

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 660 [CW757E]

DATE OF PUBLICATION: 16 SEPTEMBER 2022

**660. Ms H S Boshoff (Mpumalanga: DA) to ask the Minister of Finance:
(Interdepartmental transfer – 16 September 2022)**

- (1) Whether he will indicate the nature of illegal trade; if not, what is the position in this regard; if so, what are the relevant details;
- (2) whether any control measures are in place to curb illicit trading; if not, why not; if so, (a) what measures and (b) what are the further relevant details?

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REPLY

- (1) Illegal trade manifests in many forms that includes-
 - a. the trade in substandard and counterfeited products;
 - b. smuggling related to highly dutiable commodities such as clothing, textiles, footwear, alcohol, cigarettes and fuel;
 - c. trade in endangered wildlife products that includes rhino horns, lion bones and perlemoen (abalone) as well as fauna and flora; and
 - d. mis-declarations, false-declarations, valuation fraud and other forms of evasion that directly impacts the fiscus.
- (2) Yes, SARS deploys a range of responses that attempts to combat illicit trade and enforce compliance. Central to this is the automation of clearance processes, automated risk management, data exchange with other customs administrations and corroboration of source data with other third-party data sources. It further responds through operational activities that includes-
 - a. front-line regulatory and compliance inspection and detection
 - b. audit based controls inclusive of integrated tax, customs and excise audits,
 - c. joint operations with other law enforcement agencies
 - d. Investigations