

Update: Security of Critical Supplies

Update: 26 March PM, 2020

About this update

This update contains an overview of the *Security of Critical Supplies* (item no. 4 on the BUSA Covid-19 Economy Work Stream document). This update is the fifth of its kind, with the aim to produce further updates on a daily or 48-hour basis. The original outline, is contained in the document titled '*BUSA Covid-19 - Feedback Report on Security of Critical Supplies*' for reference purposes. The aim of this report is to produce an update on the three (3) critical action areas, as outlined below:

- 1. Maximise Transnet / freight efficiency for critical inputs / imports.**
- 2. Develop sectoral lists of critical imports with 48-hourly updates.**
- 3. Lobby for reduction of customs on critical imports.**

These measures will go a long way in assisting the following key areas critical for successful combatting of the spread of the Covid-19 virus, namely:

- Monitoring and modelling the impact on the economy
- Secure supplies of public hygiene health-stocks
- Economic slowdown: measures to address and mitigate the impact
- Securing the Supply-chain and managing disruptions

It is therefore the aim to provide an update on the three (3) critical factors outlined above on a daily or 48-hour basis. Any additional information is welcome. The following contact persons are of note:

Contact Person	E-mail	Institution
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3. Juanita Maree	juanita.maree@savinodelbene.com	BUSA (CAIA)
4. Philippa Rodseth	philippa@manufacturingcircle.co.za	Manufacturing Circle
5. John Purchase	john@agbiz.co.za	Agrofood Sector
6. Gavin Kelly	gkelly@rfa.co.za	RFA

Update on important industry measures were provided in the previous version of this document titled '*BUSA Covid-19 - Workstream 4 - 26 March Update*', monitoring of the critical role players in the in the extended supply chain for the duration of the 21-day national lockdown: **(1)** SARS Customs; **(2)** ports update; **(3)** C-BRTA freight permits; **(4)** flight schedule updates.

Hereafter follows a further update on the some of the critical matters identified:

1. Monitoring of critical role players in the extended supply chain:

a. SARS Customs

SARS Customs has sent out communication regarding the rendering of Customs services during the lockdown period ([SARS](#), 2020). It was vehemently communicated that SARS Customs strongly urge clients to make use of digital channels of communication as far as possible, limiting visits to SARS offices only

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for 'unavoidable and essential' matters. Adding to this, SARS has put procedures in place for the duration of the lockdown, focusing primarily on facilitating trade in essential services.

SARS position on other matters include the following:

i. Registration, Licensing and Accreditation

Registration – all registration activities have been postponed; however, an exception process has been set up centrally to cater for the registration of entities importing essential goods. The following procedure applies:

- Submit applications for import/export via email to osc@sars.gov.za
- This should include:
 - A completed DA185
 - Relevant supporting documents
 - A commercial Invoice clearly stating the value and the description of goods in question.

Licensing – all licensing activities will be postponed, with the exclusion of licensing for rebate manufacturing of essential goods i.e. sanitisers. These clients should submit their applications to osc@sars.gov.za

Accreditation – all preferred trader and authorised economic operator activities will be postponed.

ii. Applications for Embargoes, Special Attendance, De-group, Removal in Bonds, etc.

1. All applications in this regard should be forwarded to osc@sars.gov.za
2. The OSC will provide you with feedback on the same day. This will include further instructions on how to proceed.
3. In the case of approval, that email will be your source document to enable further action.

iii. Physical Inspections

1. Service Manager inspections will follow the normal process
2. Inspections will only be performed in Customs controlled facilities
3. No-one at inspection will be allowed without the appropriate protective gear e.g. gloves, masks, etc.

iv. Customs Branch Managers contact details

In addition to the arrangements communicated by SARS Customs, contact details for all Customs Branches has also been released by [SARS Customs](#). The list is also attached in the [Appendix](#) of this document. In urgent cases where a client's issue has not been resolved via the branches, clients can mail the Customs Command Centre at osc@sars.gov.za or call (012) 422 8463.

b. Ports update: Clearances of goods en route via sea freight

Industry has some requested clarity with regards to the clearances of goods *en route* via sea freight. Various communication has been circulated from a number of official sources, often conflicting in nature. From the perspective of transport and logistics - essential role players during this time of national disaster - clarity is required to ensure smooth functioning of all operations.

Reference is made to *three pieces of communique* issued by various governmental departments in clarification of what will be permissible (and what will not be permissible) during the 21-day national-wide lockdown. The *three pieces of communique* are as follows:

- (1) Regulation 398 dated 25 MARCH 2020 – Regulation 11B (6) ([Source](#));
- (2) Statement of the Minister of Transport, Fikile Mbalula, on the occasion of unpacking lockdown implications for transport on 25 March 2020 at 16h00 ([Source](#));

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(3) SARS Customs and Excise – Impact of Coronavirus on trade dated 25 March 2020 ([Source](#)).

Business has therefore requested that a concise message from Government is provided. At this juncture, it is vitally important to proceed efficiently given the fact that various provisions and directives should be made with the impending lockdown looming.

c. Air cargo

The Minister of Transport, Fikile Mbalula announced that all international and domestic flights are prohibited, irrespective of the risk category of the country of origin. Also, the Minister announced that only essential air cargo will be allowed, however cargo from high risk countries must be sanitised.

d. Road transport

For all transporters conveying essential goods during the 21-day lockdown period, the following documents will be required:

- Letter/ Affidavit from the end customer confirming the contents of the container and supporting explanation why the contents are deemed essential. Furthermore, the full delivery address is also required. Importantly, the letter needs to be signed by the CEO or Manager or the company.
- Letter/ Affidavit from the customer stating the contents of the container with collection and delivery addresses, which in turn needs to be signed by higher management.

e. Cross-border road transport

The Minister of Transport further announced that all cross-border road passenger movements will be prohibited for the duration of the lockdown. Only cross-border freight movements for essential goods will continue to and from South Africa's neighbouring countries.

f. DTIC: Online 'Bizportal' created to register essential Businesses

In a [media statement by the Department of Trade and Industry](#), the DTIC has communicated the creation of an online portal for Businesses ('Bizportal') to register businesses that provide essential goods and service during the lockdown period. The DTIC has reported that more than 10 000 companies have already registered, most of these companies operating in food supply, medical, pharmaceutical and transport services.

The DTIC further reported that the system is currently running with full functionality, and can be found at <http://www.bizportal.gov.za/>. Only companies permitted in terms of the lockdown regulations, as issued by the Minister for Cooperative Governance and Traditional Affairs on 25 March 2020 in Government Notice 398 of Government Gazette No. 43148, will be allowed to continue operating through the period. The DTIC has further warned that possession of a CIPC certificate does not constitute permission to operate during the lockdown.

2. Rebate Item 412.11 Update:

Business' request to the waiving of import duties and exempting VAT on essential products (as outlined in the document titled '*Industry request to fully rebate duty on the essentials during COVID-19 pandemic*') has been accepted by ITAC. Furthermore, SARS Customs has agreed to allow VAT exemption on duty free product. To facilitate the accepted request, ITAC has published the following documents on [ITAC's website](#):

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a. Application form

The application form outlines the reference and procedural guidelines applicable to application of permits in terms of rebate provision of 412.11/00.00/01.00, and is accompanied by an Appendix consisting of the actual form to be filled out.

Importantly, ITAC notes that *“applications must be made well in advance of the shipment of the goods, as rebate permits will not be issued retrospectively. Applicants should allow an issuance period of fourteen (14) days from date ITAC received a properly documented and duly complete application.”* Therefore, all prospective applicants are urged to expedite the application process of rebate item 412.11 at the earliest possible opportunity.

b. SOP

A standard operating procedure concerning the application under rebate item 412.11 has been adopted by ITAC, as outlined by Business in the document titled *‘BUSA Covid-19: SOP for Business importing Critical Supplies’*.

Importantly, as communicated by SARS Customs, importers whom wishes to import essential products pertaining to the list below will still be allowed registration and licensing for the duration of the lockdown period.

c. COVID-19: List of critical supplies

The third publication contains the critical list of supplies has been established by Webber Wentzel. The list consists of 81 different tariff headings, of which 49 do not attract a duty., for which SARS Customs has agreed to allow VAT exemption.

d. SARS Customs declaration processing request

To expedite the process regarding imports under rebate item 412.11, SARS Customs has requested that:

- Clients expeditiously respond to the call for supporting documents on the processing side so that those declarations do not wait in the SSM pool for a long time. SARS’ teams will be on alert.
- Only for COVID-19 approved supplies (as outlined in the ‘Application form 412.11’ on [ITAC’s website](#)):
 - Can only be used for direct importations (therefore, excluding bond): CPC 14-00 OR A 14-20 with measure 412.11 if imported from outside SACU; and CPC A 12-00 measure 412.11 if imported intra-SACU;
 - The rebate item 412.11 must be reflected on every declaration (in the case of one import having multiple import clearances under the cover of a single ITAC certificate).

3. Challenges currently identified

The following caveats have been identified which will require urgent attention in the next 12 hours:

i. Uncertainty regarding the manner in which containers need to ‘move out/in’ the Terminals:

The movement of cargo out of terminals to allow for critical supplies remains a huge risk, therefore Industry has requested the following:

1. Clarity should be provided on the movement of cargo outside of the Terminals
2. Distinction between essential and non-essential goods
3. Distinction between short distance and long distance
4. How do we create a holistic view to ensure the movement of cargo still flows?

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ii. Uncoordinated approach between Role Players and Government:

1. As previously listed and mentioned above, mixed messages communicated from various sources remain problematic. A collective message is vitally important voice during this time.

Conclusion

This update — the fifth of its kind — contained an overview of the progress regarding the *Security of Critical Supplies* (item no. 4 on the BUSA COVID-19 Economy Work Stream document). Matters outlined included: **(1)** monitoring of critical role players in the extended supply chain; **(2)** progress on the rebate item 412.11; **(3)** identification of the existing challenges which need urgent resolution. South Africa faces an unprecedented challenge in combatting the spread of the Covid-19 virus through limiting the movement of people, which has now commenced in earnest with the 21-day national lockdown period commencing. Nonetheless, the flow of critical imports through our supply chains should still be secured.

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Appendix

REGION	OFFICE NAME	E-MAIL	NAME	CELLPHONE
NORTERN CAPE	Nakop Border Post	NCmanagement@sars.gov.za	Vanesse Cloete	(072) 330 2359
	Vioolsdrift Border Post	NCmanagement@sars.gov.za	Sipho Magugwana	(082) 554 4098
	Upington Rail & Airport	NCmanagement@sars.gov.za	Sipho Magugwana	(082) 554 4098
MPUMALANGA	Lebombo	AcquittalsLebombo @sars.gov.za	Ruwaine Vermeulen	(082) 417 8045
			Piet van der Westhuisen	(082) 417 8030
			Memory Ndou	(071) 883 3457
	KMIA	AcquittalsLebombo @sars.gov.za	Ruwaine Vermeulen	(082) 417 8045
	Jeppes Reef	AcquittalsLebombo @sars.gov.za	Zandile Sithole	(082) 828 0991
	Mahamba	AcquittalsLebombo @sars.gov.za	Themba Mndebele	
	Managa	AcquittalsLebombo @sars.gov.za	Zandile Sithole	(082) 828 0991
	Maseru Bridge	AcquittalsLebombo @sars.gov.za	Ncumisa Nododana	(071) 863 0641
FREESTATE	Oshoek	AcquittalsLebombo @sars.gov.za	Koot Malebe	(071) 302 1418
	Golela	AcquittalsLebombo @sars.gov.za	Obert Sibiya	(083) 452 6625
	Caledonspoort	POECaledonsPoort@sars.gov.za		
	Van Rooyenshek	tpaul@sars.gov.za	Teboho Paul	(083) 555 3486
KZN	Qacha's Nek	POEQachasNek@sars.gov.za	Vivienne Augustus	(060) 991 2787
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	Durban Harbour	apillay@sars.gov.za	Ashika Pillay	(082) 462 4177
GAUTENG	Richards Bay and Pietermaritzburg	LLabuschagne3@sars.gov.za	Liza Labuschagne	(079) 506 8860
	King Shaka	Nmhlongho2@sars.gov.za	Nomonde Mhlongo	(083) 557 4108
CAPE TOWN	Ortia	Ortiaenquiries@sars.gov.za	Gugu Afrika	(082) 371 1442
	Alberton	Albbranch@sars.gov.za	Brita Groenewald	(082) 460 7204
LIMPOPO	Cape town Customs Branch	ClientInterface@sars.gov.za	Olga Marumo	(071) 481 0039
	CTN-Harbour	CTN-Correspondence@sars.gov.za	Henson Msongweni	(083) 555 3356
	Cape town (Airport)	Ctiabbranch@sars.gov.za	Henson Msongweni	(083) 555 3356
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	Port Elizabeth	zmiza@sars.gov.za	Zanemvula Miza	(083) 391 5419