

ANNEX A
REVENUE SHARING FORMULA

1. The Customs Component

- (a) Each Member State's share of the customs component shall be calculated from the Cost-Insurance-Freight (CIF) value at border posts of goods imported from all other Member States into the area of each state as a percentage of the total CIF value of intra-SACU imports.
- (b) Each Member State shall submit the actual data of intra-SACU imports and intra-SACU exports, for the most recent financial year for which such data are available for all Member States, to the Secretariat at least six months prior to the beginning of any financial year. No future adjustments will be made for errors in or improvements to the trade data provided.
- (c) All import and export data provided for the calculation of these shares shall exclude the re-exports of goods imported from within or outside of the Common Customs Area.
- (d) All data will be converted to South African Rand value, using the average daily exchange rate for the financial year to which the data relate.
- (e) Where Member States are unable to provide actual CIF data, then the value of any enhancement factor used to calculate CIF values of imports from Free-on-Board (FOB) values of imports must be provided to the Secretariat and agreed by all other Member States.
- (f) If any Member State is unable to provide intra-SACU import data for the calculation of these shares, then the intra-SACU export data of other Member States shall be used to calculate its share. In such circumstances Member States will agree on an enhancement factor to calculate CIF import data from FOB export data.
- (g) Where revenue forecasts for year (t) are used to calculate the size of the customs component to be distributed over the course of year (t), adjustments will be made in years (t+1)

and (t+2) to account for differences between the forecast and actual revenue collected.

2. The Excise Component

- (a) Each Member State's share of the excise component shall be calculated from the value of its GDP in a specific calendar year as a percentage of total SACU GDP in such year.
- (b) Each Member State shall submit actual GDP data, for the most recent calendar year for which such data are available for all Member States, to the Secretariat at least six months prior to the beginning of any financial year. No future adjustments will be made for errors or improvements to the GDP data provided.
- (c) All data will be converted to South African Rand value, using the average daily exchange rate for the calendar year to which the data relate.
- (d) Where revenue forecasts for year (t) are used to calculate the size of the excise component to be distributed over the course of year (t), adjustments will be made in years (t+1) and (t+2) to account for differences between the forecast and actual revenue collected.

3. The Development Component

- (a) The development component shall initially be set at 15% of the excise component, but shall be reviewed from time to time and will be adjusted if agreed to by all Member States.
- (b) Each Member State shall submit actual GDP per capita data, for the most recent calendar year for which such data are available for all Member States, to the Secretariat at least six months prior to the beginning of any financial year. No future adjustments will be made for errors or improvements to the GDP per capita data provided.
- (c) All data will be converted to a South African Rand value, using the average daily exchange rate for the calendar year for which the data are provided.

- (d) Each Member State's share of the development component, as a percentage of the total development component, shall be calculated by the following formula:
- (i) Calculate the relative difference of the Member State's GDP per capita (A) from that of the mean GDP per capita of all Member States (B), where the relative difference equals $(A)/(B) - 1$;
 - (ii) Deflate the relative difference by a factor of 10;
 - (iii) Subtract from 1;
 - (iv) Multiply by 20.
- (e) Where revenue forecasts for year (t) are used to calculate the size of the excise and development components to be distributed over the course of year (t), adjustments will be made in years (t+1) and (t+2) to account for differences between the forecast and actual revenue collected.



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