



Customs @ Wylie

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This e-mail flyer is created by Customs @ Wylie, an initiative of Shepstone & Wylie's, International Transport, Trade & Energy Division.

***We have offices in, amongst other places,
Durban, Cape Town, Richards Bay and Johannesburg.***

CONTENT

New Draft Revenue Amendments & Buying Commission.....	1
Other Proposed Amendments	2
Did You Know?	2
The Lighter Side.....	3
Contact Us	3

New Draft Revenue Amendments & Buying Commission

The definition of buying commission in terms of Section 65 (9) of the Customs Act deviates from the definition in Article VII in the WTO GATT Agreement. The GATT Agreement considers buying commission to be a fee paid by an importer to his agent for the service of representing him abroad in the purchase of the goods being valued. In contrast to this, S.A. Customs has extended the meaning of this definition by allowing the buying agent to also pay for the goods. Thus in S.A. buying commission is considered to be any fee paid by an importer to his agent for representing him abroad in the purchase of and payment of the goods.

This deviation is due to be extinguished with the new Draft Revenue Amendments currently out for comment. S.A. Customs is proposing that their current definition is aligned that of the GATT Agreement by removing reference to "payment". Thus for buying commission to be considered not dutiable the buying agent may not pay for the goods on behalf of the importer.

The change in definition will trigger a review of buying agents' contracts en masse. Not reviewing whether buying commission will be dutiable or not might leave importers at risk of contravening the Customs Act by deducting buying commission from the transaction value, when in fact, it is not legally allowed.

Comments on the draft amendments are due between 20 August and 5 September 2008.

Other Proposed Amendments

The Draft Revenue Amendments also focus on issues such as:-

- Defining what is meant by "goods under customs control";
- Conferring powers to customs officials i.r.o. customs patrol boats, arrest, possession and use of fire arms and non-lethal weapons;
- Inserting legislation i.r.o. Border Patrol;
- Inserting provisions for Advance Passenger Information;
- Major amendments i.r.o. incomplete, provisional, periodic and supplementary bills of entry - simplified entry and release provisions and related time periods
- Allowing an electronic warehouse register to be kept.

Please feel free to call us if you would like to discuss these amendments in more detail.

Did You Know?

- If you are importing goods into South Africa and have any hesitation about the tariff code used on the import documentation, it is best to obtain a tariff determination. For more information please contact us.
- The International Trade Administration Commission has decided to conduct an investigation into the alleged dumping of tall oil fatty acids originating from Sweden.
- The Department of Trade and Industry is introducing new rules to the Export Marketing and Investment Group schemes. The aim is to make the schemes more accessible, to introduce new products, to improve administrative efficiency amongst others.

The Lighter Side

A wife was making a breakfast of fried eggs for her husband. Suddenly, her husband burst into the kitchen.

'Careful,' he said, 'CAREFUL! Put in some more butter!

Oh my gosh! You're cooking too many at once. TOO MANY! Turn them! TURN THEM NOW! We need more butter. Oh my gosh! WHERE are we going to get MORE BUTTER? They're going to STICK!

Careful. CAREFUL! I said be CAREFUL! You NEVER listen to me when you're cooking! Never!

Turn them! Hurry up! Are you CRAZY? Have you LOST your mind?

Don't forget to salt them. You know you always forget to salt them. Use the salt. USE THE SALT! THE SALT!

The wife stared at him. 'What in the world is wrong with you? You think I don't know how to fry a couple of eggs?'

The husband calmly replied, 'I just wanted to show you what it feels like when I'm driving.'

Contact Us

We welcome any comments on our articles or any suggestions you may have.

Visit our webpage on www.wylie.co.za , e-mail us at customs@wylie.co.za or call us on 0860CUSTOMS.

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