DOCUMENTARY REQUIREMENTS FOR THE IMPORTATION OF GOODS

Report received from the Union of South Africa

(Additional Statement)

1. Documents Required

The following is a supplementary reply to paragraph 1(c) (Covering Statement) specified on page 5 of document L/198/Add.2:

A. Although not specifically mentioned in the last sentence in heading No. 1 of the Code of Standard Practices we nevertheless regard the "covering statement" as a type of document contemplated thereby. It was because of the fair number of occurrences in which covering statements were, in practice, required in support of the values declared on customs entries that this document was specially included in the South African reply to the Questionnaire for information of the CONTRACTING PARTIES.

B. It is common practice in international trade for importers to order through buying agents in the country of supply or to establish their own buying houses overseas. It is the function of these agencies to place orders with various manufacturers or other local suppliers for execution of indents received from the importer. In many instances the manufacturer or wholesale supplier quotes ex factory or ex store prices to the buying agent, leaving it to the latter to arrange for export packing, transport to port of shipment and other forwarding charges. In such cases the importer naturally requires his appointed agent to submit a statement showing invoice price and charges, including buying commission, incurred in connection with procurement and shipment of the goods, especially where consignments are made up of goods from various suppliers sent to a central depot for export packing prior to shipment. This is the covering statement referred to which is required in support of the dutiable value.

C. On the other hand, where orders are placed by the importer direct with the supplier in the country of exportation, the need for a covering statement would not ordinarily arise, as the supplier would be in a position to complete his invoice by inserting thereon the charges enumerated on the standardized invoice form.

D. It should be appreciated from the foregoing that a covering statement is not ordinarily required from the supplier but from the importer's appointed agent in the country of exportation.