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EXTERNAL STAKEHOLDERS

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Dear Customs client

MANDATORY SUBMISSION OF ELECTRONIC CARGO REPORTS

SARS is on the verge of implementing the first phase of the Reporting of Conveyances and Goods (RCG) project which falls under the New Customs Acts Programme (NCAP).

Building on the foundations laid by SARS's current Manifest Processing (MPR) system, which was introduced in June 2016, RCG will provide for customs control of all vessels, aircraft, trains, vehicles, goods and persons entering or leaving South Africa.

The new Cargo Processing System (CPS) to be implemented under the RCG project reflects the new legislative framework in respect of cargo reporting, as set out in the Customs Control Act, 2014, and significantly improves cargo management and supply chain security. CPS, which includes both import and export, as well as transshipment reporting, introduces a number of new supply chain reports, including outturn reports, gate reports and pre-loading notices for containerised cargo.

In order to facilitate the transition to the new legal dispensation, a decision was taken to implement the first phase of RCG under the rules for section 8 of the Customs and Excise Act, 1964. Under RCG, it is mandatory for all cargo reporters in the air, sea, rail and road industries and involved in the movement of international cargo to submit reports to SARS electronically. Customs clients impacted by the RCG implementation include shipping lines, airlines, the national rail carrier, road hauliers, freight forwarders, port and airport authorities, terminal operators, wharf operators, transit shed operators, licensees of depots and registered agents.

It has, in fact, been mandatory to submit electronic cargo reports to SARS since 2009, but this has not been strictly enforced in order to give industry the opportunity to develop the necessary capability to report electronically.

In order for the CPS system to function as intended, it is vital that all road, rail, sea and air cargo reports are submitted electronically, in full

and in the correct format. According to current statistics produced by MPR, the road modality is at 76% in terms of electronic submission compliance, but sea and air are lagging behind at 50% and 24% compliance levels respectively.

MPR is currently matching cargo reporting data with declaration data at Master level but with RCG Release 1, CPS we will be matching data to the lowest level.

SARS is targeting 99% electronic submission of manifests for all modalities before RCG is implemented. As SARS has to drive electronic submission compliance, it will be obliged to impose penalties for non-compliance as part of its consequence management process.

SARS Risk Management is dependent on quality data, reported electronically, in order to ensure that it targets the right cargo for customs intervention. The knock-on effect of manual processes, the non-submission of electronic reports or inaccurate data is that SARS will be forced to intervene on more clearances than necessary and this hampers trade and is counterproductive.

All land, sea and air cargo reporters are therefore urged to ensure compliance in terms of data submission in the correct format before the implementation of RCG, currently earmarked for 20 April 2018.

SARS has published specific Message Implementation Guides (MIG's) relating to the various conveyance and electronic cargo UN/EDIFACT messages to be submitted to SARS and held detailed technical discussions with software developers on system development requirements. SARS will continue to engage with all technical, as well as public and private stakeholders throughout the process leading up to the RCG implementation.

For more information on the NCAP project, click here: [NCAP](#) or go to Customs & Excise > New Customs Legislation Update. For more on RCG, including Frequently Asked Questions (FAQ) click here: [RCG](#) and on the new Customs Acts, click here: [Legal](#).

The rules in support of the RCG implementation were published on 8 December 2017 and the period for comments closed on 19 January 2018. Comments received are currently being reviewed. The draft rules can be viewed here: Draft [Rule 8](#)

Thank you for your support.

Sincerely



BEYERS THERON

EXECUTIVE: CUSTOMS & EXCISE CENTRE OF EXCELLENCE