



Latest News

When will we see Uber Freight in South Africa?

The latest proposition from Uber is in the logistics sector. It is called "Uber Freight". The Uber Freight app was launched in 2017. The app links shippers of goods to carriers who can haul them. In the United States and Europe there are stiff competition to Uber Freight through companies like Convoy, DHL and CH Robinson.

According to CNBC, Uber Freight generated more than \$125 million in revenue in the last quarter of 2018. Some of the company's customers were Anheuser-Busch InBev, Niagara, Land O'Lakes, and Colgate-Palmolive.

Source. CNBC.com at <https://www.cnbc.com/2019/04/13/uber-is-way-more-complicated-than-lyft-and-investors-shouldnt-value-them-the-same-way.html>.

Customs Tariff Applications and Outstanding Tariff Amendments

The International Trade Administration Commission (ITAC) is responsible for tariff investigations, amendments, and trade remedies in South Africa and on behalf of SACU.

Tariff investigations include: Increases in the customs duty rates in Schedule No. 1 Part 1 of Jacobsens. These applications apply to all the SACU Countries, and, if amended, thus have the potential to affect the import duty rates in Botswana, Lesotho, Namibia, Swaziland and South Africa.

Reductions in the customs duty rates in Schedule No. 1 Part 1. These applications apply to all the SACU Countries, and, if amended, thus have the potential to affect the import duty rates in Botswana, Lesotho, Namibia, Swaziland and South Africa.

Rebates of duty on products, available in the Southern African Customs Union (SACU), for use in the manufacture of goods, as published in Schedule No. 3 Part 1, and in Schedule No. 4 of Jacobsens. Schedule No. 3 Part 1 and Schedule No. 4, are identical in all the SACU Countries.

Rebates of duty on inputs used in the manufacture of goods for export, as published in Schedule No. 3 Part 2 and in item 470.00. These provisions apply to all the SACU Countries.

Refunds of duties and drawbacks of duties as provided for in Schedule No. 5. These provisions are identical in all the SACU Countries.

Trade remedies include: Anti-dumping duties (in Schedule No. 2 Part 1 of Jacobsens), countervailing duties to counteract subsidisation in foreign countries (in Schedule No. 2 Part 2), and safeguard duties (Schedule No. 2 Part 3), which are imposed as measures when a surge of imports is threatening to overwhelm a domestic producer, in accordance with domestic law and regulations and consistent with WTO rules.

To remedy such unfair pricing, ITAC may, at times, recommend the imposition of substantial duties on imports or duties that are equivalent to the dumping margin (or to the margin of injury, if this margin is lower).

Countervailing investigations are conducted to determine whether to impose countervailing duties to protect a domestic industry against the unfair trade practice of proven subsidised imports from foreign competitors that cause material injury to a domestic producer.

Safeguard measures, can be introduced to protect a domestic industry against unforeseen and overwhelming foreign competition and not necessarily against unfair trade, like the previous two instruments.

Dumping is defined as a situation where imported goods are being sold at prices lower than in the country of origin, and also causing financial injury to domestic producers of such goods. In other words, there should be a demonstrated causal link between the dumping and the injury experienced.

The International Trade Commission of South Africa (ITAC) also publishes Sunset Review Applications in relation to anti-dumping duty in terms of which any definitive anti-dumping duty will be terminated on a date not later than five years from the date of imposition, unless the International Trade Administration Commission determines, in a review initiated before that date on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, that the expiry of the duty would likely lead to continuation or recurrence of dumping and material injury.

There were no new applications to amend the SACU Tariff at the time of publication. The latest application (List 02/2019) was published under Notice No. 178 of 2019 in *Government Gazette* No. 42337 of 29 March 2019. Refer to the Bulletin dated 5 April 2019 for more information.

Customs Tariff Amendments

With the exception of certain parts of Schedule No. 1, such as Schedule No. 1 Part 2 (excise duties), Schedule No. 1 Part 3 (environmental levies), Schedule No. 1 Part 5 (fuel and road accident fund levies), the other parts of the tariff are amended by SARS based on recommendations made by ITAC resulting from the investigations relating to Customs Tariff Applications received by them. The ITAC then investigates and makes recommendations to the Minister of Trade and Industry, who requests the Minister of Finance to amend the Tariff in line with the ITAC's recommendations. SARS is responsible for drafting the notices to amend the tariff, as well as for arranging for the publication of the notices in Government Gazettes.

Parts of the South African Tariff are not amended resulting from ITAC recommendations.

These parts (for example Parts of Schedule No 1 other than Part 1 of Schedule No. 1), must be amended through proposals that are tabled by the Minister of Finance, or when the Minister deems it expedient in the public interest to do so.

Once a year, big tariff amendments are published by SARS, which is in line with the commitments of South Africa and SACU under international trade agreements.

Under these amendments, which are either published in November or early in December, the import duties on goods are reduced under South Africa's international trade commitments under existing trade agreements.

There were no amendments to the Southern African Customs Union (SACU) Tariff at the time of publication. The latest amendments were published in a *Government Gazette* on 5 April 2019.

Refer to the Jacobsens Customs Watch dated 5 April 2019 for more information.

Customs Rule Amendments

The Customs and Excise Act is amended by the Minister of Finance. Certain provisions of the Act are supported by Customs and Excise Rules, which are prescribed by the Commission of SARS. These provisions are numbered in accordance with the sections of the Act. The rules are more user-friendly than the Act, and help to define provisions which would otherwise be unclear and difficult to interpret.

Forms are also prescribed by rule, and are published in the Schedule to the Rules.

Two notices have been published to amend the Rules to the Customs and Excise Act, No. 91 of 1964.

Under the first notice, existing Rules are amended, and a new Rule (Rule 541.04A) in respect of Issue of invoices or dispatch delivery notes in respect of goods removed from a customs and excise warehouse is inserted. Forms DA185 and DA185.4B2 are also amended, and a new form DA185.4A16 titled Client type 4A16 – Non-commercial manufacturer of sugary beverages (Section 59A and Rule 541.03) has been inserted in the Schedule to the Rules to enhance the administration and compliance in respect of Health Promotion Levy on Sugary Beverages.

The Notice (R. 562) was published in *Government Gazette* No. 42381 of 5 April 2019 (DAR/182).

A notice has also been published to amend the Rules relating to the implementation of the Unique Consignment Reference (UCR). Notice R. 564 (DAR/181) was published in *Government Gazette* No. 42381 dated 5 April 2019.

A notice to amend the effective date of the Rule amendment from 1 April 2019 to 1 September 2019 was published under Notice R. 516 in *Government Gazette* No. 42356 of 29 March 2019.

The SARS reference number for the Rule amendment was DAR 183.

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