Dear Sir

DRAFT CUSTOMS DUTY BILL - SHORT SECOND ROUND FOR COMMENT

With reference to the South African Institute of Chartered Accountants’ (“SAICA”) correspondence of 23 May 2011, please find attached our comments in the form requested by the South African Revenue Service (“SARS”).

Further, kindly consider the content of our letter below in respect of the process adopted by the SARS regarding the comments on the bills.

Draft Customs Duty Bill (“duty bill”)
We do appreciate the SARS extending the deadline to receive comments from SAICA from 06 June 2011 to 08 June 2011. However we re-iterate that the time provided was insufficient to conduct an extensive review and consult with industry and other interested parties.

The time proposed by the SARS in conjunction with the absence of other important draft legislation, for example the draft rules, has significantly limited our comments and the value that this process can add to the draft bills due to be presented to parliament.

In this regard although SAICA has been driven to meet with the SARS’s deadline of 08 June 2011, we reserve our right to continue to comment in respect of the duty bill.

SAICA and SARS
We understand the pressure placed on SARS to present the customs control bill and duty bill to parliament. The consequence of this is the limited time for comment period presented during 2011.

Despite these pressures, it is important for SARS to strike the correct balance in order to ensure that as many issues are dealt with before these bills are enacted. This is in the interest of the successful implementation of these bills, which will be relied on by SARS officers and taxpayers alike.
The respect and understanding between SAICA and SARS has allowed us to enter into dialogue to ensure a number of issues are discussed and appropriately dealt with. Our letter of 23 May 2011 presented our concerns and constructive proposals to assist the SARS during the current process and to manage the limited time available.

We re-emphasize the importance of our proposals contained in our letter of 23 May 2011 and and respectfully request a response from the SARS in relation to these proposals to facilitate our dialogue.

We welcome any opportunity to meet with SARS to discuss the draft bills and the way forward in respect of forthcoming draft legislation.

**Conclusion**

The time allowed by SARS for comment remains insufficient and we reserve our right to continue to comment in respect of the duty bill.

We expect and request that the SARS consider the content of our letter dated 23 May 2011 and provide feedback with particular reference to our concerns and proposals.

Yours faithfully

Muneer Hassan CA(SA)
**PROJECT DIRECTOR: TAX**
*The South African Institute of Chartered Accountants*

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