

Advanced Payment Numbers (APN) with South African Revenue Services (SARS)

In 2021, to combat unlawful financial flows and customs valuation fraud associated with the misuse of advance foreign exchange payments with imported goods, the South African Revenue Services (SARS) introduced rules related to Advance Import Payments (AIP).

The AIP notification forms part of the Advance Payment Notification (APN) project, one of SARS' customs modernisation programmes.

Through this programme, the South African Reserve Bank (SARB), SARS and Authorised Dealers (AD's) are collaborating to make it easy for taxpayers and traders to comply with their obligations and to detect taxpayers and traders who do not comply.

During the period of December 2021 and January 2022, SARS adjusted the Act to facilitate the control of Advanced pre-payments on import shipments. With effect from the 3rd of December 2021, in terms of the published Rules under sections 59A and 120 of the Customs and Excise Act 91 of 1964 for Advance foreign exchange payments, importers have an obligation to notify SARS via eFiling of their intention to apply to an authorised dealer for an advance foreign exchange payment in respect of goods to be imported.

This is relevant to any importer who must pay a deposit or part payment prior to shipment and requires that an APN number is secured and used as reference on all prepayments.

The e-filing platform caters for application of an APN and have been available throughout 2022. It has been mandatory for all import clients to apply for an APN through their eFiling profile for each AIP exceeding R50,000 for the EXCON Balance of Payment (BoP) category 101 (and all subcategories). AD's have not implemented this requirement pending a directive from the Reserve Bank, making the submission of APN numbers mandatory.

Phase 1 B is planned to be implemented to meet this requirement and will become mandatory for AD's in quarter 4 of 2023, and the Bank will be obligated to impose the legislation when assisting customers with AIP's.

From implementation, it will be mandatory for the paying AD to record, validate and report the APN provided by the import customer to the SARB and SARS when the payment is concluded.

When are APNs optional?

- APNs are optional for advanced Import payments under R50 000. If an APN is provided the information will be reported to the SARB and SARS.

When are APNs not required?

- When advanced import payments under EXCON Balance of Payment (BoP) code 102 are used against an import undertaking dispensation (granted by the SARB to certain import clients).
- For advanced import payments into the Common Monetary Area (CMA) (Being Eswatini, Lesotho and Namibia).

Exceptions and exemptions

- An authorised dealer can make use of a bank-generated APN number (BGA) where agreed with SARS.
- If a BGA is issued by a bank, an importer will still be required to notify SARS of the payment, include the BGA number and apply for a SARS-generated APN number via your e-Filing profile.
- The importer will also need to provide SARS with the bank-generated BGA for the transaction.

When is a Bank-generated APN number (BGA) provided?

- Advanced import payments requested for under R50 000 threshold.
- Advanced import payments requested for under R50 000 threshold where no SARS-generated APN is required, but the threshold is subsequently exceeded due to exchange rate fluctuations (by the time the bank processes the transaction).
- Non-submission of a SARS-generated APN by the importer due to SARS system downtime.
- Non-validation of the SARS-generated APN by the authorised dealer due to SARS system downtime.
- Exceptional circumstances where clients do not provide a SARS APN due to payments associated with letters of credits, guarantees, foreign bills for collection, etc.

Provided below are SARS links with published information on advanced import payments.

1. <https://www.sars.gov.za/sc-cc-33-submission-of-advance-import-payments-external-guide/>
2. <https://www.sars.gov.za/apn-presentation-29-nov-21/>

It's important to note:

- Any payment or part payment made to a supplier prior to inbound clearance must be done with an authorised APN.
- APN numbers for each payment are applied for via your eFiling platform and expire if not used within 30 days.
- Any subsequent payment on the same shipment (balance of payment) also require addition to the APN registration but are made against the initial APN number secured for the first payment and are logged under that APN number in eFiling as subsequent payments (i.e.: the initial APN becomes the master to all subsequent payments on the same shipment).
- it is the responsibility of the importer to advise the authorised dealer of the APN.
- As the APN number is complex, and the accuracy of capture critical, please provide an electronic version of the APN confirmation sent from eFiling with your clearing instruction so the Bank can copy and paste the number ensuring 100% accuracy.