

CUSTOMS

EXTERNAL POLICY

REFUNDS AND DRAWBACKS

TABLE OF CONTENTS

1	SUMMARY OF MAIN POINTS	3
2	POLICY	3
2.1	Qualifying criteria for refunds and drawbacks	3
2.2	Refunds	5
2.2.1	Requirements to qualify for general refunds	5
2.2.2	Substitution and Dual clearances	5
2.2.3	Short landed goods	6
2.2.4	Tariff	6
2.2.5	Invoices / valuation	7
2.2.6	Trade Agreements (Preferential Rates)	7
2.2.7	Value-added tax (VAT) levied on the importation of goods into South Africa	7
2.3	Drawbacks and specific refunds in terms of Schedule 5 and manual claims	7
2.3.1	Requirements to qualify for Schedule 5 refunds, drawbacks and manual claims	7
2.3.2	Qualifying criteria for items 501.00 - 521.00 specific drawbacks of Customs duties	8
2.3.3	Refund item 522.02	10
2.3.4	Refund item 522.03	12
2.3.5	Refund item 536.00 (Motor vehicle parts and accessories)	12
2.3.6	Refund item 537.03 (APDP)	13
2.3.7	Refund item 537.04 (APDP Phase 2)	13
2.3.8	Refund item 538.00/03.00 (Automotive vehicle for specified motor vehicle) - APDP	13
2.3.9	Refund item 538.00/04.00 (APDP Phase 2)	13
2.3.10	Schedule 5 Parts 5 and 6 refunds of environmental / health promotion levy	13
2.3.11	Over payment of State warehouse rent (manual claim)	15
2.3.12	Payment of overplus (manual claim)	15
2.3.13	DA 494 claims (Departmental) (manual claim)	15
2.4	Post Office refunds	15
2.5	Limitation on the period within which claims must be received	16
2.5.1	Refund claims resulting from determinations	16
2.5.2	Refund / drawback claims resulting from an internal appeal/finding of a court	16
2.5.3	Refund / drawback claims due to retrospective amendment of Schedule [Section 76B(1)]	16
2.5.4	Refund / drawback claims due to retrospective issue of a permit/certificate [Section 75(14B)]	17
2.5.5	Refund / drawback claims resulting from other circumstances	17
2.6	Letter of authority	17
2.7	Keeping of records	17
2.8	Penalties	18
2.9	Promotion of Administrative Justice Act	18
2.10	Appeals against decisions	19
3	RELATED INFORMATION	19
3.1	Legislation	19
3.2	Cross References	19
4	DEFINITIONS AND ACRONYMS	20
5	DOCUMENT MANAGEMENT	21

1 SUMMARY OF MAIN POINTS

- a) The South African Revenue Service (SARS) provides for the refund and drawback of duties and taxes on goods. SARS allows clients to apply for a Customs refund or drawback on duties and taxes within a time-period prescribed within Sections 75 and 76 read together with Section 76B of the Customs and Excise Act. This document encapsulates the refund and drawback legal requirements, processing, requirements, and timeframes allowed.
- b) Refunds are paid in respect of duty or levy overpaid, or where goods are exported in the same condition as they are imported.
- c) Drawbacks are paid in respect of specified materials used in the manufacture, processing, packing, etc., of goods that are subsequently exported.
- d) The onus is on the applicant to ensure that the correct forms and supporting documents are attached before submitting the Refund / drawback application to SARS. The reason(s) provided by the applicant must be specific and adequately set out in the application.
- e) Customs duty and taxes paid on goods, having been imported contrary to the provisions of any law, will not be refunded.
- f) Amended Customs clearance declarations (CCDs) that result in a refund, which are lodged via electronic data interchange (EDI), do not require the manual submission of the refund application forms. However, all amended CCDs will automatically request the submission of supporting documentation - see SC-CF-55 on the method to submit supporting documents and SC-DT-C-13-A01 on which supporting documents are required.
- g) The following are excluded from this document:
 - i) The completion of forms DA 66, DA 64, DA 63 and CR 1 are covered in SC-DT-C-13-A08, SC-DT-C-13-A09, SC-DT-C-13-A10 and SC-DT-C-13-A11 respectively.
 - ii) Excise refunds or drawbacks (SE-REF-02);
 - iii) Traveller refunds are prescribed in SC-PA-01-11;
 - iv) Deferment – External Policy (SC-DT-B-02);
 - v) Payment Rules – External Guide (GEN-PAYM-01-G01);
 - vi) Customs eAccount on eFiling - External Manual (CA-01-M01); and
 - vii) Use of DA 490 and DA 494 (SC-CF-36).

2 POLICY

2.1 Qualifying criteria for refunds and drawbacks

- a) The South African Revenue Service (SARS) provides for the refund and drawback of duties and taxes on goods. SARS allows clients to apply for General refunds, specific rebates, or drawbacks on duties and taxes within a time-period prescribed within Sections 75 and 76 read together with Section 76B of the Customs and Excise Act.
- b) Refunds are paid in respect of duty or levy overpaid, or where goods are exported in the same condition as they are imported in terms of Schedule 5.
- c) Drawbacks are paid in respect of specified materials used in the manufacture, processing, packing, etc. of goods that are subsequently exported.
- d) For overplus payments in terms of Section 43(3) and over payment of State warehouse rent, refer to SC-CW-01-04.
- e) Section 99(2)(a) states that an applicant appointed by an importer must be liable for the fulfilment of all obligations including payment of duties and taxes. Where the applicant of a refund is not the person who originally paid the duties and taxes a letter of authority from the importer must be produced. Such letters must reflect specific particulars of the clearance concerned. Refer to paragraph 2.6.

- f) No refund may be made under Sections 75 or 76 if:
 - i) In the case of goods imported by post, the amount is less than 50 cents;
 - ii) In the case of goods imported in any other manner, less than R 5.00; and
 - iii) In the case of excisable goods manufactured in South Africa, less than R 2.00.
- g) Customs duties and taxes will not be refunded on the following goods:
 - i) Seized and forfeited in terms of section 89; or
 - ii) Having been imported contrary to any other law and subsequently released to the authority administering such law.
- h) Value-Added tax (VAT) refunds on commodities originally imported “free” in terms of the rate of duty under Schedule 1 Part 1 (ordinary Customs duty) and subsequently to be re-exported in terms of Schedule 5 may not be claimed according to this procedure but must be claimed directly from the SARS Revenue Branch Office on a VAT 201.
- i) No refund of duty may be granted if a claim for the duty involved has been paid by an insurance company. A letter from the insurance company will suffice.
- j) The duty paid on goods imported and subsequently exported to the BELN cannot be refunded on an amended CCD and CR 1 in terms of Rule 76.04. Refer to the SACU Agreement, Section 49.
- k) Environmental or Health promotion levy (HPL) paid on goods exported to the BELN may only be refunded in terms of the relevant drawback or refund item as prescribed in Schedule 5.
- l) Limitation on the period for which refunds and drawback claims will be considered and the period within which the Controller/Branch Manager must receive the applications is prescribed in Sections 75(14) and 76(4) read with Section 76B.
- m) There is no discretionary power to consider exceptional circumstances or extend the time period within which refund / drawback applications may be submitted. The time-periods are mandatory and if the claims are not submitted in good time, there can be no refund / drawback.
- n) The Branch Office concerned will reject time-expired refund / drawback claims in terms of Section 76B forthwith.
- o) SARS has an obligation to ensure that refunds or drawbacks due are paid out in the shortest time possible and to the correct person.
- p) Where the refund / drawback is a result of an error on the part of SARS in assessing the duties and VAT, the application must receive priority.
- q) All letters of authority must reflect specific MRN particulars of the CCD concerned and be original. Refer to paragraph 2.6.
- r) Applicants must ensure that they collect any rejected or queried claims or documents from the Branch Office at least weekly.
- s) Applicants must be aware that deposits for various contraventions can be called for, e.g. if an applicant claims more duty or taxes than what he / she is entitled to. Refer to SC-CO-01-02.
- t) Proof of export is prescribed in the Customs declaration policy (SC-CF-55).
- u) Applicants that changed their banking details must verify them in person with their respective supporting documents at a Branch Office for authentication. No refund or drawback will be paid if the banking details are not captured and authenticated on the relevant system. Refer to SC-CF-19.
- v) Documents to prove the claim are listed in SC-DT-C-13-A01.
- w) Only page one (1) of the CCD and amended CCDs reflecting the LRN and MRN and the relevant page(s) and or line(s) to which the refund or drawback has reference is required to be submitted, not the entire CCD.

- x) If supporting documents are submitted on a compact disc **only** one (1) storage device on which the importation supporting documents is stored, per application is allowed. Refer to SC-CF-55 on the method to submit supporting documents.
- y) Where a refund / drawback application refers to a permit / certificate issued, such permit / certificate number and date of issue must be endorsed on page 2 of the DA 66 or on the CR1.
- z) Refunds/drawbacks due to a client can be offset against a client's deferment account. This will only be applicable where it is the importer's own deferment account. No offsetting will take place between different clients' accounts submitted by a single agent.

2.2 Refunds

2.2.1 Requirements to qualify for general refunds

- a) The Commissioner may consider any application for a refund (i.e. amended CCD reflecting a refund amount submitted manually or electronically together with the supporting documents) from any applicant who contends that he / she has paid any duty or other charges for which he / she was not liable or that he / she is entitled to any payment.
- b) The client must submit the amended CCD in accordance with SC-CF-55. The completion of the amended CCD must be done as prescribed in the Completion of Declarations Manual (SC-CF-04). If any error occurs amended CCDs are rejected with reasons via a CUSRES message.
- c) The client receives a message to submit the supporting documents listed in SC-DT-C-13-A01 including the CR 1, electronically. Refer to SC-DT-C-13-A08 for the completion of the CR 1 and SC-CF-55 for the submission of supporting documents. The DA 66 is not utilised for general refunds.
- d) The application (amended CCD) shall only be regarded as validly submitted on receipt of the accurately and fully completed CR 1 together with the applicable supporting documents to prove that the refund is due. The application is still limited to the time-periods prescribed in Section 76B. Refer to SC-CF-55 and SC-DT-C-13-A08.
- e) If the CR 1 and the necessary documents are not received within the time specified in Rule 76(04)(b)(iii), the amended CCD will be cancelled electronically by SARS. If the applicant still wants to claim the money a fresh application (amended CCD, CR 1 and supporting documents) must be lodged. Refer to SC-CF-55.
- f) Additional supporting documents or sample(s) may be requested to prove the claim. When a sample is requested to prove the claim, the Sample policy must be adhered to. Refer to SC-CF-49.
- g) Refunds are checked according to the clearance document and this policy. Refer to SC-CF-55.
- h) Applicants may enquire about the status of their refunds/drawbacks after thirty (30) working days from submission via email to the specific Branch Office where the claims were submitted or the Call Centre.

2.2.2 Substitution and Dual clearances

- a) A substitution refund application will only be considered if the requirements for substitution as prescribed in Section 40(3) read with Rules 40.01 and 40.02 have been complied with. (Refer to SC-CF-55).
- b) Dual clearances normally occur when an applicant submits a declaration for the same invoice to SARS Customs for clearance and only realise after, the amount was settled on the deferment scheme or paid cash that the duty and VAT were paid twice.
- c) Where goods were dual cleared and released (delivered) a letter from the shipping line or airline (release authority) on a letterhead must be produced with the following minimum information:
 - i) Local / Movement reference number on which goods were released <insert LRN / MRN>;
 - ii) Applicant details <insert name and client code>;

- iii) Name of Ship <insert name of ship>;
 - iv) Bill of lading / Air waybill No. and Date <insert Bill of lading / Air waybill no. and date >;
 - v) Number of Packages Landed <insert number of packages landed>;
 - vi) The statement below must be reflected on the letter:
 "I <insert full names>, for and on behalf of <insert shipping line /airline name> in my capacity as <insert capacity> am duly authorised to sign this declaration. I hereby certify that the above-mentioned particulars are correct." and
 - vii) The letter must be signed and dated.
- d) From time to time, it also happens when a specific line on an invoice has been cleared twice on a declaration and needs to be cancelled. This is a dual clearance of a line and there will be no unused release notification. It is merely an error that can be amended by means of an amended CCD. Refer to SC-CF-55.
- e) A duplicate claim will be treated in the same manner as prescribed above.

2.2.3 Short landed goods

- a) Short landed grain
- i) Short landed grain is limited to sea cargo, where there is a proven discrepancy between the quantities Customs cleared (based on the manifested / bill of lading quantity) and the quantity actually physically landed.
 - ii) The shipping operator / agent / importer suspects, after Customs clearance, that the full load of grain shipped does not match the quantity off loaded / landed.
 - iii) The shipping operator / agent / importer obtains the necessary documentary evidence to support an application for a general refund for grain short landed [Section 76(2)(e)].
 - iv) The following are excluded:
 - A) Refund applications made for any landed grain including losses, waste or damaged grain.
 - B) Grain damaged but still landed, for the purpose of this document, is not regarded as "short landed" cargo. Similarly, grain wasted in the handling process that spills onto the wharf area is not regarded as "short landed" [Section 76(2)(e)].
 - C) Declarations submitted and processed according to the actual out-turn quantities i.e. declarations submitted and processed after the vessel has been discharged its cargo and the exact amount of grain landed is confirmed.
 - D) Other break bulk goods.
 - v) Instances may arise where ocean going vessels dock and off load at more than one South African port and grain in excess of the cleared quantity may be off loaded at the first port of call. In such instances, the excess grain off loaded at the first port of call may constitute short landed grain at the final port of call. If this scenario is detected it must be ensured that the Controller at the first port of call is informed of the irregularity so that duty on the excess grain can be collected at that first port of call. Such a scenario does not mean that the importer at the final port of call, who as a result of the excess grain being off loaded at another port, does not qualify for a refund of duty on the grain short landed at that port.
- b) Discrepant packages
- i) No refund claim may be entertained for goods, which are missing from any individual package in respect of which Customs duty, surcharge or fuel levy each taken separately, does not exceed R 25.00, which were not landed at any place in South Africa.
 - ii) A refund claim will only be considered in respect of discrepant packages at the first place of landing thereof in South Africa, and will not apply to any discrepant packages after removal thereof in bond.

2.2.4 Tariff

- a) An EWP (P1.47) is done for identification purposes only, and not to make a tariff determination.
- b) Where it is determined by the tariff section that the tariff change submitted by the client is in question the respective Branch Office / Customs Compliance Centre completes a request for tariff determination (DA 314) and submits to the Tariff Section. Additional information and/or literature may be requested from the applicant in order to complete the tariff determination. Refer to SC-CR-A-09.

- c) The sample(s) submitted with the refund application for tariff purposes must adhere to the provisions as prescribed in SC-CF-49.

2.2.5 Invoices / valuation

- a) A claim will only be granted where the supplier to the importer in terms of Section 41 supplied an incorrect invoice.
- b) Refer to the Valuation of Imports or Invoice Requirement for Customs Policies. Refer to SC-CR-A-03, SC-CR-A-05 or SC-CF-30.

2.2.6 Trade Agreements (Preferential Rates)

- a) Duty can be refunded if paid at the general rate of duty as specified in Schedule 1 Part 1 provided that proof is produced that the goods concerned qualify for a preferential rate of duty.
- b) The allocated Additional Information Code of the specific trade agreement and certificates of origin number must be inserted in the additional information column (SC-CF-04).
- c) The use of non-preferential and preferential trade agreements, proof of origin, visas, origin declarations as well as import and export quotas is prescribed in the Administration of Trade Arrangements policy (SC-RO-02).

2.2.7 Value-added tax (VAT) levied on the importation of goods into South Africa

- a) SARS Customs levies VAT at the applicable rate on the importation of goods into South Africa in terms of Section 7(1)(b) of the Value-Added Tax Act No. 89 of 1991.
- b) SARS Customs **only** has the mandate to authorise a refund of the VAT after it has been paid, by means of a CR 1 (General Application for Refund) in the following instances:
- i) The **importer is a non- registered VAT vendor**; or
 - ii) **Duplicate clearance** – i.e. more than one (1) import declaration has been processed in respect of the importation of the same goods; or
 - iii) **The clearing agent has invoiced and processed the import documentation in the incorrect importer's name** (not include a clearing agent who has invoiced and processed the import documentation incorrectly in the name of the correct importer); or
 - iv) **Substitution** – i.e. the goods have been cleared under the incorrect CPC resulting in the original import declaration being substituted by a new import declaration reflecting the correct CPC **and** VAT is paid a second time.

2.3 Drawbacks and specific refunds in terms of Schedule 5 and manual claims

2.3.1 Requirements to qualify for Schedule 5 refunds, drawbacks and manual claims

- a) The applicant must complete and submit the drawback / manual claims (DA 66) together with all the supporting documents to prove that the refund or payment is due to the Enquiry counter at the office mentioned below (refer to SC-DT-C-13-A11 for completion of the DA 66). Under no circumstances must the CR 1 be used.

Claim	Claim to be lodged with
Items 501 – 521, 536, 537, 538, 551.02, 551.03 and 561.02	The Controller/Branch Manager in whose area of control the importer conducts his / her business
Item 522.02	The Controller/Branch Manager in whose area of control the importer conducts and his / her business; and where the goods are being kept at the time for examination
Item 522.03	The Controller/Branch Manager in whose area of control the importer / exporter conducts his/her business and at whose office the DA 63 and export declaration was accepted and processed on the same day
Item 561.03	The Controller/Branch Manager in whose area of control the manufacturer conducts his / her business

Claim	Claim to be lodged with
Manual claims	The Controller/Branch Manager in whose area of control the original payment was made

- b) If an amended CCD is processed on an export declaration and the quantity or tariff heading is amended, such a declaration will only be accepted for drawback purposes if the goods were still under Customs control. If the goods have left South Africa and are readily not available for inspection the application will not be considered even if International Trade Administration Commission (ITAC) issues a retrospective permit(s). (Refer to SC-CF-04, SC-CF-04-A14 and SC-CF-55)
- c) The Customs Procedure Code (CPC) and refund / drawback item must appear in the appropriate fields on the export declaration before the goods are exported, except where:
 - i) The drawback item is amended or inserted or a CPC is amended when the goods are still under Customs control; or
 - ii) Exceptional circumstances as prescribed in Note 8 to Schedule 5 are approved by Legislative Policy: Customs and Excise.
- d) Two (2) copies of the first page of the DA 66 must be produced with each claim.
- e) The Enquiry Officer date stamps one (1) copy of the applicant's letter or page one (1) of the DA 66 and returns it to the applicant as proof that the claim has been received for processing.
- f) After the claim has been captured or manually processed in a Branch Office, a copy of the applicant's letter or page one (1) of the DA 66 is endorsed with the claim number and date and returned to the applicant for reference purposes.
- g) The number allocated to the claim by Customs remains with the claim until it is finalised even if the claim is rejected on several occasions.
- h) Should a query be issued by SARS, no further claim(s) will be entertained unless the query has been finalised. All queries must be forwarded to the Branch Office.
- i) If any irregularities are found the claim is queried or rejected with reasons on page four (4) of the DA 66 (SC-DT-C-13-A11), and the applicant must acknowledge receipt thereof by signing the register.
- j) The applicant must check regularly whether claims were rejected and are on hand for collection at the Branch Office.

2.3.2 Qualifying criteria for items 501.00 - 521.00 specific drawbacks of Customs duties

- a) Claimants claiming in terms of the above-mentioned drawback items must be registered with the Controller/Branch Manager in whose control area they conduct their business prior to exportation.
- b) A copy of the DA DA 64 or worksheet must be pasted on to page three (3) of the DA 66. Refer to SC-DT-C-13-A10 and SC-DT-C-13-A11 for completion instructions.
- c) Any claim for drawback of duty must be based on the duty paid on the consignments of the specified imported goods in the order in which they were acquired by the registrant (Schedule 5, Part 1, Note 8); (first in, first out), unless determined otherwise by the Commissioner.
- d) No drawback of duty in excess of the duty actually paid on importation of any goods specified in any item of this part may be paid and the onus rests upon the applicant to prove the amount of duty paid.
- e) A drawback claim can only be submitted once the final product has been exported. Refer to SC-CF-55 and SC-TR-01-03-A06.
- f) Applications for drawbacks of duties may be considered from an importer or a person who has paid duties on materials on entry for home consumption and supplied such material to manufacturers for manufacture, processing, finishing, equipment or packing on their behalf provided evidence is available that ownership of the material so supplied remains with the importer.

- g) The Commissioner may authorise payment of drawbacks to any other person e.g. manufacturers who purchase duty paid materials from importers, on compliance with such conditions as he/she may impose in each case (Schedule 5, Part 1, Note 7).
- h) In either case, if the applications are acceptable it is essential that evidence be produced of the duty originally paid, e.g. a copy of the declaration, invoices and a statement that the Controller/Branch Manager is satisfied that such goods have been used in the manufacturing, processing, finishing, equipment or packing of the goods exported.
- i) It is obvious therefore that interested parties must consult the Controller/Branch Manager prior to embarking on any transaction of the nature here contemplated as to records to be kept and procedures to be followed in order to qualify for payment of the drawback.
- j) A drawback claim can only be submitted once the final product has been exported by the party entitled to the drawback claim. (Refer to SC-CF-55 and SC-TR-01-03-A06).
- k) Applications for drawbacks of duties may also be considered from an importer or a person who has paid duties on materials on entry for home consumption and supplied such material to manufacturers for manufacture, processing, finishing, equipment or packing on their behalf provided evidence is furnished to the Commissioner that ownership of the material so supplied remains with the importer / owner.
- l) Interested parties must consult the Controller/Branch Manager prior to embarking on any transaction of the nature here contemplated as to records to be kept and procedures to be followed in order to qualify for payment of the drawback.
- m) The Commissioner may require registration of the formula to be used by a registrant (Schedule 5, Part 1, Note 4).
- n) Every registrant must establish and prove to the Commissioner the quantity of each class or kind of imported goods actually incorporated or used in any exported goods and also the quantity of waste of such imported goods incurred in the manufacture of such exported goods (Schedule 5, Part 1, Note 6).
- o) Due to the varying production/manufacturing methods together with the various nature of material used in industry, it is not possible for SARS to set a fixed acceptable waste percentage. It is possible that certain waste could be used for the manufacture of other articles and the rebate registrant may in such instances wish to sell such waste. For example, "off cuts of leather" resulting from the manufacture of leather jackets can be used to manufacture small leather articles such as lighter covers, bookmarks etc. In such instances whether or not the registrant is selling or donating such waste the duty on such re-usable waste must be brought to account and cannot be refunded.
- p) Additional requirements for Drawback item 521.00
 - i) This part provides for the drawback of duties paid on imported goods used in the manufacture, processing, finishing, equipment or packing of any goods exported.
 - ii) When the permits are issued, International Trade Administration Commission (ITAC) will advise the applicant thereof in writing and the letter will confirm that the permit has been delivered directly to SARS Head Office: Refunds. The description of the commodities as well as the quantities and value covered by the permit will be reflected in the letter.
 - iii) The import and export period on the ITAC Permit must have a start and end date, which must cover the date on which the importation and exportation declaration was made.
 - iv) A copy of this letter must be included in all drawback claims concerned when the claims are submitted to Branch Offices.
 - v) Balances must not be marked off on the letters but on the Consolidation sheets (SC-DT-C-13-A04 and SC-DT-C-13-A05) as the permits will be marked off in SARS Head Office: Refunds on the database and the claim will further be checked in the normal way.
 - vi) It is the responsibility of applicants to ensure that they keep proper records of balances, as and when they submit claims. This is essential to avoid claims being sent to the Head Office: Refunds and then being rejected as a result of there being insufficient balances on the permit.
 - vii) Only one (1) export product and all the imported products used in the manufacture of that product will be reflected on a permit.

- viii) Each permit will contain a continuation sheet(s) in respect of each imported product covered by the permit, i.e. the continuation sheet will cover all the imported products. It does not mean that there will be a sheet for each product separately.
- ix) In cases where permits are lost or substituted, ITAC will endorse this fact clearly on the top of the replacement permits and the date of issue of the original permit will be reflected on the replacement permit.
- x) If the details of the permit do not correspond with the letter attached to page two (2) of the DA 66, the claim will be rejected on the same day. Refer to SC-DT-C-13-A11 for completion instructions.
- xi) The applicant must indicate at the time of export whether he/she will apply for a Refund / drawback and the drawback item as well as the correct CPC must be inserted on the export declaration at the time of completion thereof.
- xii) No drawback in terms of this item may be granted unless the claim in respect of such drawback is accompanied by and complies with the provisions of a permit issued by ITAC.
- xiii) The said permit may specify the nature, quantity or value of the goods in the manufacture, processing, finishing, equipment or packing of which the first-mentioned goods are used, the period during which any such goods may be imported or exported or any other restriction of whatever nature, and the Commissioner may exempt any person to whom such permit has been issued or any goods to which this item is applicable from the provision of any note relating to Schedule 5, Part 1.
- xiv) Applicants must take steps to ensure that they apply in a timely fashion to ITAC for the permits in order that their claims can be submitted within the specified periods.
- xv) No claims will be considered for goods, which have gone into use for home consumption.
- xvi) Any claim for drawback of duty must be based on the duty/levy paid on the consignments of the specified imported goods in the order in which they were acquired by the registrant (Schedule 5, Part 1, Note 8), (first in, first out).
- xvii) Both the quantity and value must be marked off in respect of each imported product concerned as and when it is exported, and when either the quantity or the value is depleted the permit or applicable part thereof will expire.

2.3.3 Refund item 522.02

- a) Refunds in terms of Part 2 of Schedule 5 are governed by Section 75.
- b) The provisions under Section 76B must be adhered to.
- c) An application for a refund in terms of refund items 522.02, 522.03, 522.04 and 522.06 must always be applied for, to the Controller/Branch Manager before the goods are exported to verify that the goods in question are the same as imported. Refer to SC-CF-55.
- d) The Controller/Branch Manager does have the discretion whether to examine the goods in terms of refund item 522.03, 522.04 and 522.06. Refer to SC-CF-55.
- e) It is **compulsory** that an **examination** in terms of drawback **item 522.02** (EWP) be conducted prior to exportation to verify whether the goods returned comply with the conditions of drawback item 522.02. Refer to SC-CF-55.
- f) The claim may not apply to goods, which have already gone into home consumption in South Africa, except where it has been for limited use as determined by the Commissioner in cases where such use is indispensable to reveal any defect or that the goods do not conform to the conditions of the contract.
- g) CCD:
 - i) In the case where the goods are returned to the supplier or designated entity, the import declaration need not be amended and an export declaration either reflecting the full or partial particulars must be lodged for the goods to be exported will form part of the supporting documents to the claim;
 - ii) Where the goods are unconditionally abandoned or destroyed no amended import declaration is required.
- h) Properly motivated applications are required which must comply with the following conditions:
 - i) Goods must be from a single consignment [one (1) declaration per DA 66].

- ii) Goods must not have been imported contrary to the provisions of any law.
- iii) Duties taken separately amounting to R 50-00 or more must have been paid.
- iv) A refund can only be considered on goods:
 - A) Which are found to be not legally saleable in South Africa because they do not conform to a standard prescribed by law; or
 - B) Which, at the time of importation were not in accordance with the terms of the contract in respect of their description, quality, state or condition and documentary evidence confirming the dispute in this respect between the supplier and importer, is furnished; or
 - C) Which landed damaged.
- v) If goods are to be returned to the suppliers under circumstances not provided for in item 522.02 then SARS Customs is precluded from entertaining an application for a refund of duty and it follows that no purpose will be served in submitting applications of this nature to SARS Head Office. Such applications must be rejected at the Branch Office concerned and the attention of the applicant/importer invited to the provisions of refund item 522.02.
- vi) Excess stock/unsaleable goods cannot be claimed under item 522.02.
- vii) Penalties must be imposed if applicants do not comply with the conditions of the refund item Refer to SC-CO-01-02.
- viii) Conditions:
 - A) That the goods are identifiable with the imported goods and within 24 months of the date of their entry for home consumption must be returned to the supplier thereof or another person designated by the supplier.
 - B) The goods are abandoned to the office unconditionally or destroyed with the permission of the Commissioner (the provisions of Rebate Item 412.07 must apply mutatis mutandis).
 - C) Officers conducting an EWP report (P1.47) must incorporate in their reports comments on the reasons advanced by importers / suppliers / applicants for return of the goods in question as well as their own comments regarding description, quality, quantity, state or condition of the goods.
 - D) The above instructions under refund item 522.02 in respect of goods to be re-exported apply equally to applications for unconditional abandonment to SARS and acceptance in writing by the importer of the risk and responsibility for the cost of destruction thereof within 24 months of the date of their entry for home consumption.
 - E) Any offer to abandon or application for destruction must be in writing by the owner or on behalf of the owner and must be accompanied by an indemnity as follows: "I <insert full names> (Applicant) herein represented by <Person's full name> in *his / her capacity as <insert capacity> *he / she being duly authorised to furnish this indemnity, hereby agree and undertake to hold harmless and keep indemnified the Office of the Commissioner for the South African Revenue Service against any claim, loss or damage, cost and expenses, arising from any cause whatsoever which may be made against or sustained or incurred by the said office, as a result of this acceptance of abandonment." *Delete which is not applicable.
Signed on this <insert day> day of the month <insert month> (ccyy) <insert year> at <insert place> (Place) <provide signature> Signature.
 - F) Destruction of goods must be done under Customs supervision and a destruction certificate must be issued to the applicant (P1.154 or P2.08 depending on the circumstances).
 - G) Where the goods are abandoned to SARS, claims for a refund of duty / levy may only be entertained after the goods in question have been delivered into the custody of SARS and destroyed.
 - H) In order to establish whether the goods were supplied in accordance with the contract, Controllers / Branch Managers must call for the indent order or purchase order. Where it is claimed that the goods were ordered by fax/e-mail, such orders are acceptable provided their authenticity is not in doubt. Importers who claim that goods were ordered verbally or whilst they were overseas must satisfy Controllers / Branch Managers regarding the goods actually ordered (e.g. by means of the confirmation of order, invoice, etc.).
 - I) Particular attention must be given to particulars appearing on the order such as quantity, sizes, colours, description, part or serial numbers, code numbers, etc. Whenever goods were supplied in accordance with the contract (order) irrespective of whether the incorrect goods were received due to the importers or local representative's fault, the application for refund must be rejected. Must an importer e.g. order wrist watches with assorted colour dials and receive wrist watches with grey, blue and black dials, he / she will not be entitled to a claim for refund of duty in terms of the item as the goods were supplied in accordance with the contract.

- J) Whenever the EWP indicates that the goods examined are identifiable with order-invoice-, and declaration particulars there can never be any question of incorrect goods having been received as the goods would be as ordered.
- K) In instances where goods are incorrectly supplied they may be identifiable with the invoice but will not be in accordance with the order. Goods incorrectly dispatched will under normal circumstances not be identifiable with the invoice and will also not be in accordance with the order.
- L) Correspondence between importer and supplier must be called for. Where the supplier denies that the incorrect goods were supplied even though he / she is prepared to accept return thereof, an application for a refund of duty may not be entertained. Where the supplier is prepared to accept return of the goods but is not prepared to accept responsibility for freight charges, etc. applications must be treated with suspicion. Credit notes, if available, must also be checked. In instances where the supplier admits that incorrect or faulty goods were supplied (and this is confirmed on P1.47 by the SARS Customs officer) and is prepared to accept return of the goods, such claims may be entertained provided they are otherwise in order.
- M) In instances where the supplier has negotiated with the importer to supply goods at regular intervals, there must be a firm order or an agreement. Claims for goods incorrectly supplied under these circumstances may not be entertained in the absence of evidence that the goods were not in accordance with the contract.
- N) XYZ Exporters who submit applications for refund of duty may also not be entertained in respect of goods withdrawn from the market, goods supplied in order to try the market, goods not suitable for or acceptable by South Africa and where an order was cancelled subsequent to dispatch of the goods.

2.3.4 Refund item 522.03

- a) Refer to the Clearance Declaration policy for the DA 63 process. Refer to SC-DT-C-13-A09 and SC-CF-55.
- b) Goods, which have gone into use for home consumption, do not qualify for a refund in terms of refund item 522.03.
- c) Claims in terms of this item may be considered on duties paid on imported goods where the exported goods exceed R 200 in value for each consignment for each consignee which are exported for trade purposes:
 - i) In the same condition as imported; or
 - ii) In a condition in which the essential character of the imported goods has been retained; and
 - iii) They are the same goods described on the import documents.
- d) The Customs Procedure Code (CPC) H 62-11 and refund item 522.03 must appear in the appropriate fields on the export declaration before the goods are exported. Refer to SC-CF-04, SC-CF-04-A14 and SC-CF-55. If the refund item 522.03 does not appear in the appropriate field on the export declaration the refund claim must be rejected as "No claim".
- e) A refund application in terms of 522.03 can only be accompanied by one (1) DA 63 and one (1) export declaration i.e. one (1) export declaration but multiple imports declarations. Refer to SC-DT-C-13-A09.

2.3.5 Refund item 536.00 (Motor vehicle parts and accessories)

- a) Refund item 536.00/02.00 - Goods of any description as permitted by ITAC on which duty has been paid for use in the manufacture of motor vehicles provided proof is submitted to the Commissioner six (6) months after the date of issue of the permit that such motor vehicle complies with TH 8702.10.10.
- b) Refund item 536.00/00.00/03.00 and 04.00 – APDP: Automotive components on which duty has been paid and which have been supplied to a vehicle manufacturer for use as original equipment components in the manufacture of specified vehicles as defined in Rebate Item 317.03 or 317.07 or which have been incorporated in original equipment components supplied to vehicle manufacturers provided:

- i) Such component manufacturer or supplier can produce proof by means of copies of bills of materials reflecting the actual number of imported automotive components used in the manufacture of specific original equipment components supplied;
- ii) There is proof of the quantity of each original equipment component supplied to a vehicle manufacturer;
- iii) The claim is substantiated by a statement from the vehicle manufacturer to whom such components were supplied with specific reference to the part number, description and quantity received, and the statement from the vehicle manufacturer is certified by a Customs Officer; and
- iv) The imported component value has been declared on a Form C1 (Declaration Certificate of Imported Component Values in respect of components in terms of the notes to the ITAC Regulations) and it can be produced on request.

2.3.6 Refund item 537.03 (APDP)

- a) Claims under this item may be considered, provided that the conditions as prescribed under Refund Item 537.03 of the SARS Customs and Excise Tariff are complied with.
- b) Completely built-up (CBU) motor vehicles are imported and duty paid or warehoused and on removal (ex-warehouse) duty paid.
- c) To claim back these duties, the importer must be in possession of a valid Production Rebate Credit Certificate (PRCC) on which the importer is the beneficiary. The A 11-00 and A 11-40 declarations must fall within the validity period of the PRCC.

2.3.7 Refund item 537.04 (APDP Phase 2)

- a) Claims under this item may be considered, provided that the conditions as prescribed under Refund Item 537.04 of the SARS Customs and Excise Tariff are complied with.
- b) To claim back these duties, the importer must be in possession of a valid Production Rebate Certificate (PRC) on which the importer is the beneficiary. The A 11-00 and A 11-40 declarations must fall within the validity period of the PRC.

2.3.8 Refund item 538.00/03.00 (Automotive vehicle for specified motor vehicle) - APDP

- a) Claims under this item may be considered provided that the conditions as prescribed under Refund Item 538.00/03.00 of the SARS Customs and Excise Tariff are complied with.
- b) These claims are in respect of automotive components imported and duty paid or warehoused and on removal (ex-warehouse) duty paid.
- c) To claim back these duties, the importer must be in possession of a valid PRCC on which the importer is the beneficiary. The A 11-00 and A 11-40 declaration date must fall within the validity period of the PRCC.

2.3.9 Refund item 538.00/04.00 (APDP Phase 2)

- a) Claims under this item may be considered, provided that the conditions as prescribed under Refund Item 538.00/04.00 of the SARS Customs and Excise Tariff are complied with.
- b) These claims are in respect of automotive components:
 - i) Imported and duty paid; or
 - ii) Warehoused and on removal (ex-warehouse) duty paid.
- c) To claim back these duties, the importer must be in possession of a valid PRC on which the importer is the beneficiary. The A 11-00 and A 11-40 declaration date must fall within the validity period of the PRC.

2.3.10 Schedule 5 Parts 5 and 6 refunds of environmental / health promotion levy

- a) Environmental or health promotion levy (HPL) is paid on imported goods. The importer will be in possession of the declaration as well as the release of these goods. The goods are in free circulation

under the control of the importer and may be dealt with as the importer wishes. The importer can supply the goods to dealers or traders – the sales transaction between these entities has no Customs impact.

- b) Refund item 550.01 or 560.01 (exported internationally)
- i) Environmental levy or HPL may be claimed on goods exported in accordance with the provisions of items 522.02, 522.03, 522.04, 522.05, or 521.00 if all conditions have been met.
 - ii) This provision does not apply to goods removed to the BELN, including vehicles. Refer to paragraphs c) and d) below for the provision regarding vehicles removed to the BELN.
 - iii) The export declaration must reflect the specific Schedule 5 drawback / refund item mentioned above.
 - iv) Depending on the drawback / refund item inserted on the export declaration, the relevant refund / drawback procedure must be followed and supporting documents produced. Refer to SC-DT-C-13-01.
 - v) Only after the actual export has taken place, a drawback / refund application may be submitted on a DA 66. Refer to SC-DT-C-13-A11 for completion instructions.
- c) Refund item 551 or 561.02 (exported to BELN)
- i) Refund item 551.02 (vehicles exported to BELN) applies to vehicles kept on a dealership's floor and not yet registered onto the eNATIS system and for which no South African number plate has been issued.
 - ii) Refund item 551.03 or 561.02 (goods exported to BELN) applies to any goods excluding vehicles.
 - iii) To qualify for this, refund the vehicle or goods in respect of which environmental levy or HPL has been paid must be new, imported and cleared for home consumption i.e. going into free circulation.
 - iv) CPCs examples:
 - A) A 11-00 (final destination South Africa);
 - B) A 11-40; 41, 44
 - C) A 13-00; or
 - D) A 13-40, 41, 44.
 - v) At time of making the declaration the environmental levy or HPL must have been paid. Depending on clients, the payment can either be cash or on their deferment.
 - vi) The declaration to remove the vehicle or goods across the border **MUST** reflect the Schedule 5 refund item. Refer to SC-CF-55 and SC-TR-01-03-A06.
 - vii) Before the vehicle or goods crosses the border it is compulsory that a Customs Officer (at the port of exit) verify the vehicle or goods particulars to ensure the items that leave the country is the same that was imported.
 - viii) Only after actual removal can a refund claim be submitted on a DA 66. (Refer to SC-DT-C-13-A11 for the completion of this form).
 - ix) Only the importer reflected on the import declaration may submit a DA 66. However, the importer may provide a letter of authority and all the necessary documents to the claimant indicating that the claimant may apply for the drawback. The letter of authority must be original and it must pertain to a specific declaration on which the levy was collected. This refund claim must be submitted to the Customs Office where the initial declaration, clearing the goods into home consumption (free circulation) was entertained.
- d) Refund item 561.03 (a) and (b) (HPL goods used in South Africa)
- i) This refund item relates to goods that have been imported in respect of which the HPL was paid and which were used in the manufacturing of goods not subject to HPL by:
 - A) A warehouse licensed for the manufacturing of goods subject to HPL;
 - B) An excise manufacturing warehouse licensed for the manufacturing of goods not subject to HPL.
 - ii) Only one (1) refund application per import declaration will be entertained. Item 561.03 (a) must first be checked and verified by the Excise division, refer to SE-REF-02; and
 - iii) Item 561.03 (b) once the goods have been used in the manufacturing of other non-HPL products. One (1) DA 64 with multiple import declarations may only accompany a refund application (DA 66) in terms of 561.00. Refer to SC-DT-C-13-A10 and SC-DT-C-13-A11.
 - iv) The time period is limited to an application received by the Controller/Branch Manager as prescribed in paragraph 2.5.

2.3.11 Over payment of State warehouse rent (manual claim)

- a) The processing of over payments of State warehouse rent is prescribed in SC-CW-01-04 and completion of the DA 68 is described in SC-CW-01-08.
- b) The process will be subject to the approval of the DA 68A and supporting documents (SC-DT-C-13-A01).

2.3.12 Payment of overplus (manual claim)

- a) The nett proceeds of the sale of uncleared goods are on application payable to the owner of the goods. For the processing of payments in respect of overplus also. Refer to SC-CW-01-04.
- b) No overplus is payable in respect of goods SEIZED by SARS. However, where goods have been seized due to non-compliance of the requirements of Sections 38(2) and 43(2) (i.e. the importer was called upon to remove entered goods in the State warehouse within a stipulated period but failed to do so) and the goods are sold an overplus will be duly considered.
- c) SARS is also prepared in certain circumstances to pay surplus proceeds or a portion thereof to persons other than the consignee of goods. In such cases the applicant must state in detail why he / she considers himself / herself entitled to the surplus proceeds. If his / her claim is on the grounds that he / she has compensated the consignee for the loss of the goods, he / she must produce evidence to this effect and also of the amount of compensation paid out by him / her.
- d) All claims must show gross amount realised, all charges and expenses deductible there from and the net surplus. Refer to SC-DT-C-04-A34.
- e) The duty must be calculated at the rate in force at the date of the sale.

2.3.13 DA 494 claims (Departmental) (manual claim)

- a) A refund of duty must be limited to an application received within a period of two (2) years from the:
 - i) Date of entry for home consumption of the goods (import MRN); or
 - ii) Date of **entry for the export of the goods**.
- b) The date of the DA 490 **or CEB01** declaration may not be used for refund limitation purposes.
- c) A refund payment is only made to the applicant who originally paid the export duty on the CEB01 due to system constraints. (Refer to SC-CF-36)
- d) The applicant notifies the Branch Office of an:
 - i) Over-payment of duties and taxes on the DA 490 as prescribed in SC-CF-36; or
 - ii) Over plus where nett proceeds of an auction exceeds duties, taxes and charges prescribed in SC-CW-01-04.

2.4 Post Office refunds

- a) The importer must apply for a refund on a P.P 43 (obtainable from the Post Office) to the Postmaster at the Post Office where the duty was paid.
- b) The DA 66 and the CR 1 may not be utilised for these types of refund applications.
- c) The time of entry for home consumption of goods imported by post is deemed to be the time when such goods are assessed for duty in terms of Section 39(1)(a).
- d) A refund of duty and/or taxes must be limited to an application received within a period of two (2) years from the date of entry for home consumption of the goods to which the manifest relates.

- e) The claim must be supported by the relevant import/export documents as well as any other documents or information, which may have a bearing on the claim. Refer to SC-DT-C-13-A01.
- f) The Postmaster will verify the correctness of the claim and after reporting thereon will forward it to the Postmaster-General for transmission to SARS Head Office: Refunds for consideration and approval.
- g) After approval by SARS Head Office: Refunds the relative claims will be returned to the Postmaster-General for refund of the duty and / or taxes involved.
- h) Any form or label affixed to or completed in respect of a parcel on which a description of the contents and their value are set forth must in the case of goods **exported by post** be deemed to be an export declaration. Refer to SC-MT-02.

2.5 Limitation on the period within which claims must be received

2.5.1 Refund claims resulting from determinations

- a) The prescription period of refund applications resulting from any determination, new determination or amended determination in terms of Sections 47(9), 65 or 69 is limited as prescribed in Section 76B(1)(a).
- b) These limitations are:
 - i) A refund in respect of goods entered for home consumption during a period of two (2) years immediately preceding the date of such determination, new determination or amendment whichever date occurs last; provided that where any such determination, new determination or amendment has been appealed against, the two (2) year period is calculated from the last date, notwithstanding the fact that a court may amend any determination of the Commissioner, or the Commissioner may, as a result of the finding of such court, amend such determination; and
 - ii) Any application for such refund which is received by the Controller/Branch Manager within a period of twelve (12) months from the date of such determination, new determination or amendment of a determination; or
 - iii) Any amendment by court or by the Commissioner as contemplated in the proviso in Section 76B(1)(a)(i).

2.5.2 Refund / drawback claims resulting from an internal appeal/finding of a court

- a) Refund or drawback claims in respect of any internal appeal to the Commissioner [Section 76B(1)(b)] or a finding of court which is not in respect of a determination contemplated in Sections 47(9), 65 or 69 can be approved.
- b) These are limited to:
 - i) Goods entered for home consumption during a period of two (2) years prior to the date of any final decision by the Commissioner; or any decision of the Commissioner to the extent that it is amended by or as a result of a finding of court; and
 - ii) Any application for such refund of drawback which is received by the Controller / Branch Manager within a period of twelve (12) months from the date of such decision or amended decision.

2.5.3 Refund / drawback claims due to retrospective amendment of Schedule [Section 76B(1)]

- a) In the case where any Schedule to the Act is amended with retrospective effect.
- b) Any such refund or drawback must be limited to an application therefore received by the Controller/Branch Manager within a period of twelve (12) months from the date on which the amendment is published in the Gazette.

2.5.4 Refund / drawback claims due to retrospective issue of a permit/certificate [Section 75(14B)]

- a) In the case of a permit or certificate issued with retrospective effect as contemplated in Section 75(14B) any such refund or drawback must, notwithstanding the effective date of such permit or certificate, be limited to Section 76B(1)(d):
 - i) Goods entered for home consumption during a period of two (2) years prior to the date of issue of such permit or certificate; and
 - ii) Any application received by the Controller/Branch Manager within a period of twelve (12) months from the date of issue of such permit or certificate.
- b) A retrospective permit is one (1), which is issued in respect of export transactions, which take place prior to the date of issue of the permit.
- c) A 521.00 permit is only valid for twelve (12) months from the date of the issuing thereof and claims must be submitted within the twelve (12) month period.

2.5.5 Refund / drawback claims resulting from other circumstances

- a) All claims in terms of exports must be submitted within twelve (12) months from the date on which the ITAC 521.00 permit has been issued [Section 76B(1)].
- b) The provisions of Section 76B did not change the six (6) month period required for **substitution** in terms of the provisions of Section 40(3)(b). A refund or drawback claim submitted as a result of a substitution must, however be limited to an application received by the Controller/Branch Manager within the periods prescribed in Section 76B.

2.6 Letter of authority

- a) A letter of authority from the importer is a requirement in terms of Section 100 when an agent, consultant, etc. applies on the importer's behalf for a Refund / drawback.
- b) This authority may not be transferred to a third party (another agent, consultant, etc.).
- c) The letter of authority must:
 - i) Be on the importer's letterhead; and
 - ii) Specifically refer to the type of authority given, i.e.
 - A) A specific MRN; or
 - B) The import CCD date must fall within the start and end date of authority. In this case the agent / consultant must retain the original and produce such when requested to do so. Certified copies of the original letter must be submitted with each refund / drawback / manual claim.
- d) In the case of a single drawback application the original letter of authority must be attached to page two (2) of the DA 66. Refer to SC-DT-C-13-A11 for completion instructions.
- e) The letter of authority for general refunds (amended CCD) must be scanned together with the CR 1 and supporting documents as prescribed in SC-CF-55.
- f) LOAs that do not comply with paragraph c) above will not be accepted in an effort to reduce the opportunity for fraudulent claims purported to be submitted on behalf of an importer.

2.7 Keeping of records

- a) Every client must keep for record purposes for a period of five (5) years:
 - i) Books, accounts and documents in respect of all transactions relating to the Rules for the purpose of any acquittal procedure; and
 - ii) Any data related to such documents created by means of a computer.

- b) 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).
- c) Every client must produce such books, accounts and documents on demand.

2.8 Penalties

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

2.9 Promotion of Administrative Justice Act

- a) 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:
 - i) Provides for the review of administrative action by a court or where appropriate, an independent and impartial tribunal;
 - ii) Imposes a duty on the State to give effect to those rights;
 - iii) Promotes an efficient administration as well as good governance; and
 - iv) 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.
- b) 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.
- c) A person must be given:
 - i) Written reasons of the nature and purpose of the proposed administrative action;
 - ii) A reasonable opportunity to make representations;
 - iii) A clear statement of the administrative action; and
 - iv) Adequate notice of any right of review or internal appeal, where applicable.
- d) 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.
- e) Before administrative action can be taken by Customs the client must be allowed the opportunity to:
 - i) Obtain assistance and, in serious or complex cases, legal representation;
 - ii) Present and dispute information and arguments; and
 - iii) Appear in person.
- f) Clients 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 client became aware of the action, request Customs to furnish written reasons for the action.
- g) Customs must within forty five (45) 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.

2.10 Appeals against decisions

- a) 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.
- b) If clients disagree 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:	<p>Customs and Excise Act No. 91 of 1964: Sections 38, 39, 40, 41, 43, 45, 47, 54D, 54J, 58, 75, 76, 76A-C, 77I 3(1), 77B(2), 80, 91, 92, 98, 99, 99A, 101A, 100, and 119A</p> <p>Notes to Schedule 5 as well as the Notes to Part 1 of Schedule 5 and Schedule 1 Part 7 of the Harmonised Tariff</p> <p>Customs and Excise Rules: Rules 19A4.04 (viii);38; 39; 40, 41, 43, 44, 49, 59, 75, 76, 77I .01 to 77I.23, 106, 101A.01A, 119A.00, 202.00 and 202.02.05</p> <p>Value-Added Tax Act No. 89 of 1991: Sections 7, 11, 13, 16, 39, 40 and 54</p>
Other Legislation:	<p>Promotion of Access to Information Act No.2 of 2000: All</p> <p>Promotion of Administration Justice Act No.3 of 2000: Preamble and Sections 3 and 5</p> <p>Public Finance Management Act No.1 of 1999: Sections 6, 7, 8, 10, 12, 36, and 76</p>
International Instruments:	<p>Kyoto Convention: General Annex: Chapter 4© Repayment of duties and Taxes – All</p> <p>WCO SAFE Framework of Standards: Not applicable</p> <p>WTO Trade Facilitation Agreement: Section 1 Article 4 – Right to Appeal or Review; Article 6 - Disciplines on fees and Charges imposed on or in Connection with Importation and Exportation</p>

3.2 Cross References

DOCUMENT #	DOCUMENT TITLE
CA-01-M01	Customs eAccount on eFiling – External Manual
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-04	Completion Of Declarations – External Manual
SC-CF-04-A14	CPC Combination Matrix - External Annex
SC-CF-19	Licensing, Registration and Designation – External Policy
SC-CF-36	Use of DA 490 and DA 494 – External Policy
SC-CF-49	Samples – External Policy
SC-CF-55	Clearance Declaration – External Policy
SC-CO-01-02	Offences and Penalties – External Policy
SC-CR-A-03	Valuation of Imports - External Policy
SC-CR-A-05	Method 1 Valuation of Imports - External Policy
SC-CR-A-09	Tariff classification – External Policy
SC-CW-01-04	State Warehouse – External Policy
SC-CW-01-08	Completion of DA 68 – External Manual
SC-DT-B-02	Deferment – External Policy
SC-DT-C-13-A01	Supporting documents - External Annex
SC-DT-C-13-A08	Completion of CR 1- External Annex
SC-DT-C-13-A09	Completion of DA 63 - External Annex
SC-DT-C-13-A10	Completion of DA 64 - External Annex
SC-DT-C-13-A11	Completion of DA 66 - External Annex

DOCUMENT #	DOCUMENT TITLE
SC-MT-02	International Mail - External Policy
SC-PA-01-11	Traveller Processing – External Policy
SC-RO-02	Administration of Trade Arrangements – External Policy
SC-SC-25	Provisional Payments - External Policy
SC-TR-01-03-A06	Acquittal Document Requirements - External Annex
SE-REF-02	Excise Refunds – External Policy

4 DEFINITIONS AND ACRONYMS

Act	Customs and Excise Act No. 91 of 1964
APDP	Automotive production and development programme
Applicant	Importer, exporter, owner, agent, consultant, Licensed Distributor, etc. applying for a refund
BELN	The Republic of Botswana; The Kingdom of eSwatini; The Kingdom of Lesotho; and The Republic of Namibia.
Branch Office	SARS Customs Branch Office
Break bulk goods	Goods shipped in separate packages stored in or on the carrying ship or vehicle
Bulk goods	A large quantity of unpacked dry goods shipped loose in the hold of a ship or transported loose by a vehicle or in any receptacle
CCD	Customs Clearance Declaration
CER	Customs and Excise Refund System - provides electronic processing and tracking of claims
CPC	Customs Procedure Code
Dual clearance	A declaration that was submitted manually/electronically to SARS Customs twice for release of the same goods
Dual clearance of an invoice line	A specific line on the invoice was cleared twice on the same declaration
Duly completed	Completion of full and correct particulars, substantiated by true and correct documents, etc.
Duplicate declaration	A copy that corresponds to an original exactly which was cleared twice
EWP	Examination Without Prejudice
Examination report	Means any report completed by a Customs officer such as an Service Manager inspection report, EWP, DA 310, etc. that refers to a specific consignment i.e. the description of goods, quantity, declaration particulars, etc.
ITAC	International Trade Administration Commission
LD&FO	Landing, Delivery and Forwarding Order
Liens	Notice by shipping lines, depots, etc. to retain charges for freight that may be claimed subject to certain conditions, when goods are sold on auction, etc.
OEM	Original Equipment Manufacturer
PAA	Productive Asset Allowance
PRC	Production Rebate Certificate
PRCC	Production Rebate Credit Certificate
SACU	The Southern African Customs Union, consisting of: The Republic of South Africa; The Republic of Botswana; The Kingdom of eSwatini; The Kingdom of Lesotho; and The Republic of Namibia.
SADC	Southern African Development Community
SCO	SADC certificates of origin
Short landed grain	Grain (corn, rice, and wheat) in dry bulk form packed in bags or loose that is not offloaded the carrying vessel
Standard	Used to convey the standards mandated by legislation and the sequential steps to be followed
Taxes	Relates to levies or VAT paid at time of importation of goods
VAT	Value-Added Tax
VAT 201	Return for remittance of VAT

5 DOCUMENT MANAGEMENT

Policy Owner	Director: Customs Border Operations, Ports of Entry & Customs Compliance
Detail of change from previous revision	Inserting refund item 538.00/04.00 (APDP Phase 2). Aligning the limitation period with Section 76B(1A) for export duty refunds paid.
Template number and revision	GC-TM-03 - Rev 9