

## Customs & Excise

Operational Centre of  
Excellence



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Dear Customs client

### UPDATE ON GO-LIVE OF RCG AND CSK

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).

The first phase of RCG, which will provide for customs control of all vessels, aircraft, trains, vehicles, goods and persons entering or leaving South Africa, will be implemented on Friday 20 April 2018.

### Preparing for RCG

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 draft rules to section 8 of the Customs and Excise Act, 1964 which are based on the draft rules to Chapter 3 of the Customs Control Act, 2014. CPS is expected to significantly improve 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.

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.

Clients were recently reminded that it has been mandatory to submit electronic cargo reports to SARS since 2009. However, this has not been strictly enforced in order to give industry the opportunity to develop the necessary capability to report electronically.

All land, sea and air cargo reporters were recently reminded in correspondence from SARS to ensure compliance in terms of data submission in the correct format before the implementation of Phase 1 of RCG on 20 April 2018. 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. As a result, penalties for non-compliance may be imposed from 1 August 2018.

SARS is currently doing system testing with trade in order to ensure that the switchover to the new system goes smoothly on Friday 20 April. For land border clients, the impact of the change will be minimal as the submission of electronic road manifests was already implemented under the Manifest Processing (MPR) system.

For many sea and air modality clients, who have never submitted electronic reports before, the implementation may take more time to get used to. We are therefore starting with a pilot in Durban and will stabilise it for clients there before moving on to other sea ports and air ports.

Cargo reporters currently submitting reports to the MPR system and who are not yet in a position to switch to RCG reporting by 20 April must continue to submit their current MPR reports to SARS.

During the go-live we will have an Operations Support Centre which will assist clients with any issues. We will give you more details on this closer to the time. In the meantime, if you need help to prepare for the go-live, send a mail to [NewCustomsActs@sars.gov.za](mailto:NewCustomsActs@sars.gov.za).

You can also go to the SARS website > 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](#).

### **Introduction of CSK**

SARS will also be introducing the Customs Sufficient Knowledge (CSK) test in May 2018. It is a Customs Control Act (CCA) prerequisite for certain client types to have CSK for registration and licensing purposes on the RLA system.

The initial rollout of CSK will prioritise current RCG client types who intend continuing to do business and applying for the following CCA registration and licensing client types: Local Road carriers, Own Goods Carriers: Road, Local Road Couriers, General Customs brokers, Courier Customs Brokers and Registered Agents: Road Carriers (non-local).

As the CCA has not yet been operationalised, taking the test will not be mandatory at this stage. However, clients are encouraged to write the test as it will assist them to become familiar with the new legislation to avoid consequences stemming from non-compliance in the future.

The test will be written online at various SARS venues around the country.

Initially, to lessen the administrative burden, each company/legal entity will only be able to nominate a maximum of two employees to write the test. The employer will nominate their employee/s on the CSK site on eFiling and those employees will then have to accept their nomination on

eFiling. It is therefore important that all companies who wish to take part in the CSK test, identify their employees who they wish to undertake the test and ensure that they are linked to the company on eFiling.

We will be communicating more details on CSK closer to the time.

For more information you can go to the SARS website > Customs & Excise > New Customs Legislation Update > CSK or click here: <http://www.sars.gov.za/ClientSegments/Customs-Excise/AboutCustoms/Pages/Customs-Sufficient-Knowledge-Test-FAQs.aspx>. If you have any questions, please mail us on [NewCustomsActs@sars.gov.za](mailto:NewCustomsActs@sars.gov.za)

Thank you for your support.

Sincerely



**BEYERS THERON**

**EXECUTIVE: CUSTOMS & EXCISE CENTRE OF EXCELLENCE**