UNIVERSITY OF CAPE TOWN
IYUNIVESITHI YASEKAPA • UNIVERSITEIT VAN KAAPSTAD

FINANCE DEPARTMENT
Unleashing finance expertise

A quick guide to Foreign Processes & Procedures

A reference guide on the procedures to follow when exporting and importing.

Unleash human potential for a fair and just society
UCT Vision 2030

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What is the Foreign Processes & Procedures guide?

The way we buy goods and services at The University Of Cape Town (UCT) is very important. Done correctly, it helps us mitigate risk, increase efficiency and protect our staff and our reputation. The objective of this booklet is to inform UCT staff on the procedures to follow when importing or exporting goods on behalf of the University; the complexities around these processes; and the documentation required for all foreign payment types.

All movement of goods across SA borders should be referred to the PPS Foreign Section. They are equipped to manage varied types of imports and exports and the many legal requirements on behalf of the University.

Who is this guide for?

This guide is intended as a reference guide for the staff of the University of Cape Town, to help you through the Foreign processes and procedures.

Important contacts

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Foreign payments / queries
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Imports and exports

Foreign imports and exports are subject to many regulations as specified by the Department of Trade and Industry (DTI), the Department of Health and the South African Revenue Services (SARS).

Compliance with these guidelines ensures that the interests and good reputation of the University are protected.

In addition, compliance could avoid the following problems for a department:

- Unnecessary costs;
- Delays at Customs which could have serious consequences for time sensitive research projects; and
- Goods being returned to the sender where the receiving department (and therefore the fund used for customs and freight costs) cannot be identified.

Imports

All goods entering the country are subject to duty and VAT.

Proof of payment of these costs (Bill of Entry) is required to support:

- Forex payments for these goods, and
- The sending of equipment out of the country for repair, whether they were donations or purchases.

Note: The absence of these documents may incur a duplicate or unnecessary payment of VAT.

Payment methods

All foreign payments are processed via Standard Bank Online, using the purchaser order number created within the department as a reference.

You may use your Procurement Card (PCard), as a payment tool for Foreign purchases up to the value of R50 000. Please inform the Foreign team before using your PCard, so that they can advise you accordingly with regards to Customs requirements.

Documentation that is submitted should always meet the following requirements:

- Invoices must be in English – the bank does not accept invoices in foreign languages.
- All invoice documents should have the word Invoice.
- If the department is unable to obtain an English Invoice, a complete translation of the Invoice must be handed in with the original to serve as evidence.
- All Invoices must always be made out the University of Cape Town, and an invoice number and the date must be provided, or it will not be possible to pay the relevant invoice. The address of the University must also be provided.
- **Payment cannot be made against a quotation or a statement.**
- The following information must be included in the documentation:
  - Name of beneficiary (initials and surname, if it is a person)
  - Identity document / passport number
  - Overseas address of beneficiary (physical residential address, if it is a person)
  - Amount to be paid and currency. Evidence of the source of the cost that is charged must always be included – fees may not be filled in on order forms or registration forms without attaching some evidence indicating the fees
  - Reason for payment / for what payment is requested (contract or the relevant form)
  - In the case of a bank transfer, full banking details must be provided:
    - Full name of bank and "swift" code
    - Address of Bank
    - IBAN (International Bank Account Number) / account number
    - Bank code:

UK	Sort Code	6 figures
USA & Canada	Routing/ABA/ Fed wire number	9 figures
Europe	BLZ number/ BIC number	8 figures

The IBAN consists of the account number and bank code and must be indicated on the invoice/ documentation evidence when available.

- The South African Reserve Bank always requires original documentary evidence, but UCT at present has permission to make use of scanned documentation.
- Invoices that are sent by email as attachments and are printed by the department may also be used as documentary evidence.
- If registration for a conference is done via the Internet, each person who attends the conference should print out a completed registration form on/including the companies letterhead and ensure that all required information concerning the conference (name of the conference/ when (dates) it takes place/overseas address/fees payable) appear on it or print out extra copies and hand these in with the registration form.
- When prepayments for imports are made on a pro forma invoice, the original commercial invoice that is received with the goods is always sent to the Foreign Office for audit purposes by both our external auditors and the SARB.

Note: The Reserve Bank undertakes regular inspections at banks and UCT must be able to show any required documentation during such inspections.

Payments in Rand

Should a foreign company invoice UCT in Rand, payment is made in the equivalent of the Rand in the relevant currency, converted according to the rate on the day of the payment.

South African companies that invoice in foreign currency, with South African banking details, are paid in Rand – the Rand equivalent of the currency on the day of the payment. The foreign payment system should therefore **not be used.**



Documentation quick reference

		Form	Purchase Order (PO)	Invoice	Commercial invoice	Beneficiary bank details	Contract for natural person	Permit from relevant department	SA Citizens Emigration Proof	Letter of motivation	Inward TT	ZAPS	Quotation	Pro-forma invoice	Supporting documentation	ITAC permit	SARS VAT exemption	SAD 500	Declaration of intent	Carnet documents from courier	Import documents	Instructions to clear under custom supervision
Mineral/biological material	Export	MM010	✓		✓	✓				✓			✓	✓	✓							
Samples	Export	MM010	✓		✓										✓							
Temporary exports	Export	MM010	✓		✓																	✓
Prepayments	Import	MM010	✓	✓		✓							✓	✓	✓							
Argicultural speciments	Import	MM010	✓	✓		✓		✓					✓	✓	✓							
Biological specimens	Import	MM010	✓	✓		✓		✓					✓	✓	✓							
Books	Import	MM010	✓	✓		✓							✓	✓	✓							
Chemicals	Import	MM010	✓	✓		✓							✓	✓	✓							
Consumable material	Import	MM010	✓	✓		✓							✓	✓	✓							
Donations of equipment	Import				✓					✓					✓	✓	✓	✓	✓			
Equipment	Import	MM010	✓	✓		✓							✓	✓	✓							
Equipment > R15000	Import	AS01	✓	✓		✓				✓			✓		✓							
Lab supplies	Import	MM010	✓	✓		✓							✓	✓	✓							
Non-hazardous	Import	MM010	✓	✓		✓							✓	✓	✓							
Research material	Import	MM010	✓	✓		✓							✓	✓	✓							
Software/computer material	Import	MM010	✓	✓		✓							✓	✓	✓							
Spares	Import	MM010	✓	✓		✓							✓	✓	✓							
Temporary imports	Import				✓					✓					✓					✓		
Donated used equipment	Import				✓					✓					✓	✓						
Veterinary specimens (live animals)	Import	MM010	✓	✓		✓	✓	✓					✓	✓	✓							
Video material	Import	MM010	✓	✓		✓							✓	✓	✓							
Abstract/manuscrpit submission fee for publication	Payment	MM010	✓	✓		✓									✓							
Advertisements	Payment	MM010	✓	✓		✓									✓							
Analytical services	Payment	MM010	✓	✓		✓	✓								✓							
Conference accommodation	Payment	MM010	✓	✓		✓				✓												
Conference registration	Payment	MM010	✓	✓		✓				✓				✓	✓							
Equipment repairs/maintenance	Payment	MM010	✓	✓		✓				✓												
Examinations fees	Payment	MM010	✓	✓		✓				✓					✓							
External examiners	Payment	HR121	✓	✓		✓			✓													
Foreign travel reimbursements	Payment	FM049	✓	✓		✓			✓	✓					✓							
Foreign accommodation	Payment	MM010	✓	✓		✓				✓					✓							
Journals/publications	Payment	MM010	✓	✓		✓	✓								✓							
Membership fees	Payment	MM010	✓	✓		✓									✓							
Page costs/publication costs/reprints	Payment	MM010	✓	✓		✓									✓							
Postal fees/shipping fees for goods provided free of charge	Payment	MM010	✓	✓																	✓	
Presentation at a conference	Payment	MM010	✓	✓		✓	✓								✓							
Reimburesments individual	Payment	FM049	✓	✓		✓			✓	✓					✓							
Refunds	Payment	MM010	✓			✓					✓				✓							
Refunds - Nambia, Lesoto & Swaziland	Payment	MM010	✓			✓						✓			✓							
Remuneration of foreign visiting artist	Payment	MM010	✓	✓		✓	✓															
Remuneration of foreign visitor (researcher/guest speaker/lecturer)	Payment	MM010	✓	✓		✓	✓		✓						✓							
Remuneration of service rendered abroad by person/body	Payment	MM010	✓	✓		✓	✓		✓						✓							
Software licence/maintenance fees	Payment	MM010	✓	✓		✓									✓							
Subscription	Payment	MM010	✓	✓		✓									✓							

FAQs

Q Is the MM026 or FM041 required for foreign payment process?

A No, it is not required.

Q Do I need to allow for VAT charges when appointing foreign consultants?

A Yes, SARS VAT on Imported Service is applicable and will be charge based on invoice value. VAT is reclaimable or not subject to your Fund's Attributes.

Q Is UCT exempt from paying Customs VAT and or Duties at time of import?

A VAT and or Duties is payable at time of Import irrelevant of Fund Attributes. However, VAT is reclaimable or not subject to your Fund's Attributes.

Q Is Donated equipment exempted from Customs VAT or Duties?

A Yes, contact Foreign Section to apply for VAT Exemption prior to goods arriving in SA to avoid storage charges.

Q What is the exchange rate if I need to create a purchase order?

A SAP currency exchange rate is updated daily. You will only see the actual rate charged once SAP is updated.

Q When creating a Foreign Payment what vendor number should I use?

A Your purchaser must search the SAP system to see if the vendor is loaded. If yes, select vendor number and create purchase order, if not:

- For foreign invoices received in a foreign currency, use vendor 201450 (One Time Foreign Vendor)
- For foreign invoices in ZAR, use vendor 204154 (Foreign Rand Vendor)

Q To pay a beneficiary in Malawian Kwacha, how do I create a purchase order?

A Create purchase order using vendor 204154, send invoice in ZAR to the Foreign Office with a note on the invoice that the transfer should be in Malawian Kwacha.

Q What paperwork do I need for Foreign Department payments?

A See table within this guide.

Q How long does it take to update SAP one a payment is made?

A ± 5 working days

Q Where should I forward the documentation for a payment to be made

A fnd-foreign@uct.ac.za using the purchase order number as a reference.