

A GUIDE TO IMPORTING PRIVATE MOTOR VEHICLES INTO SOUTH AFRICA

MOTOR VEHICLES (Including motor cycles)

Very strict rules apply for the importation of motor vehicles and motor cycles into South Africa and it is imperative that an Import Permit (from the Department of Trade and Industry) and Letter of Authority (from the South African Bureau of Standards), are obtained prior to shipment.

Only one motor car or motor bike is allowed per family and this must have been used for at least 1 year prior to shipment to South Africa i.e. it must have been registered in the shipper's name for at least 1 year.

FIRST TIME IMMIGRANTS wishing to import a motor vehicle must have permanent residence in South Africa otherwise 50% of the purchase price will have to be lodged by the importer with SA Customs, pending permanent residence being approved. An import permit and letter of authority is required prior to arrival of the vessel. The import permit must be applied for from the International Trade Administration Commission (ITAC) Tel +27 12 3943610 Email rvanvuuren@itac.org.za. The letter of authority must be applied for from the South African Bureau of Standards in Pretoria -Tel (012) 428-6276, Email maponyrm@nrsc.co.za Purchase documentation (invoices) and insurance certification must be produced for validation of ownership and charges. In the event of purchase documentation not being available three valuations must be provided. Customs will look at the purchase price/valuations and check to see if the market value is in line with the market value in South Africa. The exchange rates to the foreign currency will be applied on date of shipment and then 10% will be added to the value. Based on the new inflated value, 14% VAT is raised and charged. The motor vehicle must also have been used and owned for not less than one year and may not be sold or disposed of for two years. Customs will examine the motor vehicle and charge customs examination fees.

RETURNING RESIDENTS For returning residents, full duties and taxes will be applicable unless the persons concerned can satisfy the SA Customs that when they originally left South Africa they had no intention of ever returning. People leaving South Africa on temporary work contract, extended holidays, etc., are not allowed duty-free importation of a motor vehicle. In this case, the import will attract approximately 65% duty on the inflated value of the vehicle. Thereafter the requirements and rules are the same as for an immigrant above.

TEMPORARY RESIDENTS A provisional payment can be lodged with Customs to cover full duties and taxes. Thereafter, every six months a request to extend the period must be lodged with Customs. The provisional payment is refunded approximately six months after the vehicle leaves South Africa or when permanent residence in South Africa is obtained and the Import Permit, SABS, purchase invoice and the registration papers are presented and the customs entry has been finalized.

Alternatively the motor vehicle can enter South Africa under a Carnet de Passage issued by the Automobile Association, which must be issued prior to shipment. A Carnet de Passage is valid for one year. Neither an Import Permit nor the SABS are required if the Carnet de Passage is presented.

FOREIGN DIPLOMATS For foreign diplomats, the Diplomatic Certificate for motor vehicles must be completed and signed by the local embassy or consulate and countersigned by the South African Department of Foreign Affairs. Proof of value must be produced. Neither an Import Permit nor the SABS are required if the endorsed Diplomatic "Certificate A" is presented.

INHERITANCE If the motor vehicle is inherited, the heir must possess a certified copy of the last will and testament wherein the specific items are bequeathed, a copy of the death certificate, an import permit and letter of authority from the SABS. The motor vehicle may then be imported subject to payment of import duty and tax.

EXTREMELY IMPORTANT

NOTES REGARDING THE IMPORT OF MOTOR VEHICLES

Whether the importer is a returning resident or immigrant, the following will apply:

The value of the motor vehicle will be inflated by 10%. On this inflated value, SA Customs will raise VAT (currently 14%). Customs require purchase documents and registration papers to prove the value of the vehicle.

Importers must be in possession of a permanent residence permit prior to shipment otherwise SA Customs will require a Provisional Payment of 50% of the value of the car.

Customs clearance charges are payable to our destination representative (if not included in our quotation) and are as follows (all charges are approximate depending on the port of entry): Motor cycle US\$280, groupage car US\$690, FCL car US\$850.

All motor vehicles are physically examined on arrival for which there is a Customs examination fee of approximately US\$100-US\$200. In addition the consignee is responsible for Cargo Dues, a South African wharfage levy, calculated at approximated US\$0.30 per cubic foot (US\$300 on an sole use 20 ft container).

This information is not definitive and is intended as a guide only. Destination regulations can change without notice and for specific guidance we strongly recommend that you obtain direct rulings from the relevant authority. Further information can be obtained from the South African Revenue Service website www.sars.gov.za.