. Always starts with one. P41 / 3.4.1

**Box 33** – COMMODITY CODE

Denotes the Harmonised System Nomenclature number applicable to the goods declared for each line of a Customs Declaration. Only use the numbers that have “check digits”, CD. P43 / 3.4.5

**Box 34** – COC (should be call COO as related to Box 16)

The country of origin of the goods as in the rules defining country of origin. P42 / 3.4.2

**Box 35** – GROSS MASS KG

The total gross weight in kilograms (kg) of the full consignment. On the SAD501, only the weight of the line must be inserted in this Box. See notes on part 2. P33 / 3.1.63

**Box 36** - PREFERENCE

Not in Customs manual refer previous customs notes. The box is currently not utilized.

**Box 37** – CPC – Customs Procedure Codes. Expanding on Box 1

**Box 37A** – RPC – Requested Procedure Code

The two digit code denotes the specified procedure within which the goods are declared. P54 / 3.4.21

**Box 37B** – PPC – Previous Procedure Code

This two digit code denotes the previous procedure of goods declared. If a 00 is used in this Box, then the declarant is stating that this is the first dealing with customs on these goods. P54 / 3.4.22

**Box 38** – NET MASS (KG)

Not in Customs manual refer previous customs notes. This box is currently not utilized.

**Box 39** – QUOTA

Not in Customs manual, refer previous customs notes. This box is currently not utilized.

**Box 40** – SUMMARY DECLARATION / PREV. DOC.

Previous Procedure MRN. P42 / 3.4.3

Previous Procedure MRN Line No. P43 / 3.4.4

**Box 41** – SUPP. UNITS (the Statistical unit measure of the HS number)

When a product has more than one Statistical measure, then each type must be listed as in the Statistical column of the HS book. As an example HS 0401.10.05.7 has 3 types of measurement.

Box 41A – Denotes the quantity of the unit measure type. P44 / 3.4.7

Box 41B – Denotes the unit of measure for quantity 1. P45 / 3.4.8  
(Customs notes incorrect)

Box 41C – Denotes the quantity of the unit measure type. P44 / 3.4.9

Box 41D – Denotes the unit of measure for quantity 2. P46 / 3.4.10

Box41E – Denotes the quantity of the unit measure type. P44 / 3.4.11

Box41F – Denotes the unit of measure for quantity 3. P46 / 3.4.12

### **Box 42** – CUSTOMS VALUE

Denotes the FOB value of the one HS number. If this box is the same as Box 22 then the declaration is only one line item. If more than one line item, then all the Box 42's should add up to Box 22. P47 / 3.4.15

### **Box 43** – VM

Part 1 Importer Relationship with Exporter Code. P10 / 3.1.12

Part 2 Valuation Method. P10 / 3.1.13

### **Box 44** – Additional Information

Not in Customs manual, refer previous customs notes.

Any additional information relevant to a declaration item, which is required, must be entered in these various sub boxes.

### **Box 44A** – License Number (called Box A in previous notes)

Trade agreement on imports only. P44 / 3.4.6

Additional Information Code. P50 / 3.4.18

Trade Statistics, yes or no – Export only. P54 / 3.4.20

Removal in bond by foreign Hauler. P26 / 3.1.48

**Box 44B** – Deducted Value

Additional Information Value. P 53 / 3.4.19

**Box 44C** – DEDUCTED QUANTITY

No notes

**Box 44D** – EX WAREHOUSE CODE

The place from where warehoused goods are to be removed. P24 / 3.1.44

**Box 44F** – Removal In Bond (R.I.B.) NO, Date & Office

Previous Procedure MNR P9 / 3.1.11

**Box 44G** – Rebate Code (called Box G in Previous notes)

Procedure Measure Code. P55 / 3.4.23

**Box 45** – OTHER QTY

This data field is to declare a quantity specifically for stock taking purposes. In these cases the countable quantity will be the outer containers normally used in the wholesale trade. P46 / 3.4.13

**Box 46** – STATISTICAL VALUE

The insured value of the goods returning back after repairs. P49 / 3.4.16

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## PART 3 SAD500 Box 47 to end

### **Box 47** – CALCULATION OF DUTIES AND TAXES

Duty Tax Type. P55 / 3.4.24

Amount Overpaid on Previous Excise Account. P58 / 3.5.4

Amount Underpaid on Previous Account. P58 / 3.5.5

Total Duties Due. P58 / 3.5.6

Total VAT Due. P59 / 3.5.7

### **Box 48** – ACCOUNT CODE

**Box48A** – The TIN number on whose account this will be paid, normally the agent. P36 / 3.1.70

**Box48B** – Denotes the declarant's preferred payment method. Cash or Account. P27 / 3.1.51

Customs manual page 28 / 3.1.51

### **Box 49** – ID OF WAREHOUSE TIME / LIMIT

Bond Store number receiving goods, when taxes are still payable to the government. P25 / 3.1.45

### **Box Bottom Left** – DECLARATION

The person's full name of a company declaring that the information is true and correct.

**Box Bottom Right** – FOR OFFICIAL USE

This is used for reference numbers by us or customs.

Reference by us, the LRN. P6 / 3.1.1

Reference by us, the MRN. P7 / 3.1.5

Reference by customs, the Case Number. P38 / 3.1.74

Change Acknowledgement Indicator . P38 / 3.1.75

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**The SAD507**

This form is used for any additional information required for the Customs Declarations but was not allocated for on the SAD500.

House Waybill Number. P32 / 3.1.60

House Waybill Date. P33 / 3.1.61

Provide details of Sight Bill of Entry (DA22), is used for imports when it is required to do a physical check on the cargo before doing the Customs Declaration. Listed on page 22.

Exporter / consignor information if more than one supplier on a single import transaction. P21 / 3.1.37

Container numbers are more than one on a single transaction. P39 / 3.2.1



## **The SAD502 & SAD505**

These forms are used when moving goods in bond through the SACU, South African Customs Union of 1910, which is the oldest union of the type in the world. If goods come into South Africa, and no taxes are paid at that time, then one of these forms would need to be used to move the goods.

### **SAD502 Transit Control (RIT) Removable In Transit.**

This is required when goods are not for the Customs Union and are moving through South Africa for another country not belonging to the SACU. Transit Control is like Transship. P26 / 3.1.48

### **SAD505 Bond Control (RIB) Removable In Bond.**

Not in Customs manual, refer previous customs notes. This is required when goods are for the SACU, but taxes will be paid at a later day but not later than 24 months. RIB is when moving within the borders of the SACU, Section 18 of the Customs Act.

This form is designed for the use when bonded cargo is moved from place of landing (entry) to a warehouse or between warehouses or from a warehouse to a place of exit. This form must be presented with the covering SAD500. It must be borne in mind that Boxes 50 to 60 must be completed prior to lodgment to Customs. Boxes 87 to 95 will be completed during the movement of cargo.

Note that if goods are moved from a warehouse to a destination outside the borders of the Customs Union then a form SAD502 must be completed to support the clearance.

## Explain Ratified Customs Declarations

Due to the EDI declaration with Customs today, mistakes are made easily as information is entered in the computer by just following the screen prompts. This screen does not look like a SAD500 declaration. To minimize mistakes it is recommended to become very familiar with the layout and purposes of each Box on this form.

Once all the information is captured in the computer, and before sending the electronic file to Customs, print out a hard copy of the declaration.

Work from the SAD500 back to all the shipping documents; don't take one shipping document at a time, to check the SAD500, work the other way round, get the document to support what you have captured on the SAD500, Box by Box.

It will look like more work when looking at the SAD500 and then paging through various documents to verify the information on the SAD500, but this is more effective in finding mistakes.

Only once the complete physical check is carrier out and the hard copy of the SAD500 is signed off, should the electronic file be sent of to Customs.

Mistakes with Customs could be very expensive as the company doing do is required by law to be competent in dealing with Customs.

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