



NEWS RELEASE

For Immediate Release

Implementation of Electronic Processing of Customs Declaration by the South African Revenue Services at Caledonspoort and Qacha's Nek Border Posts

Maseru, 19 April 2012: On the Customs front, massive changes have taken place under the Customs Modernization Programme which the South African Revenue Services (SARS) started to launch a year ago. SARS Customs Modernization introduces the principles of electronic processing of Customs declarations coupled with automated risk assessments to differentiate between low-risk and high-risk trade. These changes are aimed at facilitating trade by speeding up the movement of trucks through the border posts, replacing stamps and paper with electronic processing and using resources more effectively by centralizing declaration processing.

The officials from the South African Revenue Services met with their Lesotho counterparts, the Lesotho Revenue Authority (LRA) on Wednesday 18th April 2012 whereby SARS officials explained that they will be implementing the new declaration system as part of its Customs Modernization programme. The new system will be implemented in phases at the Lesotho borders starting with Qacha's Nek and Caledonspoort from the 21st April 2012. This new approach will mainly affect traders (cargo declarations at this stage). For passenger processing and private shoppers it will be addressed at a later stage.

This is part of the SARS Modernization Programme which they started on a year ago to improve their processes and to meet international standards. The key changes that SARS are introducing include paperless declarations where they will no longer be accepting paper declarations from traders. All documents will now have to be submitted electronically. Such electronic declarations will have to be made by a clearing agent who is registered with the South African Revenue Services. With the new system in place, deferment account will also no longer be in use for exports to the Republic of South.

For Caledonspoort and Qacha's Nek traders this means that no cargo will be allowed through those borders from the 21st without having been declared electronically. This declaration should have been made before the goods arrive at the border area. SARS will issue a notification to the trader or clearing agent that the goods can be moved to the border area for import or export purposes. It is only after the notification is granted that

the goods can then be presented at the border. This is meant to reduce congestion at the border and also to have goods that only require defined customs procedures to be performed on them.

To address challenges that may arise as a result of this change, Lesotho and the Republic of South Africa (RSA) are currently engaged in a project to improve trade facilitation. This project attempts to harmonise customs processes between RSA and Lesotho, to build a common approach towards trader management and also to have joint customs controls at the borders. Lesotho is in a process of acquiring a system for customs – with the system it will be easier to harmonise and have a common approach to dealing with trade issues. Currently Lesotho is still using manual declaration processes at the borders which makes it difficult to have similar approaches and processes as SARS at this stage.

SARS has introduced daily meetings at the two border posts for stakeholders to discuss issues relating to the going live in Qacha's Nek and Caledonspoort until the 4th May. These meetings started on the 17th April 2012. They will also assist all traders who would like to enquire about the registration process and any other issue related to the modernization programme roll out.

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