

CUSTOMS

EXTERNAL POLICY

USE OF DA 490 AND DA 494

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1 SUMMARY OF MAIN POINTS

- a) The DA 490 (Bill of Entry Departmental) is used in Customs procedures where a Customs clearance declaration (CCD) is required but not all the information is available to complete a regular CCD (SAD500).
- b) The DA 494 (Voucher of Correction: Bill of Entry Departmental) must be used for any amendments on the original DA 490. Some DA 494s can result in a refund claim.
- c) The clients must submit supporting documents to the Customs Officer when applying for a DA 490/DA 494.

2 POLICY

- a) The DA 490 can only be used:
 - i) For **unregistered clients** as prescribed in Rule 59A.03 (1)(a) to liquidate a DA 70 to allocate the following amounts to revenue:
 - A) The duty, levy or VAT; or
 - B) The penalty, forfeiture or interest.
 - ii) To bring duty, levy or VAT to account by stockists in respect of goods sold to non-registered rebate users;
 - iii) To bring export duty under Schedule 1 Part 6 to account; and
 - iv) To bring duties and/or levies to account in respect of goods that cannot be traced to a specific CCD and also in instances where insufficient documents or information are available to complete all the fields on the prescribed CCD e.g. smuggled goods.
- b) Clients applying for amendments of the captured information on Cash Desk and the original DA 490 must apply for a DA 494.
- c) The DA 494 must be used when revenue was collected incorrectly on a DA 490 resulting in an:
 - i) Underpayment; or
 - ii) Overpayment (refund): the credit must be claimed within the prescribed two (2) year period on a manual DA 66.
- d) The client requests the Customs Officer to complete a DA 490/DA 494 at the Branch Office closest to the client's premises.
- e) The following supporting documents must be submitted to Customs by the client when requesting a DA 490/ DA494:

SUPPORTING DOCUMENT	DA 490	DA 494
i) An application letter addressed to the Controller/Branch Manager explaining the situation and reason for the request.	✓	✓
ii) An invoice or amended invoice as prescribed in SC-CF-30.	✓	✓
iii) A worksheet containing the following information: <ul style="list-style-type: none"> A) The name and physical street address of the client. B) A contact number and email address of the client. C) The Customs client number for registered clients or the general number 70707070 for unregistered clients. D) The tariff heading under which the imported or exported goods must be declared on the DA 490/DA 494. For information on how to establish the tariff heading refer to SC-CR-A-09. E) Calculations reflecting how the Customs value of the goods were derived at. For assistance in how to determine the Customs value refer to: <ul style="list-style-type: none"> I) SC-CR-A-03 – Valuation of Imports – Internal Policy; II) SC-CR-A-05 – Method 1 Valuation of Imports – Internal Policy; or III) SC-CR-A-07 – Valuation of Exports – Internal Policy. 	✓	✓

SUPPORTING DOCUMENT		DA 490	DA 494
F)	The total amount of duty payable, calculated to the nearest cent, clearly indicating under which Schedule it is payable, for example: I) Import Customs duty payable under Schedule 1 Part 1 or Part 2A; or II) The export duty payable under Schedule 1 Part 6.		
iv)	Draft unprocessed CCD (SAD 500/SAD 504) in the case of export duty.	✓	✓
v)	Permit.	If applicable	If applicable
vi)	Weighbridge certificate.	If available	If available
vii)	The supporting documents to prove a refund application as documented in SC-DT-C-13.		✓
viii)	A copy of the original DA 490.		✓
ix)	A copy of the processed CEB01.		✓
x)	A copy of the receipt of payment.		✓
xi)	An original letter from the bank [letter not older than three (3) months] stating the client's banking details wherein the refund payment must be deposited.		✓
xii)	In the case of unregistered clients: an identity number or taxpayer reference number for identification purposes.	✓	✓

- f) If the DA 494 results in an over payment:
- i) The client must sign page 2 of the DA 66 application that will be forwarded with the supporting document referred to in paragraph (e) above
 - ii) The application for a manual refund, in the name of the client who made the original payment on the DA 490, will be forwarded by the Customs Branch Officer to the Refund Team in the Customs Compliance Centre (CCC) for processing as prescribed in SC-DT-C-13.

- g) The client will receive a copy of the finalised DA 490/DA 494 via email.

h) **Record Keeping**

- i) Every client must keep 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).
- iii) Every client must produce such books, accounts and documents on demand.

i) **Penalties**

- i) Failure to adhere to the provisions of the Act, is considered an offence.
- ii) Offences may render the client liable to, as provided for in the Act:
 - A) Monetary penalties (see SC-CO-01-02);
 - B) Criminal prosecution; and/or
 - C) Suspension or cancellation of registration, license or accreditation.

j) **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) Declarants whose rights have been significantly and unfavourably affected by administrative action and who have not been given reasons for the action may, within thirty (30) days after the date on which the declarant became aware of the action, request Customs to furnish written reasons for the action.
 - vii) Customs must within forty five (45) days after receiving the request, give the declarant 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.
- k) **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-CA-02.
 - 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-26.

3 RELATED INFORMATION

3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Section 38, 39, 40101 and 101A Customs and Excise Rules: 101.01 to 101.03 and 101A.01 to 101A.
Other Legislation:	Public Finance Management Act No.1 of 1999: Sections 6, 7, 8, 10, 12, 36, and 76 Promotion of Administrative Justice Act No. 3 of 2000: Section 3 and 5 Treasury Regulations issued in terms of PFMA Act No. 1 of 1999: – Part 5 paragraphs 11.3 and 15.4; Part 6 paragraphs 15.9 and 15.12; Part 7 paragraphs 17.2 and 18.
International Instruments:	Kyoto Convention General Annex Chapter 3 - Clearance and Customs Formalities Standard 3.1 Competent Customs Office SAFE Framework of Standards: 3.2 Technical Specifications for Standards Implementation- 1.3.3 Imports Goods Declaration Generally Accepted Accounting Practice (GAAP): All Generally Recognised Accounting Practice (GRAP): All

3.2 Cross References

DOCUMENT #	DOCUMENT TITLE
GEN-PAYM-01-G01	Payment Rules - External Guide
SC-CA-02	Internal Administrative Appeal – External Policy
SC-CC-26	Alternative Dispute Resolution – External Policy
SC-CF-19	Registration, Licensing and Designation – External Policy
SC-CF-25	Provisional Payments – External Policy
SC-CF-30	Invoice Requirements for Customs – External Policy
SC-CO-01-02	Offences and Penalties – External Policy
SC-CR-A-03	Valuations of Imports – External Policy
SC-CR-A-05	Method 1 Valuation of Imports – External Policy
SC-CR-A-07	Valuation of Exports – External Policy
SC-CR-A-09	Tariff Classification – External Policy
SC-DT-C-13	Customs Refunds and Drawbacks - External Policy
SC-PA-01-11	Traveller Processing – External Policy
SC-RO-02	Administration of Trade Agreements – External Policy

3.3 Quality Records

- a) The original DA 490/DA 494 must be filed on the prescribed record file.
- b) Copies of DA 490/DA 494 and any attachments thereto, for example the supporting documents must be filed in the Branch Office on the correspondence file [if not Electronic Data Interchange (EDI)].

DOCUMENT #	DOCUMENT TITLE
DA 70	Application to make Provisional Payment
DA 490	Bill of Entry Departmental
DA 494	Voucher of Correction Departmental Bill of Entry

4 DEFINITIONS AND ACRONYMS

ADR	Alternative Dispute Resolution
GAAP	Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
PAJA	Promotion of Administrative Justice Act
PFMA	Public Finance Management Act No.1 of 1999
SARS	South African Revenue Service
Unregistered clients	Customs clients that trade with SARS but do not have a registered client number as prescribed in Rule 59A.03(1)(a), excluding foreigners

5 DOCUMENT MANAGEMENT

Policy Owner	Director: Customs: Border Operations, Ports of Entry & Customs Compliance
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