



Latest News

UPDATE ON NEW CUSTOMS ACTS PROGRAMME

On the 1st of July 2019, SARS Customs Operational Service of Excellence wrote a letter to all external stakeholders, informing them about information sessions on registration, licensing and accreditation (RLA).

In the letter information is provided about roadshows, which will take place between 22 July and 1 August 2019 during which information will be provided on the new Registration, Licensing and Accreditation (RLA) system, which is expected to be implemented in September 2019.

A link is given in the letter where stakeholders can book to attend the roadshows.

Bookings will close on Monday 8 July 2019. After confirming the booking SARS will then confirm your booking and send you more details about the time and venue for the session.

RLA is one of four phases of the New Customs Acts Programme (NCAP). The other parts are:

- Reporting and Conveyances of Goods (RCG), which was partly launched over the weekend of the 25th of January 2019;
- the Customs Sufficient Knowledge (CSK) test which have been put on hold until the Customs Control Act 2014 and the Customs Duty Act 2014 are operational;
- the Declaration Processing System (DPS); and
- RLA.

Visit the RLA website <https://www.sars.gov.za/ClientSegments/Customs-Excise/AboutCustoms/Pages/New-Customs-Legislation-update.aspx> for more information.

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.

ITAC published application List 04/2019 under Notice No. 334 of 2019 which was published in *Government Gazette* 42536 of 21 June 2019.

The following applications were published under Notice No. 334 of 2019:

Application for a reduction in the rate of customs duty on (other) safety headgears, classifiable under tariff subheading 6506.10.90 from 25% ad valorem to free of duty, through the creation of an additional 8-digit tariff subheading;

Increase in the rate of customs duty on certain coated or plated flat-rolled steel, classifiable under tariff subheadings 7210.20, 7210.30, 7210.50, 7210.69, 7212.20, 7212.50, 7212.60, 7225.91, and 7225.92, from free of duty to 10% ad valorem; and

Creation of rebate provisions on:

"Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated, or coated, not further worked than cold-rolled (cold reduced), other, with a thickness of 0.30 mm or more but not exceeding a thickness of 1.60 mm, with a carbon content by means of 0.5% or more, classifiable in tariff subheading 7211.29, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit; and

Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, painted, varnished or coated with plastics, of a thickness of 0.5 mm or more but not exceeding 1 mm, with a carbon content by mass of 0.17% or more but not exceeding 0.27%, classifiable in tariff subheading 7212.40, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit."

Application List 03/2019 was published under Notice No. 239 of 2019 in *Government Gazette* No. 42417 of 26 April 2019.

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 Common External Tariff of the Southern African Customs Union at time of publication.

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.

There were no amendments to the rules to the Customs and Excise Act at the time of publication.

The last amendment to the Rules was published in *Government Gazette* No. 42497 of 31 May 2019.

The reference number for that amendment was DAR/184.

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