

ADVANCED IMPORT PAYMENT NOTIFICATION



FREQUENTLY ASKED QUESTIONS

What is the Advance Import Payment notification?

In 2021, to combat illicit 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.

SARS is collaborating with the South African Reserve Bank (SARB) and the Banking Association of South Africa (BASA) to do a phased implementation of these new rules.

What is an Authorised Dealer (AD)?

An Authorised Dealer is a person authorised by the Financial Surveillance Department to do transactions in gold or in foreign exchange. In this instance, the Authorised Dealer will be referred to as Investec Bank Ltd.

What is the purpose of the APN?

Through this programme, the South African Reserve Bank (SARB), SARS and ADs will collaborate to make it easy for taxpayers and traders to comply with their obligations and to detect taxpayers and traders who do not comply.

What has been implemented so far?

Phase 1A was implemented on 3 December 2021.

- It has been mandatory for all import clients to apply for an APN through their eFiling profile for each AIP exceeding R50 000 and if the EXCON Balance of Payment (BoP) category code is 101. Previously, ADs were not obligated to enforce the SARS legislation before assisting clients.
- AIPs could include an advance foreign exchange payment related to cross-border transactions, import letters of credit, standby letters of credit, import foreign bills for collection or certain types of guarantees.
- The APN application notifies SARS of a client's intention to apply to an AD facilitating the international payment.

What is Phase 1B and how will this impact you?

Phase 1B will be implemented on 1 December 2023.

- It will be mandatory for all import clients to communicate the related APN number to Investec for each AIP exceeding R50 000 and if the EXCON BoP category code is 101.
- It will be mandatory for the paying AD to record, validate and report the APN provided by the importer to the SARB and SARS (when the payment is concluded).

When are APNs optional?

APNs are optional for AIPs under R50 000. If APNs are provided, they will be reported by an AD to SARB and SARS.

When are APNs not required?

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

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Exceptions and exemptions

ADs can make use of a bank-generated APN number (BGA) were agreed with SARS. If a BGA is issued by a bank, you 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. You also need to provide SARS with the updated BGA for the transaction.

What are the different scenarios where a bank-generated APN is required?

- 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 ADs due to SARS system downtime.
- Exceptional circumstances where clients do not provide a SARS-generated APN due to payments associated with letters of credits, guarantees, foreign bills for collection, etc.

For any queries, please visit the [SARS website](#) or contact Forex Exchange Control Operations on 011 290 8882.