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The Customs Control Act, 2014 is primarily concerned with the control of imported and exported goods- and people. The purpose of this control is to ensure that any taxes imposed by various (tax levying Acts) are complied with and that and other laws governing the import and export of specific goods are complied with. The Customs Control Act thus serves as a platform for the implementation of many other laws, including the Customs Duty Act, 2014 and the proposed Excise Duty Act.  Although the concept “trade facilitation” is defined as the simplification and harmonisation of international trade procedures and one would expect the Customs Control Act to be a simple Act this is not the case and the Act deals with very complex and highly technical issues which stakeholders must understand if they want their businesses to survive in the modern era.  The Customs Control Act is in line with international best practice and is aimed at striking a balance between the tradition form of rigid customs control and trade facilitation. In terms of the Customs Control Act compliant stakeholders will benefit from the trade facilitation offerings (such as expedited release of goods, simplified clearance of goods) *provided* they are in compliance with the provisions of the Customs Control Act.  It is thus of utmost importance that Jacobsens subscribers understand how the Customs Control Act will impact on their businesses and on that of their clients. You are advised to contact your accredited training provider/customs consultant for more information when in doubt.  Jacobsens will soon be updating their publications with the new legislation.  Please note that the Customs Control Act – and the Customs Duty Act which is referred to below – will only take effect on a date determined by the President by proclamation in a Government Gazette.  Download the Customs Control Act from the SARS website at <http://www.sars.gov.za/AllDocs/LegalDoclib/AABC/LAPD-LPrim-Act-2014-03%20-%20Customs%20Control%20Act%202014.pdf> .  **CUSTOMS DUTY ACT, 2014 PUBLISHED**  The Customs Duty Act (Act 30 of 2014) was published for information in Government Notice R.552 in *Government Gazette* 37821 of 10 July 2014.  The Customs Duty Act is one of the tax levying acts that will depend on the proposed Customs Control Act (Bill 45B of 2013). In terms of section 229 of the Customs Duty Act, the Act will come into operation the date that the Customs Control Act ( takes effect.  Once in force the provisions of the Customs Duty Act will replace the provisions of the Customs and Excise Act, 1964, relating to the imposition, assessment, payment and recovery of customs duties on goods imported or exported from the Republic of South Africa and matters incidental thereto.  The Customs Duty Act emphasizes the self-assessment system of duty and customs duty compliance now even play a bigger role than before.  Persons clearing goods are in terms of the Act required, as part of the clearance process, to self-assess the dutiability of the goods and, if dutiable, the amount of duty payable and the declarant is required to make his/her own tariff classification, value determination and origin determination of the goods.  Provision is also made for Customs to re-assess the amount of duty payable even if the duty has already been paid or the goods are no longer subject to customs control.  Download the Customs Duty Act from the SARS website at <http://www.sars.gov.za/AllDocs/LegalDoclib/AABC/LAPD-LPrim-Act-2014-01%20-%20Customs%20Duty%20Act%202014.pdf>.  **PROPOSED AMENDMENTS TO THE EXPORT CONTROL REGULATIONS ON VARIOUS AGRICULTURAL PRODUCTS UNDER THE AGRICULTURAL PRODUCTS STANDARDS ACT**  The Executive Officer for Agricultural Product Standards intends to request the Minister of Agriculture, Forestry and Fisheries to amend the export control regulations on the following products under the Agricultural Products Standards Act (119 of 1990):           Control of Export of fresh vegetables.           Control of Export of grains.           Control of Export of feed products.  The draft notices have been published in *Government Gazette* 37760 of 27 June 2014 under Government Notice R.452 to R.454.  Download the draft notices for more information at:  [Agricultural Product Standards Act: Regulations: Control of export of grains: Amendments G 37760 GeN 452](http://www.gov.za/documents/download.php?f=213685) - Comments due by 31 July 2014.  [Agricultural Product Standards Act: Regulations: Control of the export of feed products: Amendments (Comments invited) G 37760 GeN 453 - Comments by 27 August 2014](http://www.gov.za/documents/download.php?f=213677).  [Agricultural Product Standards Act: Regulations: Control of the export of fresh vegetables: Amendments (Comments invited) G 37760 GeN 454 - Comments by 31 July 2014](http://www.gov.za/documents/download.php?f=213678).  Another notice relating to the proposed amendment of the regulations regarding the control of export  of animal products and processed products was published. The notice was published in *Government Gazette* 37783  of 11 July 2014 under Government Notice R.512. Download the notice for more information at <http://www.gov.za/documents/download.php?f=213761>.  Please note the different dates for comment.  **RULES TO CUSTOMS CONTROL BILL RELEASED FOR COMMENT**  ***(Due date for comments: Extended to 31 July 2014)***  Since the start of South Africa’s Customs Modernisation journey various versions of the proposed new Customs Control Act has been published for comments. The first round was published in October 2009, and a revised version in May 2014.  Stakeholders were however concerned that the Rules to the new legislation have never been published for comment.  The Rules will be published for comment in various batches prior to the promulgation of the new legislation, and the first batch to the Customs Control Act have been published  on the website of the South African Revenue Services(SARS) on 17 June 2014.  The draft Rules that were published were those for Chapters 1 and Chapters 3 to 10 of the proposed Customs Control Act and should be read with those Chapters of the Customs Control Act, 2014 (Act 31 of 2014).  The draft Rules can be downloaded from the SARS website at <http://www.sars.gov.za/AllDocs/LegalDoclib/Drafts/LAPD-LPrep-Draft-2014-43%20-%20Draft%20Customs%20Control%20Rules%20Chapters%201%20and%203%20to%2010.pdf>.  A comment sheet is also available at <http://www.sars.gov.za/AllDocs/LegalDoclib/Drafts/LAPD-LPrep-Draft-2014-44%20-%20Draft%20Customs%20Control%20Rules%20Comment%20Sheet.docx>.  Your comments should be submitted to [sauthar@sars.gov.za](mailto:sauthar@sars.gov.za) before 31 July 2014.  **NATIONAL REGULATOR FOR COMPULSORY SPECIFICATIONS ACT: DRAFT AMENDMENT**  ***(Due date for comments: 6 August2014)***  The Department of Trade and Industry has published a draft notice to indicate their intention to amend the compulsory specification for protective helmets and their visors for motorcycles and mopeds.  The draft notice was published under Government Notice R.441 in *Government Gazette* 37701 of 6 June 2014.  Download the notice at <http://www.gov.za/documents/download.php?f=213569> for more information and should you wish to comment. | | |  | |  | | |  | | Customs Tariff Applications and Outstanding Tariff Amendments | | |  | | ***Notice No. 576 of 2014 (List 07/2014) (Comments due by 16 August 2014)*** | | |  | | *The International Trade Administration Commission (*[*ITAC*](http://www.itac.org.za/)*) 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 the 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.*  ***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. 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. In the WTO system, a member may take a safeguard action, which is, restricting imports temporarily in the face of a sustained increase in imports that is causing serious injury to the domestic producer of like products. Safeguard measures are universally applied to all countries, unlike anti-dumping and countervailing duties that are aimed at a specific firm or country.*  *Schedule No. 2 is identical in all the SACU Countries.*  ITAC has published the following document relating to the SACU tariff and tariff amendment applications:  **Increase in the general rate of customs duty on the following tariff items:**   * Wire of iron or non-alloy steel, plated, coated or clad with zinc (subheading 7217.20) (from free to 10%); * Barbed wire of iron or steel; twisted hoop or single flat wire, barbed or not, and loosely twisted, double wire, or a kind used for fencing, or iron or steel (subheading 7313.00)(from 5% to 15%); * Other grill, netting and fencing, welded at the intersection: Plated or coated with zinc (subheading 7314.31)(from 5% to 15%); and * Other cloth, grill, netting and fencing: Platedor coated with zinc)(subheading 7314.41)(from 5% to 15%).   <Enquiries>: Mr N Mahlalela ITAC Reference 48/2013. Tel (012) 394 [3684 or email nmahlalela@itac.org.za](mailto:3684%20or%20email%20nmahlalela@itac.org.za) and/or Ms L Maliaga Tel (012) 394 3835 [lmaliaga@itac.org.za](mailto:lmaliaga@itac.org.za). Amendment of the rate of customs duty on mussels of subheading 1605.53 from 5,5c/kg to 25%.  Enquiries: Ms Khosi Mzinjana Tel (012) 394 3664 e-mail [kmzinjana@itac.org.za](mailto:kmzinjana@itac.org.za).  Increase in the rate of duty on lead-acid batteries of a kind used for starting piston engines, classifiable in subheading 8507.10 from 5% to 30%.  Enquiries: Mr D Thwala Tel (012) 394 5162; E-mail [dthwala@itac.org.za](mailto:dthwala@itac.org.za) and/or Mr NMabunda Tel (012) 394 3697: E-mail [nmabunda@itac.org.za](mailto:nmabunda@itac.org.za).  Comments are due by 18 August 2014 (with the exception of the application on mussels which are due on 4 August 2014.  Download [Customs and Excise Act: Customs Tariff Applications list 07/2014: Comments invited G 37830 GeN 576 - comments by 16 Aug 2014](http://www.gov.za/documents/download.php?f=213876). | |  | |  |  | |  | | 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 is 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.*  *During the annual budget speech by the Minister of Finance in February, it was determined that parts of the tariff that are not amended resulting from ITAC recommendations, must be amended through proposals that are tabled by the Minister of Finance.*  *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.*  The following amendments havebeen published recently  Safeguard duties have been imposed against the importation of frozen potato chips of subheading 2004.10.20, imported from various territories.  The amendments were published in *Government Gazette* 37855 of 25 July 2014 under Notices Nos. R. 575 to R. 577 (References A2/3/1 to A2/3/3.  The amendments will be sent to subscribers under cover of supplement 1036.  Subscribers will soon be able to view a PDF version of the tariff book supplements at [www.jacobsens.co.za](http://www.jacobsens.co.za).  [Download](http://new.jacobsens.co.za/News/CustomsWatch.aspx) the latest Customs Watch to have access to the latest tariff and rule amendments | | |  | | |  | | 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.*  An amendment to the Customs and Excise Rules was published in *Government Gazette* 37806 on 11 July 2014. | Rules 46.05 and 49B.16 were deleted consequential to the deletion of rebate items 412.25/00.01.00 and 412.25/00.00/02.00 in Schedule No. 4 by [Notice R.1009](http://www.sars.gov.za/AllDocs/Embargo/Tariffs/LAPD-LSec-CE-TA-2013-77%20-%20Notice%20R1009%20GG%2037154%2020%20December%202013.pdf) published in *Government Gazette* 37154 on 20 December 2013 upon request of the Minister of Trade and Industry.  The notice was published in Government Notice R.539 published in *Government Gazette* 37806 of 11 July 2014 (DAR/139).  Download [the amendments](http://www.sars.gov.za/AllDocs/LegalDoclib/SecLegis/LAPD-LSec-CE-RA-2014-01%20-%20Notice%20R174%20GG%2037422%2014%20March%202014.pdf) to view the notices. | |  | |  |  |  |  | | | |
| |  |  |  | | --- | --- | --- | | **Contact Information:** |  | **Contact the Author:** | | Mayuri Govender  Jacobsens Editor  Tel: 031-268 3273 e-mail:  [jacobsen@lexisnexis.co.za](mailto:jacobsen@lexisnexis.co.za) |  | Leon Marais  Independent Customs Specialist Tel: 053-203 0727  e-mail: [leon.marais@intekom.co.za](mailto:leon.marais@intekom.co.za) | |