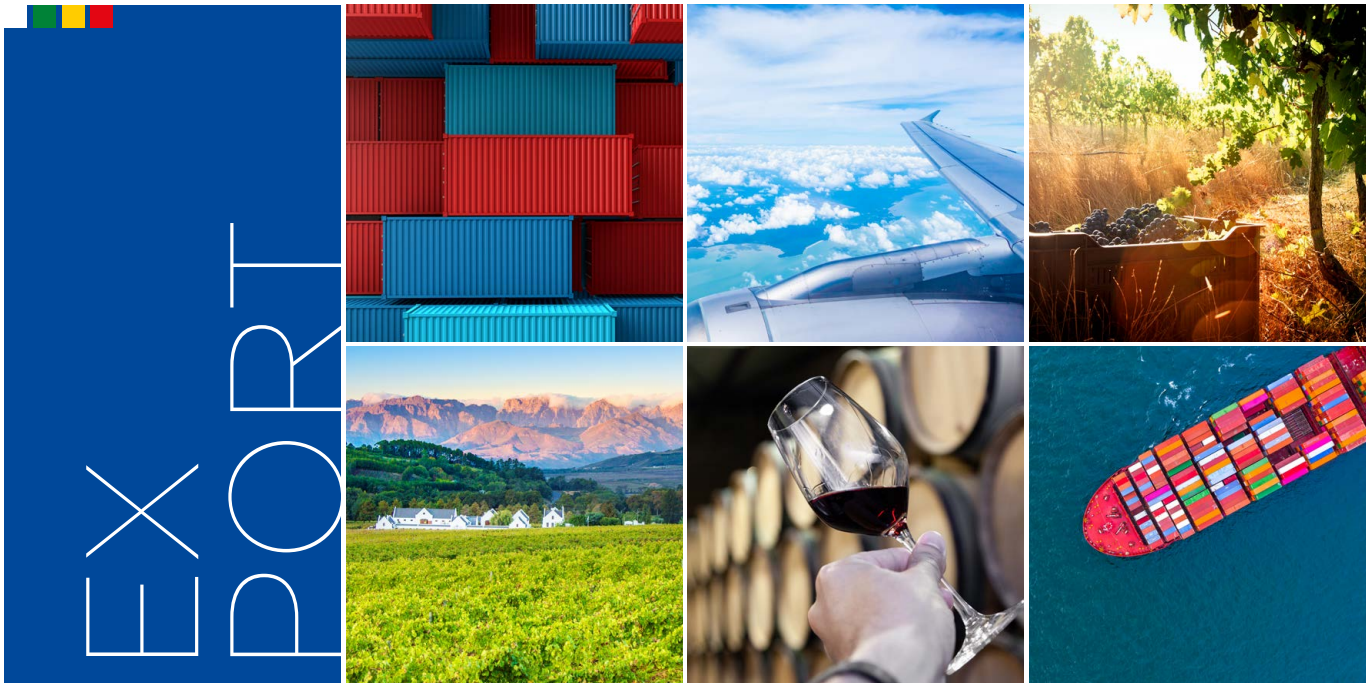
Wines of South Africa
there's sunshine inside



EXPORT

A STEP-BY-STEP GUIDE TO EXPORTING WINE

MARCH 2021

STEP-BY-STEP GUIDE



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EXPORT

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It may seem daunting at first but with a thorough and systematic approach it can be handled effectively.

INTRODUCTION

Section A **Establishing a market**

Section B **Outline of typical wine export procedure**

Section C **Regulations & Procedures:**

1. To register as an exporter – SA Revenue Services, Wine online, DTIC, SAWIS
2. Wine of Origin Scheme – Wine and Spirit Board (SAWIS)
3. Export certificate/export exemption certificate – Department of Agriculture, Land Reform and Rural Development (DALRRD)
4. The Trade Development and Co-operation Agreement (TDCA) with the EU
5. Customs and Excise clearance – SA Revenue Services
6. Foreign exchange controls – SA Reserve Bank
7. Foreign Import Regulations & Duties

Section D **Transport Logistics:**

1. Freight Forwarding
2. Terms of Carriage

Section E **Follow-up:**

1. Bill of Lading
2. Customer Relations
3. Common problem areas in exporting wine

Section F **Forms and documents required**

Section G **Directory of organisations and contacts**

Section H **References:**
Useful Websites



INTRODUCTION

A first-time exporter of wine will be confronted with a maze of potential obstacles, procedures and legal requirements which don't apply when selling to the local market. These require specialist knowledge, planning, effective allocation of resources and committed management. It may seem daunting at first, but with a thorough and systematic approach it can be handled effectively.

This manual is directed at both existing and potential exporters, and concentrates on the practical issues involved in exporting:

- Identifying and establishing a market base in a foreign country.
- Statutory procedures and requirements – getting to know the regulating and controlling authorities.
- Freight logistics and options – the service providers and what they offer.
- Practical considerations – communication, getting paid, keeping the customer satisfied.

It covers these subjects in broad outline and includes a directory of contact details for departments, companies and individuals which can assist in the processing of export orders. Some regulating organisations/bodies e.g. Department of Agriculture (DALRRD) and SAWIS have set out procedures to be followed for their area of concern and their instruction manuals are appended or referred to. Where a source of more detailed information on a subject is available, this is indicated.

Although a lot of effort went into ensuring that the information in this manual was correct at the time of writing, the regulations are constantly changing. Export administration is becoming increasingly online based and it is important for you to keep abreast of developments in the various departments and agencies.

ESTABLISHING A MARKET

Wine exporting is a huge international business and the levels of competition can be intimidating. The South African exporter has to compete not only with other local producers, but also with virtually every other wine-producing nation and it can be difficult to establish a new product in the major markets.

The Department of Trade, Industry and Competition (DTIC) suggests the following key factors for success in export markets:

- **Management's commitment to export**
- **Management skills in international business**
- **Additional financial resources over and above those required to service the local market**
- **The capacity to supply the additional need created, particularly in local boom times**
- **An understanding of foreign market conditions and requirements – competitors, prices, scale of operation, etc.**

Entering a new market requires exposure, to allow prospective customers to see and assess the product. This can be done in a number of ways:

1. **Retain an established distributor or negotiant to include your products in their portfolio.** They will have their own network of customers and systems for advertising and their reputation will help convince buyers to accept the product. The distributor will probably also have structures in place to organise the export logistics.

2. **Engage an agent or consultant to set up an exporting structure.** They will provide the initial contacts and make recommendations which will facilitate the establishment of the product in a marketplace. If required, they can also direct you to shippers, freight forwarders and other logistics companies.

3. **Get personally involved.** This involves visits to potential countries, establishing strong personal relationships with buyers and agents, and learning the practical aspects of the market environment. You need to determine that your products can compete in the foreign market in terms of quality, packaging, presentation and price. You will need to establish margins and mark-ups (with your agent) and to finalise your distribution channels. You should be very selective in your choice of foreign markets and gain first-hand knowledge of them.

4. **Be informed and visible.** Attend and even participate in as many expositions, trade and wine shows in likely countries as possible and use the opportunity to meet and interview buyers, retailers and agents and to show them your products. Keep up-to-date with all the major wine shows around the world. Read foreign wine journals and newsletters.

5. **Have samples available for tasting by potential buyers.** If you can't present them yourself, arrange for an agent or representative to keep stock. It is also acceptable to do a digital presentation where you forward your samples in advance and set up a virtual meeting to talk through your wines. This, together with the price, is the biggest single factor in selling wine. Set realistic budgets for promotional stock.

6. **Use every opportunity to get exposure in the marketing media, locally and abroad.** Approach publications directly, enter wine into foreign competitions and use the internet.

7. **Become familiar with the trends and preferences of the target countries, and know what competition you face.** Use valid comparisons to estimate your potential selling prices and be sure you can supply wine at these prices. Set realistic targets – direct your efforts at the correct scale of customer (wholesaler/supermarket/high street wine shop/restaurant), and remain focused on your particular market niche.

8. **Make sure your buyer is creditworthy, and establish terms and conditions for your dealings before committing to a business relationship.** Once you have established buyers, make every effort to build relationships of trust and respect. This will make future business dealings easier, and ensure that export processes and payments are handled with the minimum of problems.

WHERE TO FIND OUT MORE ABOUT EXPORTING:

Wines of South Africa (WoSA)

Website: www.wosa.co.za

- Details of competitions and shows
- Contacts for distributors and agents
- Foreign media and publications
- Foreign wine sales statistics
- Export statistics

Department of Agriculture (DALRRD)

Website: www.dawineonline.co.za

- Export certification system used by the DALRRD
- Produces all required documentation for export out of RSA and import into the foreign country
- Export application manuals

Department of Trade, Industry and Competition (DTIC)

Website: http://www.thedtic.gov.za/sectors-and-services-2/1-4-2-trade-and-export/export-development-and-promotion/

- Assessing export readiness
- Learning to export
- Setting up export orders
- Processing orders
- Export incentives, such as the Export Marketing and Assistance Fund (EMIA)
- Assistance with funding for marketing trips
- Guidance for pricing

Credit Guarantee Insurance Corporation of Africa Ltd (CGIC)

Website: www.creditguarantee.co.za

- Credit checks of potential customers
- Short-term credit insurance
- Seminars and workshops on exporting

The IMM GSM's Institute of Export (EX) Program

Website: www.imm.co.za

The IEX is an operating division of the Institute of Marketing Management's Graduate School of Marketing in Johannesburg. It offers the following courses:

- Higher Certificate in Export Management
- Diploma in Export Management
- Higher Certificate in Marketing
- Diploma in Marketing Management
- Bachelor of Business Administration (BBA) in Marketing Management
- Post graduate diploma in Marketing Management
- B Phil Honours in Marketing Management
- M Phil in Marketing

The courses are accredited with the Services SETA. For information, contact info@immgsm.ac.za or (011) 628 2000 or phone the national call centre at (011) 628 2095.

International Trade Institution of Southern Africa (ITRISA)

Website: www.itrisa.co.za

Offers a variety of short courses covering all aspects of exporting (short course information as listed on their website):

1. Getting Ready for Exports (1 day)

(Aimed at newcomers to exports / those considering whether or not to export, and designed to give delegates an overview of the different components of, and some of the challenges associated with the export process.)

Covers:

- Early considerations (advantages of exporting, setting export objectives, etc.)
- The export sequence explained
- Application for a customs code number: exports
- The role of the HS Index and SA Customs Tariff
- International transportation
- Incoterms 2020
- Methods and terms of payment
- Export customs procedures and documentation
- Export assistance - examples of schemes offered by the SA government and private sector
- The export service industry

2. Delivering Goods Internationally and Costing for Exports (2 days)

***Also available as part of the 5 day 'Complete Export Administration Course'**

(Aimed at those requiring a practical grasp of the procedures and risks involved in delivering goods to foreign destinations, as well as the export costing process.)

Covers:

- The export sequence - overview of a typical export transaction
- Handling export enquiries
- International distribution (road, rail, air and ocean)
- Incoterms 2020
- Calculating export costs
- Marine insurance

3. Customs Procedures for Exports (1 day)

***Also available as part of the 5 day 'Complete Export Administration Course'**

(Aimed at those requiring a practical grasp of the procedures and documents involved in customs clearing goods for exports.)

Covers:

- Application for a customs code number
- Customs procedures for exports
    - Structure of the Harmonised System of Classification
    - General Rules for the interpretation of the Harmonised System
    - Ordinary customs procedures
    - Export samples regulations
    - South African Tariff Book
    - Customs duty refunds, drawbacks and rebates
    - Rebate stores and bonded warehouses

4. International Risk Management and Payment Procedures for Exports (2 days)

***Also available as part of the 5 day 'Complete Export Administration Course'**

(Aimed at those requiring an in-depth appreciation of the financial risks associated with exporting as well as how to minimise such risks through appropriate payment and foreign exchange policies.)

Covers:

- Understanding international financial risk
- International payment methods
- Factors influencing the choice of payment method
- Understanding foreign exchange
- VAT and exports
- Export credit insurance

5. Export Costing and Documentation Workshop (5 days)

(A case study-based workshop aimed at giving delegates practical skills in costing for export and in co-ordinating and/or completing relevant export documentation.)

Covers:

- Principles of, and practical exercises in, export costing and the preparation of quotations
- Understanding the function of, and/or completing, documents for export by rail, road, air and sea
    - Transport documents
    - Customs documents
    - Exchange control documents
- Complying with the requirements of a letter of credit

ExportHelp – your online export helpdesk

Website: www.exporthelp.co.za

ExportHelp is a portal with the task of helping South African firms, both small and large, take greater advantage of the opportunities available on the global front. They assist companies to enter the export arena and to grow their exports to the point of becoming successful global competitors. They also provide a 21-step Export help guide to the export process. This is a comprehensive guide written for South African exporters. The 21 steps are also listed as a drop-down menu on the right-hand side of all web pages in this site. This site also provides you with a detailed list of export training organisations.

Customer courses run by Service Providers

Industry service providers such as Hillebrand (freight forwarders) run workshops several times a year for their customers. These cover such issues as terms of export, incoterms, export procedures and the various export regulations.

OUTLINE OF TYPICAL WINE EXPORT PROCEDURE

1. Register as an exporter (SARS, SAWIS, Wine Online, DTIC)

a) If you intend exporting any product from South Africa, you have to register as an exporter with the South African Revenue Services (SARS) Customs and Excise to get a Customs Code Number.

b) You need to register as an exporter with the South African Wine Industry and Systems (SAWIS).

c) You will need to register as a user with the DALRRD Wine Online system, as many of the necessary documents can only be applied for through their website (www.dawineonline.co.za – click on "register now").

d) You are not legally required to register with the Department of Trade, Industry and Competition, but it is recommended and indeed necessary if you are planning to take advantage of the Department's export incentive schemes.

See further details under C. Regulations & Procedures

2. Receive first export enquiry

It is important to confirm receipt of the enquiry in writing without delay. Let the prospective buyer know when he/she can expect to receive your quotation. Your speedy and efficient response to an enquiry could give you the lead on other potential suppliers.

3. Send samples, merchandising material – if required

The buyer will probably have tasted your wine before, and know something of its provenance, but if they are intending to sell it onwards, they will need samples and promotional material to build their market. Samples are normally air-freighted to the buyer. It will be necessary to apply to DALRRD for an export exemption certificate for these samples if you are sending more than 30 litres in total.

4. Check feasibility – quantities, delivery dates

Once you have established the buyer's requirements (including their labelling requirements) you need to ensure that you are able to fill the order as agreed. Depending on the state of your cellar or agency, this may involve sourcing and buying stock, certification, bottling, labelling, packaging, transporting, or any combination of these. You may also need to check whether your wine complies with the compositional and other product specifications in force in the destination country.

5. Check buyer's creditworthiness

If you are dealing with this buyer or agent for the first time, it is advisable to have their financial credentials checked by a specialist agency or your bank. You may need to look into the availability of export credit insurance.

Institutions are listed in the directory.

6. Send quotation to buyer (pro forma invoice)

You must send the potential buyer a quotation. This usually takes the form of a pro forma invoice listing the products, quantities, price(s), the terms and conditions of delivery and most importantly, the incoterms applicable to the deal. These will form the basis of the contract, once a firm order is placed.

7. Negotiate the terms

Your pro forma invoice will have proposed your terms of sale and payment, and the buyer may not agree with these in all respects. The points of divergence need to be resolved before the buyer places a firm order. The practical means of transferring funds must be agreed on and the banks and institutions involved need to be specified and notified.

8. Receive firm order

The buyer sends a firm Purchase Order which lists their conditions of purchase and other terms of contract which have been agreed on. If required by their bank, they will issue it in the form of an International Purchase Order.

You should acknowledge receipt of this order and formally confirm your acceptance of it. If your terms stipulate a letter of credit (L/C), the buyer now notifies his bank to send it (or other financial surety) to your bank. You should not begin to process the order until you have received and checked the letter of credit, and are sure that you can meet the terms of the L/C.

9. Notify suppliers, shippers, etc

Once the buyer's requirements have been ascertained, it is time to organise the logistics. Notify all parties concerned with production, bottling, labelling and packaging, and confirm delivery dates for each. Contact any freight forwarders, transporters or shipping agents you intend using (this may be stipulated by the buyer), or arrange transport, storage and loading yourself.

Freight forwarders and shipping agents are listed in the directory.

10. Check labelling requirements (and other import requirements) of destination country

Most countries have their own requirements for labelling and declarations. SAWIS, on behalf of the Wine and Spirit Board, checks and approves labels of wine certified in terms of the Wine of Origin Scheme for South African regulations. Evaluation of labels for certified and uncertified wine or any other liquor product intended for the export market are handled by the DALRRD. It will be necessary to obtain their approval to deviate from these if the consignee country's rules are different. The exporter will have to submit the relevant legislation or a letter from the official authority in the consignee country if a liquor product should deviate from the requirements of the Liquor Products Act, Act 60 of 1989.

Make sure that you get specific labelling requirements from the buyer, as regulations change constantly.

Documents such as certificates of origin or chemical analysis, etc, may be required in order for the wine to be released by Customs in the importing country. Freight forwarders can advise on the specific requirements for a particular country. Any such consignee country/ clearance documentation can be obtained when the electronic declaration is done on Wine Online after the actual consignment has been loaded.

11. Claims with regard to origin, vintage or cultivar

If the labelling makes any claims about origin, vintage or cultivar, the wine must be certified by SAWIS, on behalf of the Wine and Spirit Board. They maintain records of the wine's production and movements, and submit the finished wine to a tasting panel and to laboratory analysis to verify quality.

See further details under C. Regulations & Procedures.

12. Get an export certificate from Department of Agriculture, Land Reform and Rural Development

Any liquor products being exported must have an export certificate, in terms of the Liquor Products Act, Act 60 of 1989. This certificate is required by Customs and Excise to obtain clearance for export, as well as by DALRRD (D:APIS – Agricultural Product Inspection Services). The detail on the export certificate is compared with the actual consignment of liquor before it may be loaded.

See further details under C. Regulations & Procedures

13. Pack container, move to harbour

Most exports from South Africa are transported by sea. It is advisable to use a freight forwarder to handle the documentation, booking of space, land movements and warehousing, they are specialists, in touch with the industry, and are better positioned to find cost effective services. If you intend handling these, you will need to familiarise yourself with the complexities of shipping time-tables, road transporters, storage companies and harbour services.

You are required to give electronic notice to the DALRRD on Wine Online of the loading of each container for export, 48 hours before you intend to load the consignment. A notification of loading can only be done once an export certificate has been issued by Wine Online. DALRRD may require that an inspector be present at the loading.

14. Declaration of loading

Once the consignment is packed and sealed, the declaration of loading must be done within 72 hours after the actual loading of the consignment was done on Wine Online. Failing to do the notification of loading, declaration of loading or cancelling unused export certificates within the allocated time period, will result in the exporter being blacklisted until such time that these issues have been addressed.

This declaration must reflect exactly what was loaded, including the vessel details and place of unloading and any deviations from the export certificate must be noted.

Note: If the quantity on the declaration exceeds that on the export certificate by a significant amount (>5%) an additional export certificate for the balance will be printed automatically if there are any litres available on that specific submission.

The V11, Analysis Certificate and other clearance documentation which the Department issues is based on the information contained in the declaration of loading. Countries will not accept any shipment for which the clearance documentation does not exactly match the actual shipment which arrives on the other side.

15. Submit exchange control documents to bank

An UCR number as well as the payment terms agreed upon between the buyer and seller shall appear on the supplier's invoice. The UCR (Unique Customs Reference) number shall be used for both Customs and Banking purposes. It is an electronic monitoring and matching of products and is used to link physical exports with the receipts of payment for these exports.

See further details under C. Regulations and Procedures.

16. Get Customs and Excise clearance

The Customs and Excise documentation, Customs Bill of Entry (Export)(SAD500), must be completed. The same UCR number must reflect on the SAD500 when making a declaration to Customs that the consignment is being exported.

See further details under C. Regulations & Procedures.

17. Transport – Land, sea or air

Whatever mode of transport you choose, there are delivery times, loading and offloading points, bookings and tariffs to consider.

See further details under D. Transport Logistic

18. Get bill of lading, forward to consignee

After loading has taken place, a Forwarding Agent will send a Shipping Instruction, to the shipping line, who will then issue a bill of lading or waybill. The bill of lading must be forwarded (usually by courier) to the consignee to allow the cargo to be released at its destination. In the case of a waybill, a scanned copy can be sent to the destination agent or customer representative.

19. Offload container, move to buyer's premises

The land arrangements on the buyer's side are usually his own responsibility, as set out in the incoterms (see D.2 below). He will have to clear the consignment through his country's customs. The documents described in the various sections will have been forwarded to him while the goods were in transit. These include bill of lading, exporter's invoice (commercial invoice), analysis certificate, V1.1 certificate, EUR1 certificate/ trade agreement (if required) etc.

20. Buyer makes payment

If you requested a letter of credit from the buyer, you must submit the necessary documents as specified in the letter of credit to your bank. Your bank will check to make sure that these comply with terms of the letter of credit and then make the payment to you. Notify the freight forwarder if goods are shipped on a Letter of Credit prior to shipment.

Your bank couriers the documents (including the L/C) to the buyer's bank and they in turn hand it over to the buyer to enable him to clear his goods through customs on his side. Note: If these documents are not sent to the buyer by the bank this must be done by the freight forwarder or you can send them yourself.

Once you receive payment, it must be declared to the Reserve Bank and ultimately exchanged for Rands.

REGULATIONS & PROCEDURES

Several separate authorities and departments are involved with the documentation and control of the exporting procedure. They administer, amongst other things, quality control of the goods, labelling and certification, movements of funds and excise duty. Each department has very specific requirements and the sequence in which they are handled must be observed. You are advised to confirm their requirements directly with the officials concerned.

1. To register as an exporter

1.1. SA Revenue Services

You are required to register with the SARS (Customs and Excise) by completing and submitting form DA 185 together with any required supporting documents. These forms are available from any branch office of the SARS, or can be downloaded from the SARS website (www.sars.gov.za). SARS will allocate a Customs Code Number which must be quoted on all further correspondence in connection with customs clearances.

1.2. Wine Online/Department of Agriculture, Land Reform and Rural Development (DALRRD)

Any wine intended for export must have an export certificate from the DALRRD and you must register with them before you can submit samples for certification.

Wine Online is a fully electronic web based system which provides all the documentation and communication required for the testing, tasting and certification of wine by the Department's Directorate Food Safety and Quality Assurance. Users can apply for registration with Wine Online on their website www.dawineonline.co.za and detailed user manuals for the Wine Online system can be downloaded, including the application forms for registration on Wine Online (click on "register now").

1.3. The Department of Trade, Industry and Competition (DTIC)

The DTIC has funds and resources allocated by Government to assist with business development. They offer incentives, financial assistance for overseas travel and advice for prospective exporters. Although it is not compulsory to register with them, it is recommended. They maintain a website aimed specifically at people or companies who are considering entering the export business for the first time: www.thedtic.gov.za

Phone their Customer Contact Centre: 0861 843 384.

2. Wine of Origin Scheme – Wine and Spirit Board (SAWIS)

2.1. SAWIS (South African Wine Industry Information and Systems)

is a Section 21 company which operates on behalf of the Wine and Spirit Board (WSB). You must be registered with SAWIS before you can apply for an inspection or certification.

See Directory for contact details.

SAWIS is responsible for verifying every wine which makes claims of cultivar, vintage and/or origin. The certification seal confirms that the wine is of an acceptable quality standard and that any claims made on the wine's label have been checked and are true. Wine can only be certified if it was registered with SAWIS at harvest, and has been properly recorded and inspected throughout the production process.

Certification approval by SAWIS, on behalf of the Wine and Spirit Board, means that a wine has passed a sensorial tasting, undergone chemical analysis and had its label approved as complying with the Liquor Products Act, Act 60 of 1989. Each such bottle will have a unique certification Seal Code Number which enables its origins to be traced (normally the seal code number is visible on the neck of the bottle).

Most of the procedure for exporting wines is similar to having wine certified for domestic sales and content percentage requirements for local wines have recently been brought in line with EU regulations. The same documentation, notices and inspections are required during production, and when wine is moved or bottled.

Percentages required for EU and local label certification:

Cultivar/varietal:	85% - minimum of that cultivar
Vintage:	85% - minimum of that vintage
Origin:	100% of the grapes must be grown in that demarcated area of which the borders are defined by law

2.2. Provisional Application (BG9 form)

is submitted to be allocated a block of Seal Code numbers. This application is usually accompanied by samples for tasting and analysis – the certification is not complete until this is done and the sample labels have been approved. However, analysis and tasting are not compulsory at the BG9 application stage, and if you are confident of the quality of your wine, you can postpone submitting samples until the Final Certification Application (BG11). Samples are drawn at random by the SAWIS inspectors from the warehouse or winery stock.

2.3. When an export order is received, and the labelling requirements of the destination country are known, the Final Application (BG11 form) is submitted, together with sample labels.

Note: *a certified wine may not be exported if it has not received final certification and the wine was approved by the Wine and Spirit Board).*

If testing samples were not submitted with the provisional application, or the certification period has expired, samples must be submitted with the Submission for Final Certification. Only once the label, analyses and sensorial tasting of the wine concerned have been approved, will the wine be approved for final certification and receive a WSR4 number.

2.4. Usually a winery will have an entire bottling provisionally certified and then submit batches of this for final certification as orders are received, to allow for different labelling requirements of different countries or local customers.

2.5. Note that for bottled wine, the sensorial grace period is valid for 12 to 18 months after the sensory evaluation depending on the type of wine. For bulk wine, the sensorial grace period is only 42 days. When this period has expired, any wine destined for export will have to be resubmitted.

2.6. When wine is sold, for export or otherwise, SAWIS must be notified, on the SAWIS 6 (or DA32) form. A copy of this form must be sent to SARS.

2.7. If a wine to be exported has been certified, then its Seal Code numbers must be reflected on the application to the DALRRD for an export certificate.

2.8. Bulk wine to be exported is inspected and control samples are drawn from the container, which are chemically analysed. Note that consignee clearance documentation for bulk wine (VI1 documents, analyses certificate, etc.) are issued based upon the analyses of the control samples and not the initial sample that was submitted for export. Bulk wine can be certified for origin, vintage and cultivar, but no SAWIS certification seals will be issued for wine bottled overseas.

2.9. All wine for export to the EU, with more than 10mg/litre of sulphur dioxide and sulphites, must carry the statement 'Contains sulphites' on the label, in the prescribed language of the destination country.

For further details on the label format, contact the Wine and Spirit Board's Regulatory Services or the Certification Department of SAWIS (see Directory).

For detailed information on the certification of wine, refer to the SAWIS Certification Manual for Participants to the Wine of Origin Scheme and their Labelling Guide available on their website: www.sawis.co.za

3. Export certificate/export exemption certificate – Department of Agriculture, Land Reform and Rural Development

The Department of Agriculture's Directorate Food Safety and Quality Assurance is responsible for enforcing the Liquor Products Act. Any exported alcoholic beverage, except beer or medicine, is required to have an export certificate from the DALRRD. This certificate must be presented to Customs and Excise to obtain clearance for export.

3.1. Wine Online – the online system for administering the export of wine

Export certificates, notification of loading, declaration of loading and clearance documents can only be applied for electronically (online) using the Wine Online website (www.dawineonline.co.za).

Wine Online is a collaboration between the DALRRD, DTIC, and the wine industry, to facilitate the submission, processing and issuing of the documentation required for the export of all liquor products. It also allows the applicant to track the progress of his/her applications. See the Wine Online home page for contact details of DALRRD personnel and fees for services rendered.

3.2. Export certificates will only be issued once the following requirements have been met:

3.2.1. Wine must be sensorialy evaluated. This is the same tasting panel used for certification purposes.

3.2.2. Wine must also have a chemical analysis performed by the DALRRD. This will determine whether the wine complies with the requirements of the Liquor Products Act. However, you should verify the requirements of the destination country as well, as these may differ from South African legislation. Wine Online does verify consignee country specifications automatically, but as these change very often, it is advisable that the requirements always be verified with the agent or importer in the destination country.

3.2.3. Labels must be submitted for approval. These must be in accordance with the requirements of the destination country's labelling laws, and any details of origin, vintage and cultivar must be as approved by the Labelling Committee of the Wine and Spirit Board for certified wine, and by the Department of Agriculture for all other types of liquor.

3.3. If wine has been approved for certification, and it is still within the 12 or 18 month validity period depending on the type of liquor, it need not be resubmitted for tasting and analysis before export and an administrative export certificate application can be submitted.

3.4. Once the export certificate has been issued, you can plan the loading and shipping of the consignment.

You must notify the inspectors (Directorate: Inspection Service) of your intention to load at least 48 hours before the consignment is loaded (the notification times may vary depending on the risk status you have; this can be verified by contacting the relevant inspector at their general number: 021-809 1645). If bulk wine is being loaded, the inspectors will draw a control sample (2 x 750ml) from each container for analysis. If the inspectors are not present on the date and time that was notified by the exporter on Wine Online, then the exporter must draw 2 samples and submit them to Division: Liquor Products for analyses and evaluation.

3.5. After the consignment has been loaded, you have to submit a declaration of loading on Wine Online within 72 hours and apply for the required clearance documentation (VI1, Analysis Certificate, Health Certificate, etc.).

The clearance certificates confirm the consignee, product descriptions, quantities, analyses and other details that are required by the importing Country for imported foods and beverages. During the declaration process, other types of documents required by the consignee country can be selected by the exporter, e.g.: certificate of free sale, origin and analyses certificates.

Important: No consignment of liquor will be allowed into an import country without a V1 and/or Analysis Certificate.

3.6. Export exemption certificate.

This is available for wines which are being exported, but not intended for sale (e.g. for personal use, samples for marketing, diplomatic use, etc). Some categories set maximum quantities that may be exempted (for example: 24 liters maximum per type of liquor product for trade samples or 100 liter total volume allowed for a tourist, etc). Some countries insist on clearance documentation even if an exemption certificate has been issued and this can be applied for when submitting the exemption certificate application.

3.7. Small quantities of wine not for resale (any consignment of less than 30 litres in total) require no certificates at all.

You may carry up to 30 litres as personal baggage. However, check the regulations in your destination country.

4. Economic Partnership Agreements

4.1. The Economic Partnership Agreement between the European Union and the SADC countries including South Africa, (EU EPA).

In terms of the agreement, South Africa may export an annual volume of still wine, free of customs duty, into the EU referred to as quota.

Note: This quota applies to both packaged and bulk wine, with each having their own respective volume allowed.

4.2. The Economic Partnership Agreement between the United Kingdom and the SADC countries, including South Africa (UK EPA).

In terms of the agreement, South Africa may export an annual volume of still wine, free of customs duty, into the UK referred to as quota.

Note: This quota applies to both packaged and bulk wine, with each having their own respective volume allowed.

4.3. The benefit is that the importer does not have to pay CCT (Common Customs Tariff) on wine from South Africa which is accompanied by an EUR1 or Origin Declaration certificate.

4.4. In order to make use of the benefits provided for within the agreements, you need to have a quota allocation and supply the importer with the required EUR1 certificate/Origin Declaration. The allocations are applied for and issued annually through the DALRRD Directorate: Marketing.

Application for quota usually happens annually in the 4th quarter of the year. The notice, application period and instructions are published in the Government Gazette. All applications need to be submitted on Wine Online and the relevant physical documentation with the application needs to be submitted to DALRRD D:Marketing as specified in the relevant Gazette.

4.5. EUR1 certificate and Origin Declaration

The EUR1 certificate and Origin Declaration serve as proof of origin of the exported product(s) and confirm the product(s) eligibility for the benefit under the relevant EPA. The EUR1 certificate is manually issued by SARS and the Origin Declaration is issued by the Wine Online system. Origin Declarations can only be issued for and used by exporters granted Approved Exporter Status (APE) by SARS.

Note: The quota allocations and the volumes thereof are controlled by the Wine Online system and you need to submit the required Quota Declaration on Wine Online when applying for the export certificate and submitting the Declaration of Loading.

Note that wine may not be exported to the EU under the following names:

Cape Riesling	Crouchen blanc	Cru
Grand cru	Premier cru	Premier grand cru
Late harvest	Late vintage	Port
Sherry		

5. Customs and Excise clearance – SA Revenue Services

Excise duty and VAT are payable on liquor products manufactured and consumed in South Africa, but exported products are exempt. Customs is concerned with duty payable on imported goods and Excise deals with duty levied on locally consumed products. Revenue administers taxes, including VAT.

5.1. In order to obtain Customs and Excise clearances, certain sets of documents must be completed and submitted to the SA Revenue Services.

The requirements vary according to the destination country and the means of transport. These are listed in the table below.

5.2 Note that there is a trade agreement with Botswana, Lesotho, Namibia and Kingdom of Eswatini (Swaziland) (BLNS countries),

whereby wine sold into them is not considered an export and much of the normal documentation is simplified. However, they are still regarded as exports for VAT purposes (i.e. VAT can be claimed back) and they do require export certificates for bulk liquor consignments.

5.3. Descriptions of documents used by Customs and Excise

- DA185, Annexure and DA185.02: Application to registration as an exporter, to obtain a Customs Code Number.

- SAD 500: Application for Bill of Entry Export (Duty paid or non Duty paid). If you buy wine which has already had excise duty paid on it (eg from a wholesaler, retailer), this form must still be completed but with a different purpose code. In the case of non-duty paid goods, it will be ELG.
  Note that this duty is not refundable.

  If a SAD500 needs to be altered after submission to C&E, a Voucher of Correction (VOC) (DA554) must be completed and submitted.

  More details on SAD500 can be found in 'SARS; Information Manual for the Completion and Presentation of Bill of Entry Export', which is downloaded from the SARS website: www.sars.gov.za

- SAWIS 6 (KC6, DA32): Application for removal of wine from a bonded warehouse. This form must be completed for any movements of wine from the winery to a bonded warehouse, or between bonded warehouses or from the winery to the Port.
  Note: A SAWIS 6/DA32 is the only legal Customs document which must accompany the wine while in transit and duties are not been brought to account.

- The UCR (Unique Customs Reference) number shall be used for both Customs and Banking purposes. It is an electronic monitoring and matching of products and is used to link physical exports with the receipts of payment for these exports.

  The UCR number is derived from:

  1 – Year of Export (2021)
  ZA – Country of Export
  First 8 digits – Exporters code.
  Remaining 10 digits – Invoice/ Order number – reference to the particular shipment. Min of 12 – max of 21 digits. Number is alpha numeric and may not contain any special characters.(i.e.,"/,\,-*,")

  For example: UCR: 1ZAXXXXXXXXYYYYYYYYY

  The same UCR number will then also reflect on the SAD500 when declaring to Customs that the consignment is being exported.

- SAD500/cca 1: Vat form. This is presented at the border when transporting wine into or between BLNS countries. The SAD500 form has been phased in to replace the CCA1 form. The purpose of this form is to have a record of the goods leaving South Africa for the BLNS countries.

5.4. Documents required by Customs for sea, air, road or rail exports

SAD500 SAWIS 6/DA32

- **UCR number on invoice - automated acquittal/linking of payment for Customs and Banking purposes.**
- Export Certificate (original & copy) or Export Exemption Certificate (original & copy)
- Exporters invoice/Commercial invoice
- Copy of Air Waybill in the case of air transport
- Packing List (bottled wines)
- Clearing Instruction

To Acquit Documents

Submit the **SAD500** Bill of Entry electronically to SARS via EDI (Electronic Data Interchange). SARS electronically releases the Bill of Entry or request amendments and/or supporting documents and there-after approves the release. Exporter/agent must print the **SAD505** that should accompany the transport of the goods and ensure that it is signed by the driver/transporter. The signed **SAD505** must be kept on file. SARS does a monthly automated acquittal and sends specific requests to exporters/agents for which the actual documentation must then be submitted to SARS for verification (this is done on a risk basis).

Road Freight

Customs & Excise to be informed to be at premises when packing for non-BLNS countries – must be in closed container, and Customs & Excise to seal the container. If many different consignments are in one container, Customs & Excise to be presented with Bill of Lading & Packing List.

BLNS Countries

- **SAD500** (Vat form) – present at border post for BLNS Countries
- **NA500** for NAMIBIA only – to present at border post
- Export Certificate (original & copy) **or** Export Exemption Certificate (original & copy)
- **SAD500** – if wine is moved between bonded warehouses plus R1 Revenue stamp. Good idea to get a copy of customs declaration from the importer as proof that duties and taxes have been paid on goods at destination.

5.5. Customs and Excise inspectors check the export documentation to verify the exported consignments, so these records need to be accurately compiled, and copies need to be kept by you for possible future audit inspections for at least 5 years.

The following documents are required for VAT and Excise checks:

- Buyer's Purchase Order
- Seller's Invoice with UCR number indicated on the invoice
- DA32/SAWIS6
- SAD500
- Copy of Export Certificate
- Copy of V1 1/Analysis document
- Bill of lading/waybill (issued by the shipper)
- Proof of payment for transport (if applicable)
- Packing list
- Clearing instruction (applicable to freight forwarder)

5.6. Acquittal of documents: In order to prove that wine described on the **SAD500** form has actually been exported and avoid any further liability for excise on it, you must submit the **SAD500 electronically before the ship sails**, otherwise you will be liable for a fine by Customs plus the excise duty on the goods exposed.

6. Foreign exchange controls SA Reserve Bank

In terms of the current foreign exchange control laws, you are obliged to bring your earnings back into the country. Ensure your payment terms allow for the delay of receiving the funds into your bank.

6.1. Submissions and correspondence to the Reserve Bank are usually channelled through your bank or another financial institution.

The bank deals directly with the foreign buyer's bank and payments are made by means of international transfer documents, usually letters of credit.

6.2. When your bank receives the foreign funds, the bank phones you to find out whether you wish to convert the sum to Rands immediately.

Alternatively, you may elect to hold the money in your CFC (Customer Foreign Currency) account (which you may do for up to 180 days), until you receive a more favourable exchange rate.

Consult your bank for assistance with these procedures.

TRANSPORT LOGISTICS

Freight Forwarding

1.1 Once all the administrative and legal procedures have been dealt with, the physical movement of the consignment can be addressed.

Most overseas exports are transported by sea freight in containers (because air freight is prohibitively expensive) and there will usually be some road or rail transport at either end of the journey.

The Customs and Excise rules, described above, require that consignments of wine are stored in bonded warehouses until excise duty has been paid, and in addition there are the inspections and notifications required by the Department of Agriculture.

It is possible for you to handle all these arrangements but they are complex and time-consuming to co-ordinate. Unless the volumes are very large and full-time personnel can be dedicated to the task, shipping is best left to specialist agents, usually freight forwarders.

Some companies specialise in wine and liquor exports, and can offer advice far beyond the practical issues of moving the freight. They can handle documentation, organise movements and inspections, book space on ships, arrange clearing, etc. You can decide on the extent of service you require and their scope of services can be customised to suit your specific requirements.

1.2 When you select and agent, consider the following.

DOES THE AGENT:

- Have experience in the type of service you require, the nature of the product and the destination countries?
- Provide competitive options for routing the consignment?
- Have networks and facilities with officials locally as well as in the region in which you are operating?
- Provide additional services, like cost estimates, C & E tariffs, proper warehousing, transit insurance, etc?
- Supply documents and accounts promptly and notify you in good time of any possible problems?
- Have efficient communication systems in place to control and monitor the progress of your shipment?
- Have a reputation for reliability and integrity?
- Is pro-active in informing you of changes to legislation or, for example, the need to submit your application for EU quota?

For details of shipping agents, see the Directory, **www.freightnews.co.za**

1.3 Terms of Carriage

"The ICC Incoterms® rules on the use of domestic and international trade terms address this risk by facilitating the conduct of global trade. Reference to an Incoterms® 2020 rule in a contract for the sale of goods clearly defines the parties' respective obligations regarding topics such as risk, cost and arrangement of transport and customs clearance, thereby reducing the potential for legal complications."

Please note: *The most frequently used incoterm for the export of wine from South Africa is FOB (Free on Board … name of port of shipment) – the risk passes on to the buyer, including payment of all transportation and insurance cost, once delivered on board of the ship by the seller.*

The Incoterms® 2020 are arranged in two categories as follows:

RULES FOR ANY MODE OF TRANSPORT

EXW - Ex Works
FCA - Free Carrier
CPT - Carriage Paid To
CIP - Carriage and Insurance Paid
DAT - Delivered At Terminal
DAP - Delivered At Place
DDP - Delivered Duty Paid

RULES FOR SEA AND INLAND WATERWAY TRANSPORT ONLY

FAS - Free Alongside Ship
FOB - Free On Board
CFR - Cost and Freight
CIF - Cost, Insurance and Freight

1.4 Stack Dates

These are the dates when containers may be brought into the harbour for preparation to load. Portnet determines these dates. Stack Open is the first date on which containers may be brought in and Stack Close is the last day.

1.5 Freight Forwarders

Freight Forwarders can also handle other types of transport (road, rail and air), or you can approach the operating companies directly.

See the Directory for Road Hauliers, Air-freight Companies and Spooner contacts.

FOLLOW-UP

1. Bill of Lading/Waybill

Once the container is packed/loaded, a Shipping Instruction (SI) must be sent to the shipping line by your freight forwarder, in accordance with the SI cut-off times against which they will issue a bill of lading/waybill.

The shipping instruction should contain the address details of all parties relating to the shipment such as shipper/exporter, consignee and any notified parties (agents). The bill of lading/waybill will be issued according to the instructions as given on the shipping instruction.

The buyer requires the bill of lading, as well as the certificates of origin/V1.1 (as applicable), to have the consignment released at its destination port.

This can be done electronically initially, some import countries can clear on scanned documents, however other countries require original documents that must be sent via courier to the buyer. Check the terms of sale/letter of credit to determine exactly what documents and copies are required to clear cargo at destination.

2. Customer Relations

The buyer's satisfaction is most important in building lasting business relationships. You should follow up on the delivery, before and after arrival, and check that the goods arrived as planned – on time and in good order. If there was any damage or loss to the consignment, the insurers must be notified and a claim lodged.

When the buyer has confirmed satisfaction and all terms have fulfilled, payment is due. Whatever terms were agreed to in the sales agreement can be insisted on.

Bear in mind that the customer's view of the transaction is influenced by the level of service as well as the quality of the product. Every aspect of the process should be monitored and problems addressed. Maintain frequent and open contact with customers, and accept advice and suggestions which may improve service.

3. Common Problem Areas in Exporting Wine

Producing and exporting wine is a complex business, with many legal and administrative issues. These often cause problems, especially with the completion and submission of the documentation and recovery of payment from foreign buyers who may have somewhat different business ethics.

WHAT TO LOOK OUT FOR

3.1 **Ensure your customer is genuine and creditworthy.** If they are unknown in the industry, have a bank or agency do a credit check and insist on an L/C.

3.2 **Have all your documentation completed and submitted** in good time to get the export certificates. **Make sure the freight forwarder (if you are using one) has the required set of documents available** for Customs and Excise – see point 5.5.

3.3 **Errors in the description of wine on the application for an export certificate can cause delays in processing.** Get the wine tested and certified as early in the process as possible – resubmitting samples can be very disruptive.

NB : *Remember that the certification of wine for export purposes is only valid for 12 to 18 months after the wine has been sensorially approved. Once this period has lapsed the wine must be re-submitted for approval before an export certificate will be issued. A bottled export certificate expires within 3 months of date of issue depending on the sensorial validity period and a bulk export certificate is only valid for 42 days.*

3.4 **Allow at least two days for the Department of Agriculture to issue the required clearance certificates.** If there were errors on the declaration which need to be corrected, further delays can be expected. Wine at destination in the foreign country will not be released until the required clearance documentation is presented.

3.5. **If the declaration of loading is not done on Wine Online timeously, it can delay the issuing of the clearance documentation.** If it is not submitted at all, you will be blacklisted on the Wine Online system.

3.6. **If the wine does not have a SAWIS 6/DA32 (Removal of Wine) certificate,** Custom and Excise will not accept the DA 550, which has to be presented before the ship sails.

3.7. **When exporting bulk wine, the Department of Agriculture takes control samples for re-analysis at the time of loading, even if it was previously tested.** The testing takes at least three working days and the consignment may already be en-route before it is found to be unacceptable. If this happens, the destination country will not allow it in. To avoid very costly problems like this, it is important to ensure that only sound wine is sent for export and that the control samples arrives at the Department for analyses as soon as possible after the consignment has been loaded.

3.8. **When packing a container of wine for export, make sure that this is done correctly.** The buyer may have specified that the wine should be palletised (or hand packed), shrink wrapped, etc. Bear in mind that there are certain weight limitations. Make use of dunnage bags to keep the boxes in place. No insurance will cover the cost of damage due to the bad packing of a container. Take a photograph of the goods in the container before you close the door!

FORMS & DOCUMENTS REQUIRED

The following table is a summary of the forms referred to in the various procedures, as well as others which may be helpful in the exporting of wine.

1. DALLRD Export Certificate Registration	https://www.dawineonline.co.za/home/register.cfm
2. DA185 SARS Form	https://www.sars.gov.za/AllDocs/LegalDoclib/SecLegis/LAPD-LSec-CE-RA-2013-08%20-%20Notice%20R291%20GG%20 36372%20Form%20DA%20185%2019%20April%202013.pdf
3. SAD500 SARS Declaration Form	https://www.sars.gov.za/AllDocs/OpsDocs/SARSForms/SAD%20 500%20Customs%20Declaration%20Form%20-%20External%20 Form.pdf
4. SAD500/CCA1 Form	http://www.exporthelp.co.za/documentation/forms/CCA1.pdf
5. SAD500/CCA 1 Manual	https://tradelogistics.co.za/wp-content/uploads/2016/09/EXIT-SAD500-Manual.pdf
6. VOC DA 554 Form	https://www.sars.gov.za/AllDocs/OpsDocs/SARSForms/SAD%20 554%20-%20Voucher%20of%20Correction%20Export%20-%20 External%20Form.pdf
7. SARS information manual for the completion and presentation of Bill of entry export	https://www.sars.gov.za/AllDocs/OpsDocs/Manuals/SC-CF-04%20-%20Completion%20of%20declarations%20-%20 External%20Manual.pdf
8. SAWIS 6 Form	http://www.sawis.co.za/forms/download/SAWIS_06_2016.xlsx
9. SAWIS BG 9 Form	http://www.sawis.co.za/forms/download/BG_9_ENGLISH_2010.pdf
10. SAWIS BG11 Form	http://www.sawis.co.za/forms/download/BG_11_English.pdf
11. DALLRD How to Export Manual	https://www.dalrrd.gov.za/doaDev/sideMenu/Food%20Import%20 &%20Export%20Standard/docs/Export%20manual.doc
12. DTI Assistance Manual	http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/export-marketing-and-investment-assistance/ http://www.thedtic.gov.za/financial-and-non-financial-support/incentives/sector-specific-assistance-scheme/

DIRECTORY OF ORGANISATIONS & CONTACTS

Below is a table of all contacts available for assistance in the export process.
There is more detail available online and searchable on www.wosa.co.za – see Contacts.

FREIGHT FORWARDERS

South Africa Association of Airfreight Fowarders		+27 21 463 4131	
SA Shipping Council		+27 21 887 0151	
Hillebrand		+27 21 809 2000	zac-sales@hillebrand.com
Kuehne and Nagel	Jean-Pierre Neethling	+27 21 935 6319	jean.neethling@Kuehne-Nagel.com
Megafreight Services	Jane Grosse	+27 21 418 5788	Jane@megafreight.co.za
DHL South Africa	Marijke Douglas	+ 27 21 872 4717	Marijke.douglas@dhl.com
Aspiring Logistics	Motti Lewis	+27 21 905 6221	motti@aspiring.co.za

ASSOCIATIONS

DTIC	Customer Care	+27 86 1 843384	www.thedtic.gov.za
South African Revenue Services	Customer Care	+27 80 000 7277	www.sars.gov.za

WINE INDUSTRY ORGANISATIONS

Wines of South Africa	Siobhan Thompson	+27 21 883 3860	www.wosa.co.za
The Wine & Spirits Board	Olivia Poonah	+27 21 889 6555	www.sawis.co.za
SAWIS (South African Wine Industry information and systems)	Charles Whitehead	+27 21 807 5719	www.sawis.co.za
Department of Agriculture, land reform & development	Wendy Jonker	+27 21 809 0374	www.daff.gov.za

REFERENCES

Useful Websites

www.thedtic.gov.za

The Department of Trade, Industry and Competition's Website

www.dawineonline.co.za

The export certification website of the Department of Agriculture for the export of all liquor products, named Wine Online, for all export applications/certificates/analyses and tasting results/importing country certificates, notification and declaration of loading, etc.

www.cargoinfo.co.za

A directory of freight service providers, 'Freight & Trading Weekly' newspaper. Customs & Excise tariffs, exchange rates, sailing schedules in and out of South African ports, individual lines' sailing schedules, airline schedules and more.

www.mbendi.co.za/export/sa

Guide to exporting from South Africa. This guide provides information and interactive tools to assist novice and experienced exporters, importers and service providers, both inside and outside South Africa, to export efficiently from South Africa.

www.wine.co.za

One of the biggest reference environments for South African wine and related businesses.

References

1. Department of Trade, Industry and Competition (DTIC) Book – Guide to Exporting for Small, Medium & Micro Enterprises.
2. Cathy Grier – CWM thesis: Guide to Export of Bottled Wine.
3. Department of Agriculture, Forestry and Fisheries – Directorate Food Safety and Quality Assurance.
4. SAWIS – South African Wine Industry Information and Systems.
5. South African Revenue Services (SARS) – Customs & Excise.
6. The Wine & Spirit Board (WSB)

Wines of South Africa
there's sunshine inside

EXPORT








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Blaauwklip Office Park,
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