

Your 7-step guide to importing

Here's what you need to know...



LET'S GET STARTED

Do you want to import products or raw materials, but you're not sure where to start?

Here are the seven steps you need to make it happen.

1.

Register as an importer

South African Customs law requires that all imports intended for re-sale are linked to a registered importer.

To be a registered importer you must have an import export license, also referred to as a Customs code or CCN number. This is a unique number (like your income tax number) that may belong to an individual or a business.

An import export license can belong to an individual or a registered business. The registered entity's name must appear on all import invoices.

[Get your Import Export License](#)

2.

Find your tariff code(s)

A tariff code, also called an HS code, is the classification Customs uses to assign import duties, taxes, and regulations to imported goods.

Every raw material, commodity, and product has its own code, so you'll need to determine the tariff code for each product line you intend to import according to how it is listed in the South African tariff book.

[Use our online
Tariff Code Look Up](#)



3. Compare costs and import duties

When comparing quotes from suppliers, bear in mind South Africa has trade agreements in place with various partner countries. This may affect how much import duty is payable on your goods. For example, buying from a European supplier may be more expensive than getting a similar product from a Chinese supplier, but goods with qualifying European origin may incur less or zero import duties. The savings you get on duties can potentially benefit your bottom line more than importing the cheaper goods.

You can find the general (normal) and preferential (reduced) rates of duty applicable to your goods by looking up its tariff code in the South African tariff book.

To get preferential duty rates for trade agreements you must:

1. Import from a trade agreement partner country.

2. Import goods with a preferential duty rate in the RSA tariff book.

3. Ask your supplier to include a certificate of origin in your shipment*.

Check which countries apply

Check rates of duty

Check which certificate of origin you need

*Without a certificate of origin Customs will automatically apply the general rate of duty, regardless of where you are importing from.

4. Get Customs compliant

Besides an import export license, there are restricted and regulated goods for which an additional import permit is required. It is best to have this permit ready before your import order arrives as Customs will stop your shipment if it is not compliant.

Whether or not your import requires a permit depends on its tariff (HS) classification.

Look up regulations and restrictions on your imports

Read more about restricted imports

Get a permit for your regulated import



5. Set the delivery terms



Import involves various risks, costs, and responsibilities. The sales agreement between you and your supplier must state who takes care of what, and exactly when a delivery has taken place. The safest way to do this is by using Incoterms.

Incoterms are a shorthand created by the International Chamber of Commerce to help traders assign responsibilities and avoid loss. The Incoterm used in a sale dictates which party (the buyer or seller) must arrange and/or pay for freight, loading, insurance, etc. It also clearly says which party bears the loss if a shipment is damaged or lost in transit.

Trading with Incoterms minimises the chance of overlooking or misunderstanding your responsibilities.

[Read more about Incoterms](#)

6.

Arrange payment

The most cost-effective and easiest way to make international payments is via a foreign exchange account.

These accounts are managed by a foreign exchange broker who sets up your payment when the exchange rate is most favourable. Your broker also ensures the transaction is Reserve Bank compliant, as required by Customs law.

Foreign exchange brokers offer better exchange rates and lower service fees than you would generally get from paying via PayPal or your company credit card.

Concerned you won't get your goods?

Most banks offer a Letter of Credit (LC) that protects you and the supplier from getting short-changed.

Paying via LC means the bank controls payment, but only releases the funds once your supplier can prove delivery of your goods. Although it offers peace of mind, LCs are notoriously complicated and expensive to arrange.



7.

Clear your goods

Once your shipment arrives at South African Customs, it will have to be cleared by a clearing agent (your representative at Customs).

Generally speaking, the freight provider who handles your shipment will also act as your clearing agent, but you can contact a dedicated service provider for this.

To clear your goods all import taxes must be paid. This includes the import duties applicable to your tariff code, as well as import VAT.

[Learn more about duties on imports](#)