

NOTICE 742 OF 2001

DEPARTMENT OF TRADE AND INDUSTRY

**COMPREHENSIVE GUIDE TO THE
DUTY CREDIT CERTIFICATE SCHEME**

Department of Trade and Industry
Republic of South Africa
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ABBREVIATIONS

ABET	Adult Basic Education & Training
BLNS	Botswana, Lesotho, Namibia and Swaziland
BTT	Board on Tariffs and Trade
CMT	A cut, make and trim operation
DCC	Duty Credit Certificate
DCCS	The Duty Credit Certificate Scheme
DG	Director-General of the DTI
DTI	Department of Trade and Industry
ER	The Export Requirement
GEIS	General Export Incentive Scheme
NPI	National Productivity Institute
PAR	Productivity Audit Report
PIP	Productivity Improvement Plan
PMP	Performance Measurement Programme
PPR	Productivity Performance Report
RSA	Republic of South Africa
SACU	Southern African Customs Union, that is Botswana, Lesotho, Namibia, South Africa and Swaziland
SADC	Southern African Development Community
SAP	Structural Adjustment Programme
SAPS	South African Police Services
SARS	South African Revenue Services
SETA	Sectoral Education Training Authority
TDR	The Expenditure on Training & Development Requirement

1. BACKGROUND TO THE DCCS

The Duty Credit Certificate Scheme (DCCS) was originally introduced on 1 April 1993 as a bridging measure when the Structural Adjustment Programme (SAP) was discontinued. The DCCS has now for the fourth time been extended for five years until March 2005, covering the export periods 1 April 2000 to 31 March 2001, 1 April 2001 to 31 March 2002, 1 April 2002 to 31 March 2003, 1 April 2003 to 31 March 2004 and 1 April 2004 to 31 March 2005. The rebate provision is contained in the Customs and Excise Act 91 of 1964, rebate item 460.11/00.00/04.00. This document contains the revised guidelines for participation during the aforementioned periods and should be read in conjunction with the notes in the above-mentioned rebate item.

Participation in the DCCS is linked to a Performance Audit which measures the participant's or CMT's performance in terms of productivity and training. Participants are also expected to show export growth and must comply with the Export Requirement (ER). The objective of the DCCS is to influence and encourage textile and clothing manufacturers to compete internationally, independent of government subsidies.

2. WHAT IS THE DCCS?

2.1 You earn duty credits

In terms of the DCCS, exporters of certain prescribed textile and clothing products can earn duty credits based on exports of these products during the 12 month periods ending 31 March 2001, 31 March 2002, 31 March 2003, 31 March 2004 and 31 March 2005. A duty credit certificate indicating the value of the duty credits will grant the participant credit to this value on duties payable by the him on the importation of certain prescribed textile and clothing products.

2.2 Who may participate?

An exporter under the DCCS can be a company, a close corporation, a partnership or a sole proprietor. A division of a company may participate in the DCCS, provided that it trades as a separate business entity and has its own financial statements. In the case of a division of a company participating in the DCCS, the chief executive officer or the managing director of the parent company must complete and certify such applications.

For purposes of the DCCS, a **trading house** is any legal entity that does not manufacture its export products and relies exclusively on external manufacturers to service its export requirement.

For purposes of the DCCS, a **SMME** is privately and independently or co-operatively owned and managed and must not form part of an enterprise which exceeds the quantitative criteria referred to in Table 1, but may have more than one branch. The entity must comply with any two of the three criteria as listed in Table 1 below.

It would be preferable that the participant is registered with the relevant Export Council, however this is not a requirement.

TABLE 1: QUANTITATIVE CRITERIA FOR SMME's

SIZE	TOTAL ANNUAL TURNOVER (vat included)	TOTAL ASSET VALUE (fixed property excluded)	TOTAL NUMBER OF FULL-TIME EMPLOYEES
	Less than	Less than	Less than
Medium	R 25.0 million	R 5.0 million	51 - 200
Small	R 5.0 million	R 1.0 million	5 - 50
Micro	R 1.25 million	R 0.25 million	1 - 4

It is a specific condition for participation in the DCCS that the processing of an application by a participant or any one of its associates or related parties, for duty credit certificates will be suspended if such participant, associate or related party is subject to an investigation by the South African Police Services (SAPS) or the Office for Serious Economic Offences, or to a verification by the Department of Trade and Industry (DTI), the South African Revenue Services (SARS) or the Commissioner for SARS of previous claims or any related matters pertaining to the General Export Incentive Scheme (GEIS), the SAP or the DCCS, until such investigation and/or verification has been completed and finalised.

If the investigation and/or verification proves non-compliance any previous GEIS/SAP/DCCS claim, the suspension of the application will be made final and the participant will be disqualified from participation in the DCCS. If after such an investigation/verification it is found that the participant complied with GEIS/SAP or DCCS, the suspended application will be processed. The date on which suspension is lifted will be considered as date of export.

Applications will only be considered from exporters who qualify for participation in the DCCS, and such, holders of duty credit certificates may not cede benefits in terms of the DCCS to any other person whatsoever, except for sale of the DCCS as described in paragraph 10.5.

The Chief Executive Officer/Managing Director of a Company, or the Senior Member/person with financial management responsibility in the case of a close corporation, partnership, sole proprietor or SMME, will be held jointly and separately (if applicable) liable with the participant for all aspects relating to the application for duty credit certificates and any claims in terms of paragraph 11.

- 2.3 In respect of which products may duty credits be earned?
The following products will qualify as exports under the DCCS:

TABLE 2: QUALIFYING EXPORTS

PRODUCT	TARIFF HEADING
Clothing and clothing accessories	61.01 to 61.17 62.01 to 62.17
Household textiles	63.01 to 63.04
Fabrics and other textiles	51.11 to 51.13 52.08 to 52.12 53.11 54.07 to 54.08 55.12 to 55.16 56.03 58.01 to 58.04 58.06 58.08 58.10 to 58.11 59.01 59.03 59.06 to 59.07 60.01 to 60.02
Yarn	51.06 to 51.10 52.04 to 52.07 54.01 to 54.06 55.08 to 55.11

Only export products manufactured from textile inputs that are manufactured locally or imported (on which the full duty has been paid), will qualify for duty credit certificates. For purposes of the DCCS, textile inputs are the direct input utilized for the manufacture of the product to be exported, namely polymer (in respect of filament yarn), fibres, yarns and fabrics, and do not include other inputs or components. Where yarn is **imported full duty paid**, the fabric knitted and then exported, the final product (fabric) will qualify in terms of the Scheme. Where yarn is **imported with rebate of the duty** in terms of Schedule No 3, the fabric knitted and then used to make a final product for export, the final product (clothing or household textiles) will qualify in terms of the Scheme. The same principle applies to other pipeline inputs, provided that two full stages of transformation is achieved. Other export products manufactured directly from inputs imported in terms of any rebate provision in Schedule 3, 4 and 5 to the Customs and Excise Act, will not qualify for a duty credit certificate. Yarns and fabrics in respect of which proof can be submitted that they were manufactured in the BLNS countries will be regarded as locally manufactured inputs.

In the case of a **trading house**, only locally manufactured end-products covered by the DCCS, bought directly from local manufacturers and in respect of which proof of local manufacture, to the satisfaction of the DG, can be submitted, will be considered as locally produced products for purpose of the DCCS.

Raw materials sourced from South African merchants and wholesale distributors will not be regarded as locally manufactured materials, unless the participant provides documentary proof, such as a certificate from its auditors, to the contrary and to the satisfaction of the DG.

The abovementioned certificate by the participant's auditor must be furnished in the prescribed format and substantiate, to the satisfaction of the DG, that the products exported are manufactured from inputs manufactured locally, or imported inputs in respect of which the full duty has been paid.

2.4 Export destinations

Products exported to areas outside the SACU will qualify as exports in terms of the DCCS.

2.5 Which products may be imported utilising a duty credit certificate?

Based on their exports, participants will be allowed to import the following products as per Table 3, that are classifiable under the tariff headings as per Table 2 (above):

TABLE 3: ALLOWED IMPORTS UNDER THE DCCS

Exporter	Product exported	Product allowed to be imported
Manufacturer of Clothing and Clothing accessories	Clothing Clothing accessories	Fabric Clothing Clothing accessories
Knitter of Clothing and Clothing accessories	Clothing Clothing accessories	Yarn Fabric Clothing Clothing accessories
Manufacturer of Household Textiles	Household textiles	Yarn Fabric Household textiles
Manufacturer of Fabric and Other Textiles	Fabric Other textiles	Yarn Fabric Other textiles
Manufacturer of Yarn	Yarn	Yarn
Trading House	Clothing Clothing accessories Household textiles Fabric Other textiles Yarn	Clothing Clothing accessories Household textiles Fabric Other textiles Yarn

2.6 How is the value of the certificate determined?

The value of the certificate is calculated as a percentage of the *export sales value* of the

approved¹ exports, as per Annexure A.

Should the export sales value as stated in column L of Schedule B of the Application form be more than the amount repatriated (as stated in column Q of Schedule B), the export sales value will be reduced to equal the amount received as per column Q.

Categories A & B and C & D respectively have equal benefits.

2.7 What is the export sales value?

Export sales value means the free carrier value [i.e. free-on-board (fob) and, in the case of overland transport through exit points within the SACU, free-on-rail (for), or free-on-truck (fot), at the border] of export sales qualifying in terms of the DCCS. For the purpose of this definition, the following shall not form part of the export sales value:

- (a) freight and insurance costs in respect of the transport and insurance of qualifying products outside the SACU, regardless of whether or not these costs have been paid for in the RSA; and
- (b) any expenditure or costs, of whatever nature, incurred by the participant or associated company in respect of any activity performed, or to be performed, outside the RSA in respect of any export sale, including but without limiting it to
 - (i) commission paid to an overseas representative;
 - (ii) costs incurred in the marketing, advertising, positioning, warehousing, repairing and clearance of products sold in terms of an export sale; and
 - (iii) any taxes or import and excise duties.

Regardless of whether such expenses have been paid or are payable in the RSA, in the event of any dispute arising as to the determination of the export sales value, the DG may, within his sole discretion, determine a notional export sales value, and such determination shall be subject to arbitration as provided for in paragraph 12.

The nett fob export sales value is determined on the basis of the value in foreign currency reflected on the Commercial Invoice and must be converted into rand at the spot buying rate for foreign currencies (as at 11h00 or 15h00) of the exporter's bank, applicable on the date of the export clearance. The official date of export will be the date on the original DA550 as reflected by the customs date stamp. There must be a clear link between the value thus determined in rand and the values reflected in rand on the DA550 and F178, even if these values differ slightly.

¹ Approved exports are exports which fall under the DCCS, in respect of which proof to the satisfaction of the DG, that the exports took place, that payment was received and that the money so received was repatriated to South Africa, was submitted.

2.8 Benefits are granted subject to participation in the PERFORMANCE AUDIT and the achievement of certain PERFORMANCE, TRAINING and EXPORT targets

The granting of benefits in terms of the DCCS will be subject to participation in the Performance Audit, and the achievement of the *TR* and *ER*, the aim of which is to encourage RSA manufacturers to achieve international competitiveness independent of government subsidies. Productivity improvement, training and more effective marketing strategies are keys to attaining this goal.

All costs relating to the implementation and administration of the Performance Audit, the *TR* and *ER* will be borne by the participants in the DCCS.

**3. FOR WHICH CATEGORY DO I QUALIFY?
(Refer Annexure A)**

3.1 Category A:

Category A includes all SMME's and trading houses qualifying in terms of the criteria as shown at Table 1. First time entrants to the DCCS, have a choice of qualifying for duty credits of either category A, B or C. Existing and past participants who qualify as a SMME are **not** included in this category.

Training Requirement: 10% of the value of the DCCS Certificate to be spent in the following export year, with a training plan developed through the SETA.

Performance Assessment: As per guidelines. Applicant is at liberty to apply for 50% funding towards the cost of the report, from the Competitiveness Fund.

Export Requirement: Annual real growth rate of 10% measured in Rand as per Section F of the application form (TCE/2001/C).

3.2 Category B:

Any registered participant whose exports are less than 15% of total annual sales, during the particular DCC export year. Export turnover should be divided by total sales turnover, where total sales turnover excludes the total value of turnover generated by the company's retail business but includes the ex-factory cost price of goods manufactured by the manufacturing division supplied to the company's retail division and sold by them.

Training Requirement: As per guidelines.

Performance Assessment: As per guidelines. Applicant is at liberty to apply for 50% funding towards the cost of the report, from the Competitiveness Fund.

Export Requirement:

Annual real growth rate of 10% measured in Rand as per Section G of the application form (TCE/2001/C).

3.3 Category C:

Any registered participant whose exports are equal to or more than 15% of total annual sales, during the particular DCC export year. Export turnover should be divided by total sales turnover, where total sales turnover excludes the total value of turnover generated by the company's retail business but includes the ex-factory cost price of goods manufactured by the manufacturing division supplied to the company's retail division and sold by them.

Training Requirement:

As per guidelines.

Performance Assessment:

As per guidelines. Applicant is at liberty to apply for 50% funding towards the cost of the report, from the Competitiveness Fund.

Export Requirement:

Annual real growth rate of 10% measured in Rand as per Section G of the application form (TCE/2001/C).

3.4 Category D:

DCCS participants manufacturing a big export order in partnership with one another. Once such an order is received, the exporting partner should act as coordinator and must notify the DTI of the partnership on Form TCE/2001/ND. After payment for the order has been received, a claim can be submitted on Form TCE/2001/CD. Certificates will be issued and will be subject to the specific partners involved having had the Performance Audit done and having achieved their performance, training and export requirements for that specific export year. In case of non-compliance, the amount issued in terms of a category D claim will be repayable on demand.

4. DCCS PERFORMANCE AUDIT

The granting of benefits in terms of the DCCS will be subject to each applicant participating in the Performance Measurement Programme (PMP) and achieving the TR and ER. In the case of a trading house the identified CMT suppliers will have to participate in the PMP and will be expected to demonstrate a willingness towards performance improvement.

4.1 The Performance Assessment in terms of the PMP

The PMP assessment consists of three parts:

- the *Productivity Performance Report (PPR)* compiled from audited financial statements and an interpretation of the PPR reflecting symptoms of improvement or decline;
- a site visit, resulting in a *Productivity Audit Report (PAR)* with findings on

- causes for the symptoms identified in the PPR, and recommendations and an action plan for further improvement and/or measures to prohibit further decline, contained in a *Productivity Improvement Programme (PIP)*

4.1.1 The PPR

This assessment is used to project the participant on a performance matrix representative of the relevant industry's or industry sub-sector's performance in South Africa. A composite index is calculated to reflect performance improvement or decline, rating the viability of the participant on a scale of zero to 1000, with 350 being the break-even point. An example of the resulting productivity performance matrix is attached as Annexure A.

These models are the intellectual property of the NPI. The NPI would, however, make available to accredited consultants, the list of key performance factors and the definitions required to collect the relevant data, to enable compilation of the PPR. Data for the two most recent financial years as contained in the audited financial statements of the participant, should be collected, if the company is a first time entrant or where the consultant has changed. Accredited consultants must submit the data to the NPI who, at a fee payable by the consultant, will compile the PPR, capture the data in the DCCS database and furnish the PPR together with the interpretation thereof, to the consultant.

The interpretation report compares the current year's PPR results with that of the previous year. This information must form the basis for the site visit when the consultant is required to formulate his/her findings on the cause(s) for change(s) indicated by the PPR.

4.1.2 Site visit and recommendations (PAR & PIP)

The consultant must spend time with the management of the participant (or in the case of trading houses, the CMT suppliers) to assess whether the company has materially complied with the productivity recommendations listed in the set-up report. The skills and experience of the consultant are crucial, particularly regarding the clothing and/or textile industry and its interaction. The assessment, required in writing, must explain whether the company's management did everything possible to implement the productivity action plans that were agreed upon during the first visit. Sometimes unforeseen problems do occur and a 100% success rate may be difficult to achieve. The consultant will therefore need to use his/her knowledge and insight to determine whether there has been material compliance or not and in his/her professional capacity report accordingly, honestly and without bias. The consultant's certification in this regard must be able to withstand the test of scrutiny by an independent authority.

The consultant and the participant (or CMT supplier in the case of a trading house) must agree on: (i) a new Productivity Improvement Programme (PIP) for the next DCCS year and (ii) the current status (PAR), the targets and the plans to achieve these targets, in a written report. The consultant must agree with the management of the participant (or of the CMT suppliers) on firm targets, i.e. quantified targets unless there are good reasons why such quantified targets are impossible or impractical.

The draft report (PAR and PIP) is submitted to the participating company's management together with the financial analysis report (PPR), who must sign the report, certifying the correctness thereof.

4.2 Employee Basic Amenities and Facilities

The consultant should carry out a physical inspection of the basic amenities and facilities provided for the employees, and report on his findings.

4.3 Management Practices Audit

The quality of managerial and supervisory practices directly and materially affects the internal efficiency and functioning of an organisation. Practices such as communication, decision making, task structuring, staff development, promotion management etc directly impacts on the satisfaction and morale of employees which in turn affects overall performance.

For this reason a Management Practices Audit will be included in the DCCS Performance Audit with effect from the 2001/2 export year.

4.4 Training & Development Audit

4.4.1 TDR target

A condition for participation in the DCCS is that all participants, except for participants of category A and trading houses of categories B and C, must annually spend an amount equal to at least 4 % of their annual wage bill on training for the workforce in the same export year. This condition will be applied as follows:

- (a) In the event that the required level of expenditure of 4% or any higher level has already been achieved in the year immediately preceding the year under consideration, such participant is required to maintain its training expenditure at a level of at least 4% of its wage bill in the year under consideration, in order to qualify for the DCCS benefit.
- (b) In the event that the required level of 4% has not been spent in the year immediately preceding the year under consideration, the participant is required to increase its training expenditure towards achieving the 4% target from the level spent in the previous year by an amount equal to at least 10% of the value of its DCCS

benefit, until the said target is reached, in order to qualify for DCCS benefits.

The additional expenditure of 10% of the DCCS benefits will not be regarded as limiting the increased expenditure on training to 10% of the DCCS benefit. Although not under obligation, participants may and are encouraged to increase expenditure on training by greater amounts.

Participants of category A must spend an amount equal to at least 10% of the value of the DCCS certificate of the previous year on training for the workforce for a trading house, the workforce of one or more of their CMTs in the following export year. Such participants are therefore exempt from spending any money on training in their first year of participating in the DCCS. Once the claim for the first year has been received and the amount thereof determined, the applicant will be informed and will then have to pay the specific amount to the SETA and submit proof of such payment to the DTI. Once such proof has been received, the DCCS certificate will be issued. The funds kept with SETA must be utilised by the participant to train the workforce according to a training plan developed by the participant, the worker's union and SETA.

Trading houses (except those that qualify for category A) must spend a total amount in accordance with the formula below on the workforce of each CMT supplier which is serving the trading house on the date on which the DCC audit is undertaken. Where the duty credit certificate value is below or equal to R500 000, 20% of the estimated value should be spent on training of the workforce and where the value is above R500 000, 12.5% of the value should be spent on training the workforce. The training expenditure year runs parallel to the DCC export year, ie 1 April to 31 March.

Where the trading house makes regular use of a CMT supplier to manufacture seasonal products but these suppliers are not being used by the trading house at the audit date, then they must be included in the total number of CMT suppliers to which the trading house has training and development obligations in respect of its DCCS participation.

The training and development monies available to CMT suppliers from the trading house must be disbursed in proportion to the typical number of weekly paid employees involved in the manufacturing or production processes at each CMT supplier company. Where this calculation results in so small an expenditure target in Rand terms per CMT supplier, which makes meaningful training and development difficult or impossible, then those CMT suppliers which in combination contribute nearest to 55% of total invoiced CMT sales to the trading house will be the recipient(s) of training and development monies apportioned according to the foregoing paragraph.

Where CMT suppliers do not employ their own training or human resource staff to identify or develop training plans in their companies, trading house personnel who possess the necessary skills and knowledge will be expected to give practical assistance to the CMT supplier in this regard. Alternatively the cost of employing training and development facilitators and practitioners to achieve these objectives should be funded from the Training and Development budget.

This training must take place according to a training plan developed by all parties concerned, including all stakeholders involved in the CMT suppliers organisation.

The DCCS performance audit will be undertaken at a maximum of two CMT supplier companies which have been identified as training and development fund recipients according to the 55% of CMT sales criteria.

4.4.2 Definitions

Workforce, for the purposes of paragraph 4.1, refers to employees directly involved in the manufacturing or production process, as follows:

Clothing Industry	:	weekly-paid employees
Textile Industry	:	weekly & monthly-paid employees

The *wage bill* refers to the basic wages (and salaries) of the workforce (as defined above), which excludes overtime, benefits, bonuses and any other employment costs.

Valid *training costs* will be expenditure on skills, developmental and computer training for the workforce as defined. A minimum of 70% of the training expenditure must be spent on the workforce as defined of which at least 20% should be spent on ABET (ie literacy, numeracy, social skills development, business understanding, health care etc).

The levies paid over to the Textile, Clothing, Footwear and Leather SETA are allowed to be offset against the DCCS training and development expenditure requirement.

4.4.3 The training plan

The participant or in the case of a **trading house**, the CMT supplier must have a *Training Plan* drawn up for a twelve-month period commencing on 1 April and running up to 31 March of the next year. The trading house will be expected to assist the CMT supplier(s) in drawing up the training plan where the CMT requests this assistance. Participants of category A are exempted from the first year of participation only, but are expected to

follow the same procedure from their second year of participation.

The training plan must contain the employee category, type of training and cost of such training. It will identify the amount to be spent on improving of shop floor knowledge, skills, attitudes and aptitudes, but will also take cognisance of other levels of developmental needs within the company (as per paragraph 4.2).

The training plan must emanate from an investigation, by the participant, into the company's training needs and all parties concerned must be involved in this process. The training plan must be signed off by the participant and the labour union before the training period commences.

The training must add value to the company's ability to increase productivity as a component of overall improved performance. As such, the participant may involve its consultant and the SETA to assist in arriving at the best possible type and means of training.

Training may be done in-house, by consultants, by the SETA or by any other party that will satisfy all the parties concerned.

4.4.4 Calculation of DCCS training expenditure

Except for participants of category A, the expenditure on training runs parallel to the export year, and the participant must therefore estimate the value of the DCCS certificate beforehand in order to plan training expenditure during the next export period in co-operation with the labour union. Diagram 1, attached hereto as Annexure C, can be used to assist in determining the amount to be spent.

For participants of category A, 10% of the value of the DCCS must be spent on training. Category A participants should therefore pay this amount to the SETA after having been informed by the DTI of the value. The money will be kept by SETA in a separate, interest-bearing account for the participant to spend on training in the following twelve month period.

Trading houses should estimate the value of their certificate for that specific export year and should spend the applicable percentage thereof on training of the workforce of their CMT's. Should the estimated amount be less than the applicable percentage of the actual value of the certificate, the balance should be paid over to the SETA. The money will be kept in a separate, interest-bearing account for the participant to spend on training in the following twelve month period, in addition to what should be spent in that year.

4.4.5 Responsibility of the participant

It must be the objective of all parties concerned to ensure that the funds allocated to training as per the training plan, are fully and properly spent during the DCCS training period, so that the declared DCCS training expenditure is reduced to a nil balance.

It is recognised, however, that legitimate constraints on the execution of the training plan may occur (including, but not limited to, key staff illnesses and the temporary unavailability of particular identified training programmes or trainers). It will therefore, under certain circumstances, be possible to carry forward DCCS training expenditure into the next twelve-month training period.

In such cases the positive difference between the planned and actual training expenditure must be lodged with the SETA Head Office and will be retained in an interest-bearing account until such time as it is fully expended. If such funds remain unexpended for longer than twelve months, it will be regarded as forfeited and will become part of the SETA Training Fund and utilised for normal training activities at the discretion of the SETA.

4.5 Scoring of implementation from previous year's action plan.

The implementation of these recommendations must be reported on using Table 4. The targets or recommendations must be summarised by grouping them into each of the three relevant categories shown in Table 4. The category is then rated, which will result in a percentage reflecting the degree to which the participant has succeeded in implementing productivity improvement measures.

TABLE 4: EVALUATION OF THE IMPLEMENTATION OF PRODUCTIVITY RECOMMENDATIONS

No	Weight (w) 2000/1	Weight (w) 2001/2 onwards	Category of Recommendations	Rating (r)	Score X%
1	70	60	Financial Efficiency (PMP)		(w)(r)
2	30	20	Employee Basic Amenities and Facilities		(w)(r)
3		20	Internal Organisational Effectiveness: Management Practices Audit		(w)(r)
TOTAL					y

r = rating on a scale from 0 to 5 where:

0 = no progress made, and 5 = the best possible progress made

The weight is a set measure for the relative importance of the recommendations in terms of overall productivity improvement expressed as a proportion of 100.

X% = the weighted rating of success of implementation, calculated as follows:

$$X\% = (y/500)100$$

5. WHO DOES THE AUDIT?

5.1 Accredited consultants

The PMP is administered by the NPI on behalf of the DTI. The participant may appoint any consultant to do the performance measurement audit, however such consultant must register with the NPI as an accredited agent.

5.2 Appointment of consultant by DCCS participant

Participants in the DCCS are responsible for the appointment of an accredited consultant of their choice and for the costs incurred in the administration of the DCCS Performance Audit. In the case of a trading house, the trading house should reach agreement with the CMT supplier as to which consultant to appoint to undertake the PMP. The trading house will be responsible for the cost of the report/(s).

Arrangements regarding the appointment of the consultant, the fees charged and the payment thereof are to be agreed upon between the participant and the consultant.

Participants are at liberty to apply for 50% funding towards the cost of the report, from the Competitiveness Fund.

5.3 Set-up audit report

A set-up audit report is required in respect of all new participants (and for each of the identified CMT suppliers of participating trading houses). The audit report of this specific year will serve as the basis for setting targets for the following export period. In cases where there has been no continuity in consecutive claim years, a new set-up report will be required. The registered participant must appoint a consultant within 30 days of registering as a DCCS participant.

5.4 Responsibilities of the consultant

Consultants appointed to conduct the DCCS Performance Audit should carefully study these guidelines and conduct all audits in accordance with the framework provided therein.

Consultants must register with the NPI as an accredited consultant in order to be in a position to utilise the PMP. Consultants are responsible to do the performance audit as described in the guidelines as well as to verify and report on the training and development expenditure requirement.

Regarding the TDR, consultants should validate that the total expenditure target

has been achieved and that consensus has been reached on the training aspect to be covered in the following DCCS export year. The training analysis should be contained in the consultant's report.

Regarding the PMP, the consultant must obtain and study a copy of the participant's PMP set-up audit report for the first year and all subsequent follow-up reports, before commencing with the audit. All areas should be reported on as contained in the guidelines and these should be covered in the report.

The consultant is responsible for providing an overview to the employee representatives of the following:

1. Training and Development expenditure
2. Overview of companies operational performance during the DCCS export year which he/she reported on. Confirmation that this process has taken place is required: the consultant must complete the *Performance Review Confirmation* form, TCE/2001/TDR, which must be signed by the participant, the employee representative and the consultant. This form should be attached to the report as Annexure A.

The DTI must then be furnished with a copy of said report. A letter from the consultant, attached to the report, must state whether the client company has complied with the requirements of the DCCS in respect of the export period under consideration.

The DTI reserves the right to review and verify performance and training assessments done by a consultant. If it is found that the report of the consultant is inaccurate, no further reports of such a consultant will be accepted.

5.5 Content of the DCCS Performance Audit Report

The report should consist of the following sections:

1. Background and Profile of Company
2. Performance Assessment
 - 2.1 PPR (problem identification)
 - 2.2 PAR (site visit, discussion of problem areas)
 - 2.3 PIP (recommendations and actions to rectify problems where possible)
3. Training & Development Expenditure Review
4. Employee Amenities and Facilities
 - 4.1 Condition
 - 4.2 Compliance with legislative obligations
5. Scoring of implementation from previous year's action plan.
6. Recommendation.

6. EXPORT REQUIREMENT (ER)

Since the DCCS aims to encourage growth of exports, participants are required to achieve an export growth of at least 10% per annum, in real terms. To calculate the real growth rate, the rand value of exports must be expressed in constant prices, with the nominal values deflated by the production price index for the textile, clothing and footwear industries for the relevant year, as provided by Statistics SA or the Reserve Bank.

Should the company not meet this requirement, past performance should be given recognition: the average real growth rate of export sales over 3 years should be determined, and the minimum qualifying growth rate would be a compound growth of 5% per annum.

The external auditor of the participating company should report on the *Export Requirement* as per section G of Form TCE/2001/C.

In the event of non-compliance with the *Export Requirement*, the participant will forfeit all DCCS benefits in respect of the year under consideration.

TABLE 5 : EXAMPLE OF CALCULATION OF REAL GROWTH RATE

	EXPORT SALES VALUE (Incl Vat)	Year on Year NOMINAL GROWTH RATE	EXPORT SALES VALUE IN REAL TERMS ²	Year on Year REAL GROWTH RATE
EXPORT PERIOD	Rand	%	Rand	%
Current - 1	90 000 000	-	73 410 000 ²	-
Current Year	110 000 000	22,2% ¹	84 480 000 ³	15,1%

Calculations:

1 $(R110\,000\,000 - R90\,000\,000)/R90\,000\,000$

2 $(90/\text{PPI for textiles, clothing and footwear})100$

$(90/122.6)100 = R73.41 \text{ million}$

where 122.6 is the PPI index for 1999

3 $(110/\text{PPI for textiles, clothing and footwear})100$

$(110/130.2)100 = R84.48 \text{ million}$

where 130.2 is the PPI index for October 2000 (due to the PPI index for 2000 not being available at the time this calculation was made)

²The Rand value of exports must be expressed in constant rand values, with the nominal values deflated by the production price index (ppi) the specific year for textiles, clothing and footwear, as published on a monthly basis by Statistics SA and Reserve Bank.

7. NON-COMPLIANCE WITH THE PERFORMANCE AUDIT RECOMMENDATIONS, THE TDR and ER

7.1 Non-compliance with the Performance Audit Recommendations

Cases of non-compliance with the targets agreed upon in terms of the *Performance Audit* will be dealt with as follows:

- (a) Where the targets agreed upon have not been fully achieved but the participant can demonstrate, to the satisfaction of the DTI and the accredited consultancy firm utilised by the participant, that satisfactory efforts and progress have been made towards achieving them, such applicant will still receive the full DCCS benefit in respect of the year under consideration. The participant will not be deregistered as a participant for future export periods.
- (b) Where, in the opinion of the DTI and the accredited consultancy firm utilised by the participant, **unsatisfactory efforts and progress** have been made in achieving the targets agreed upon, such participant's DCCS benefits in respect of the year under consideration will be reduced at the DTI's sole discretion and this discretion also extends to the decision regarding the applicant's further participation.

The DTI has the sole right to determine the above and its decision will be subject to arbitration as provided for in paragraph 12.

7.2 Non-compliance with the TDR

In the event of non-compliance with the prescribed *Expenditure on Training and Development Target* as set out in this guidelines, the participant will forfeit all DCCS benefits in respect of the year under consideration.

7.3 Non-compliance with the ER

In the event of non-compliance with the *Export Requirement*, the participant will forfeit all DCCS benefits in respect of the year under consideration.

8. HOW DO I REGISTER FOR PARTICIPATION?

Exporters qualifying in terms of and wishing to participate in the DCCS must register with the DTI on the registration form TCE/2001/R, enclosed herewith. Please complete and return it to:

DCCS Section
Board on Tariffs and Trade
Department of Trade and Industry
Private Bag X753
PRETORIA
0001

Any queries may be directed to anyone of the following:

Anna-Marie Pretorius	tel (012) 428-7756 or apretor@dti.pwv.gov.za
Coert Grobbelaar	tel (012) 428-7754 or coertg@dti.pwv.gov.za
Elaine Smith	tel (012) 428-7750 or esmith@dti.pwv.gov.za

Facsimile number for all is (012) 428-7777.

A registration number will be allocated to exporters participating in the scheme and must be used in all correspondence with the DTI and the consultants.

9. WHAT ARE MY RESPONSIBILITIES AFTER REGISTRATION?

9.1 Exports under customs supervision

Participants who have registered with the DTI under the DCCS must request special attendance by SARS on Form DA73 (obtainable from SARS) 24 hours prior to packing of an export consignment. The bill of entry stamped "exported under customs supervision" will be required as proof of export, to be submitted with the DCCS claim (see paragraph 15.2). Should SARS indicate that no such supervision is required or that SARS is not able to provide supervision, form TCE/2001/E should be stamped and signed by SARS and be submitted together with the bill of entry, as proof of export.

9.2 Set-up Performance Audit Report

The participant (in the case of a trading house, in consultation with the CMT supplier) must appoint an accredited consultant within 30 days after registering as a DCCS participant to enable the consultant to carry out a performance audit for the company concerned (in the case of trading houses, these companies would be one or more of their CMT suppliers). This report must be compiled in accordance with the guidelines and must be submitted to the DTI as soon as possible.

9.3 Training plan

The participant (or in the case of a trading house, the CMT supplier) must compile a training plan for the company in accordance with the company's needs for a period of twelve months, which must correspond with the DCCS export year (ie 1 April to 31 March). This training plan must be approved by the labour union and the SETA.

9.4 Documentation

All documents which support or may support an application for a duty credit certificate in terms of the DCCS must be kept by the participant for a period of not less than five years from the date of the certificate and must be available and be produced to the DG on request for purposes of verification.

Documentation includes the commercial invoice, bill of entry (DA550), bill of lading, credit or debit notes, form F178 (in respect of transactions above R50 000) and a Foreign Exchange Purchase Slip (in respect of transactions of

less than R50 000) for each export transaction.

9.5 Contact details

Participants are requested to keep the DTI up to date with their contact details as provided per form TCE/2001/R. Should any details or contact persons change, the DTI must be notified. This information is vital for effective communication of important notices and when processing your claims.

10. ISSUANCE AND USE OF DCC

10.1 When is a DCC issued and by whom?

Duty Credit Certificates for category A, B and C participants will only be issued after the twelve month export period, i.e. after 31 March 2001, 31 March 2002, 31 March 2003, 31 March 2004 and 31 March 2005. Certificates will be issued on a first in first out basis.

Certificates are issued by the DG and forwarded directly to the Commissioner for SARS for retention by him.

10.2 Goods imported under a DCC

Goods imported under a duty credit certificate may be sold after due entry for home consumption by the certificate holder.

10.3 Validity Period of Certificates

Duty Credit Certificates issued in terms of a category A, B or C claim will be valid for eighteen months only, i.e. from 1 April 2001 to 30 September 2002, 1 April 2002 to 30 September 2003, 1 April 2003 to 30 September 2004, 1 April 2004 to 30 September 2005 and 1 April 2005 to 30 September 2006 respectively.

Certificates in terms of a category D claim will be issued within 30 days of submitting a complete claim and will be valid for a twelve month period as from date of issuance.

The validity period on transferred or sold certificates will be the same as that of the original certificate.

No applications for extension of the validity of unused certificates will be considered.

10.4 Transfer of a certificate

A certificate can only be used to clear goods at a single specified port of entry. To clear goods at a different port, a separate certificate is required. Should the holder of a duty credit certificate wish to clear goods at a different port as specified on its certificate, a transfer to a different port may be requested. The certificate holder should submit a request to the DTI on the company's letterhead specifying the certificate number, the original port of entry, the port of entry to which it must be transferred, the value to be transferred, the clearing agent and the clearing

agent code. The balance on the certificate will be confirmed with SARS. DTI will issue a new certificate and the participant will be notified accordingly.

10.5 Reinstatement of a certificate value

Should the holder of the certificate be entitled to a refund of duties in terms of the Customs and Excise Act that would have been payable had the DCCS not been used, the holder of the certificate may apply for a reinstatement of the DCC value, provided that all requirements as set out in the Customs and Excise Act, Article 75 and relevant schedules, are satisfied.

10.6 Sale of a Duty Credit Certificate

A duty credit certificate may be sold by the holder in full or in part, to any company, close corporation, a partnership or a sole proprietor that is registered as an importer. A new permit will be issued by the DTI in the name of the buyer. The buyer may not re-sell the certificate and if not fully utilised on the expiry date, the benefit will be forfeited. The participant and the buyer must complete Form TCE/2001/S and submit it to the DTI.

The categories on a sold certificate will remain the same as that of the original certificate, ie no category change will be allowed.

11. AUTHORITY OF THE DIRECTOR-GENERAL

The DG may amend any guideline/rule/condition pertaining to the DCCS or to impose new guidelines/rules/conditions if deemed necessary. The participants will be informed of such amendments in writing.

The DG may prescribe the place of export and the place of entry for home consumption through which exports and imports in terms of the DCCS must be cleared. Any such prescriptions will be published in the Government Gazette. The applicant must indicate in its application the place of entry through which it wishes to clear such imports (form TCE/2001/C).

In the event that any information or aspect relating to or any dispute in connection with an application in terms of the DCCS in the opinion of the DG needs to be investigated or verified, the DG has the right to appoint an independent external auditor of his choice to carry out such investigation or verification as may be required and the applicant shall be responsible for the full costs relating to such investigation, to which arrangement the applicant unconditionally agrees by registering as a participant in the DCCS. Applications subject to such investigations or verifications will only be considered on completion of and depending on the findings of such independent investigation or verification.

Certificates obtained by way of false or incorrect information, fraudulent action or in breach of the terms and conditions of the DCCS will be null and void and any benefit obtained as a result of such certificates will be repayable on demand.

The DG has the right to forthwith withdraw a certificate issued in terms of the DCCS if

he has reason to believe that any irregularities have been committed or incorrect information furnished with regard to the obtaining or utilisation of the certificate. He may forthwith deregister the relevant participant pending the outcome of any civil or criminal proceedings against him. If a participant is deregistered or a certificate withdrawn in terms of this paragraph, any benefit obtained as a result of such certificate becomes repayable on demand.

If the issuing of a certificate is suspended or withdrawn under the circumstances set out above, or a certificate already issued is suspended or withdrawn as a result of the DG invoking any of the provisions of the DCCS, the DTI will not be liable for any loss or damages of whatever nature which the participant might suffer as a result of such withdrawal or suspension.

Should the DTI make any bona fide error in the calculation of or the issuing of a certificate, the DG has the right to cancel such a certificate and to issue a new certificate in order to rectify the error.

12. ARBITRATION

In the event of any dispute of any nature whatsoever arising between the DTI and the participant on any matter provided for in, or arising out of this guidelines, then that dispute shall be submitted to and decided by arbitration. Any arbitration arising out of this arbitration agreement shall be referred to the Arbitration Forum Ltd and shall be conducted in accordance with the standard terms and conditions, and the General Arbitration Rules, then applicable in that Forum.

13. CLAIM PROCEDURE

Applications, complete with all supporting documentation, must be lodged with the DTI within 6 months after the end of the export period (i.e as the export period expires on 31 March of each year, the application can be lodged any time from 1 April to 30 September of that particular year). Form TCE/2001/C must be used for this purpose.

The claim will be verified by officials of the DTI on a first come first serve basis. If all requirements have been met, the certificate will be issued. The participant will be notified in writing and the certificate will be forwarded directly to the Commissioner for SARS for retention.

Please note that all qualifying export consignments for the export period should be listed on the claim form, even if the funds have not been repatriated yet. Those consignments of which the funds have not been repatriated yet, should be listed on a separate schedule and supporting export documentation for these consignments should also be submitted. An export consignment can only be considered for a DCC in the specific export year in which it took place and may not be carried over to the next export year. Once the funds have been repatriated, the applicant should submit the completed schedule together with a letter from the bank confirming such. A further certificate will be issued to the

applicant after verification by officials.

Upon submission of an application for a certificate in terms of the DCCS, the applicant authorises the Receiver of Revenue, the SA Reserve Bank and the Commissioner for SARS to furnish the DG with any information relevant to the application.

14. HOW TO COMPLETE THE CLAIM FORM

The claim form (Form TCE/2001/C) is made up of sections A to H. No claim will be considered unless all sections have been duly completed in accordance with the requirements. Applications must be submitted for the twelve-month export period from 1 April to 31 March. Applications can be submitted to the DTI from 1 April but not later than 30 September.

It is important to realise that incomplete or incorrectly completed claim forms cause a delay in the processing of the claim and that such claims will be placed at the end of the cue.

Each section of the claim form will now be discussed. Please also refer to the checklist, paragraph 15 below.

14.1 Section A: General

General information to be completed by the registered participant.

If you wish to make use of more than one port of entry and you want your duty credit certificate to be split up, please indicate the percentage next to the port as indicated in the table contained in this section.

14.2 Section B: Export consignment schedule

Remember that only those exported products which were manufactured from raw materials produced locally or from imported materials on which the full duty has been paid, qualify for duty credits. Exports manufactured from inputs imported in terms of any rebate provision in Schedule 3, 4 and 5 to the Customs and Excise Act will not qualify for a duty credit certificate and should therefore not be included.

Please list all transactions per invoice, separately for clothing, fabric, yarn and household textiles. Each transaction should be accompanied by the commercial invoice, the F178 (or Foreign Exchange Purchase Slip for transactions of less than R50 000), the notification form, the bill of entry (DA550), bill of lading and any credit or debit notes if applicable.

The bill of entry should indicate that exports took place under customs supervision. If this is not the case, form TCE/2001/E should accompany such a DA550.

Please take note that the bill of lading is not valid unless the requirements as

stated below have been met:

- Removal by sea : A copy of the bill of lading, showing sufficient particulars for identification purposes, duly authenticated by the issuing agent by means of the firm's rubber stamp, where there is provision for signature of the bill of lading, and initialled by the freight clerk, so that it is validly authenticated as an identical copy of the original bill of lading, and stamped *not negotiable*.
- Removal by rail : A copy of the relevant form DA550 together with a customs-stamped copy of the railway consignment note, which must be stamped and signed by Spoornet.
- Removal by road : A copy of the relevant form DA550, endorsed to the effect that the goods in question have been exported under customs supervision at the point of exit in the Republic, eg Beit Bridge or Komatipoort, together with a customs-stamped copy of the road manifest.
- Removal by air : by SA Airways
A copy of the relevant air consignment note bearing an official stamp of the SAA which shows the date and that the goods in question were accepted as forward cargo to the destination shown on the note.
by other operating airlines
A copy of the relevant air consignment note, provided it contains the under-mentioned endorsement, which should be duly signed and date-stamped by the official of the airline who accepts the goods concerned.
The _____ (goods to be specified) described herein was/were accepted for removal to the destination indicated therein and will not be returned or delivered to anyone here without the authority of the Controller of Customs and Excise.

The numbers of the DA550 and F178 must correspond.

Please note that the date of export is the date of the original DA550 as reflected by the customs date stamp, even in cases where a voucher of correction has been issued, and that the date of export must fall within the relevant export year.

When describing the product, please distinguish between clothing, fabric, yarn or household textiles.

Please note that the amounts stated in columns J, K, L, N, O, P and Q must be

in foreign currency. Columns S and T must be stated in rand value.

Each page of this schedule must be signed and stamped by the Bank (verifying the amounts in column T), signed by the participant's auditor and signed by the chief executive officer/managing director or senior member of the company.

All the columns must be completed. The schedule may be reproduced on the participant's own system, but care should be taken that no column is omitted.

It is important that the supporting export documentation for each transaction be marked in accordance with the number in column A of schedule B to enable the DTI to verify the documentation.

14.3 Section C: Sources of input

To be completed by the participant. If imported inputs were used (as stated in column E) please confirm that the import duty has been paid by stating the amount in column G and furnishing the Bill of Entry for the relevant imports.

14.4 Section D: Sworn affidavit

The managing director/chief executive of a company or the senior member/person with financial management responsibility in the case of a close corporation, partnership or sole proprietor will be held jointly and separately (if applicable) responsible with the participant for all matters relating to the application for duty credit certificates and any claims in terms of paragraph 11.

Please note that the affidavit will not be valid unless it has been signed in the presence of a Commissioner of Oaths.

14.5 Section E: Pro forma report by external auditor

Please note that this is a pro forma report and should be reproduced on the letter head of the relevant auditor.

The auditor is required to initial or stamp **every page** of FORM TCE/2001/C for identification purposes.

14.6 Section F: Pro forma certificate from the bank

Documentary proof, to the satisfaction of the DG, that the full monetary commercial invoice value and therefore the monetary export sales value of qualifying exports have been repatriated to the RSA must be submitted. No application for a DCCS certificate will be considered and no such certificate issued until these requirements have been fully complied with to the satisfaction of the DG.

Please note that this is a pro forma certificate and should be reproduced on the letterhead of the relevant bank(s).

The Bank must also sign and stamp each page of Schedule B of section B.

14.7 Section G: Export requirement confirmation

This section must be completed by the participant's external auditor on their letterhead.

15. CHECKLIST FOR SUBMITTING YOUR DCCS CLAIM TO THE DTI

Prior to submission, please make sure of the following:

Your application should comprise three parts:

1. Form TCE/2001/C duly completed
2. Supporting export documentation
3. Performance report by consultant
4. Declaration of good standing with the receiver of revenue

15.1 Form TCE/2001/C

- All pages must be initialled by the participant's external auditor for identification purposes.
- Schedule B of section B, must be signed and stamped by the bank, signed by the auditor and signed by the managing director of the participating company.
- Schedule C of section C must be accompanied by proof that the duty has been paid if imported inputs have been used for manufacturing.
- Section D is a sworn affidavit and the oath must be taken in the presence of a Commissioner of Oaths
- Section E is a pro forma document and must be replaced with the actual report from the external auditor on the auditor's letterhead.
- Section F is a pro forma document and must be replaced with the actual letter from the bank(s) on the bank's letterhead.
- Section G must be reproduced by the external auditor on the auditor's letterhead.

15.2 Supporting export documentation

The following documentation should be submitted per consignment listed in Schedule B of section B:

DA550 (stamped "exported under customs supervision")

Form TCE/2001/E if customs supervision did not take place

Bill of lading

F178 for all transactions above R50000

Foreign Exchange Purchase Slip for all transactions below R50000

Commercial invoice

Credit/Debit note(s) if applicable

15.3 Performance report by consultant

The performance report is required in order to finalise an application for a duty credit certificate. Because the processing and verification of export documentation takes time, the participant may submit its application without this report, and forward the report to the DTI as soon as it becomes available.

Form TCE/2001/TDR must be added to the report as Annexure A.

15.4 Declaration of Good Standing with the Receiver of Revenue

It is a requirement of the Receiver of Revenue that all recipients of benefits from government complete a declaration of good standing regarding income tax. This declaration must be submitted with every application under the DCCS and an original should be obtained from SARS.

ANNEXURE A

CERTIFICATE VALUE

CATEGORY	1999/2000				2000/1				2001/2				2002/3				2003/4				2004/5			
	Product Exported				Product Exported				Product Exported				Product Exported				Product Exported				Product Exported			
	c	hh	f	y	c	hh	f	y	c	hh	f	y	c	hh	f	y	c	hh	f	y	c	hh	f	y
Value of duty credit certificate as % of the export sales value of the proven exports																								
A					25	17.5	12.5	8	25	17.5	12.5	8	20	15	10	6	20	15	10	6	15	12	8	5
B	25	17.5	12.5	8	25	17.5	12.5	8	25	17.5	12.5	8	20	15	10	6	20	15	10	6	15	12	8	5
C					35	23	17	12	35	23	17	12	30	20	15	10	30	20	15	10	25	17.5	12.5	8
D					35	23	17	12	35	23	17	12	30	20	15	10	30	20	15	10	25	17.5	12.5	8

KEY:

- clothing
- household textiles
- fabric
- yarn

ANNEXURE B

PRODUCTIVITY PERFORMANCE MATRIX

COMPANY: PRODUCTIVITY PERFORMANCE REPORT (PPR) DCC CLOTHING PRODUCTS (322100-322200)														
KEY PRODUCTIVITY FACTORS (KPF'S)												PERIOD:		
Gross sales per employee	Value added per employee	Raw Material /Gross Sales	Overhead Cost/ Gross Sales	Fact Rent / Gross Sales	Distr Cost / Gross Sales	Sales per m² Factor y Area	Sales per R000 fixed Operating Assets	Sales per R000 Current Operating Assets	Curren t Ratio	Quick Ratio	Financia l Leverag e	Return on Sales	Return on Assets	SCORE
(R)	(R)	(R)	(R)	(R)	(R)	(R)	(R)	(R)	(R)	(R)	(R)	(R)	(R)	(R)
#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	Perform
103116	65375	36,6	16	1,0	1,0	13500	100000	5500	5,0	2,5	2,4	10	30	10
98470	60460	38,6	18	1,5	1,5	12263	90500	4950	4,3	2,1	2,2	9	25	9
90227	53505	40,7	20	2,0	2,0	11025	81000	4400	3,8	1,8	2,0	8	20	8
83782	48007	42,7	22	2,5	2,5	9787	71500	3850	3,4	1,7	1,8	7	15	7
78775	43484	44,8	24	3,0	3,0	8550	62000	3300	3,0	1,6	1,6	6	12	6
72211	38416	45,8	26	3,4	3,4	7312	52500	2750	2,6	1,4	1,4	5	9	5
65648	33611	48,8	28	3,7	3,7	6075	42000	2200	2,3	1,2	1,2	4	7	4
59082	29068	50,8	30	4,0	4,0	4837	33500	1650	2,0	1,0	1,0	3	5	3
52517	23107	56,0	35	6,0	6,0	3600	24000	1320	1,9	0,8	0,8	2	4	2
45953	17922	61,0	40	8,0	8,0	2362	14500	990	1,7	0,6	0,5	1	3	1
39388	11344	71,2	50	10,0	10,0	1125	5000	660	1,5	0,5	0	0	2	0
#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	SCORE
10	10	8	6	4	4	4	6	10	6	6	6	10	10	WEIGH T
#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	#div/0!	VALUE

INDEX

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ANNEXURE C

CALCULATION OF DCCS TRAINING EXPENDITURE

1. Are you spending 4% of your wage bill on training ?

Yes → ☺ Fine!

No



2. What is the value of your estimated total qualifying exports in terms of the DCCS?

* Clothing	
* Fabric	
* Yarn	
* Household textiles	

3. What is the value of the DCC based on 2 above?

	2000/1 Cat A & B	2000/1 Cat C & D		
* Clothing	25	35		
* Household textiles	17,5	23		
* Fabrics	12,5	17		
* Yarn	8	12		
TOTAL				= A

4. What is 10% of the total (A above) ?

= B

5. What did you actually spend on training last year?

= C

6. What should you have spent in terms of your DCCS certificate of the previous export year?

= D

7. What is the shortfall (D-C) ?

= E

8. Add up B, C and E to arrive at your training budget for this year.

= TRAINING BUDGET FOR CURRENT YEAR

ANNEXURE D DCCS FORMS

TCE/2001/R
TCE/2001/C
TCE/2001/ND
TCE/2001/CD
TCE/2001/S
TCE/2001/TDR
TCE/2001/E

FORM TCE/2001/CD

REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF TRADE AND INDUSTRY

DUTY CREDIT CERTIFICATE CLAIM FORM
CATEGORY D ONLY

This claim form must be completed by the participant who will be exporting the order and submitted to the DTI together with copies of the order, commercial invoice, DA550, Bill of lading and F178.

Submit to:

Board on Tariffs and Trade: DCCS Section
Department of Trade and Industry
by post : Private Bag X753, Pretoria, 0001 or
by hand : Board on Tariffs and Trade, SABS Building, Block A, Room 518, 1
Dr Lategan St, Groenkloof, Pretoria

ALL INFORMATION REQUESTED MUST BE SUBMITTED

If the space provided is inadequate, provide the required details on a separate page as an Annexure, clearly marked and numbered. For details on how this form should be completed, please refer to the guidelines, paragraph 14.

SECTION A : GENERAL INFORMATION

1. Number of partners involved in the manufacturing of the order:

2. Registered name, DCCS registration number and exporter code of partners:

	Registered Name	Registration No	Exporter Code	% of Certificate
1				
2				
3				
4				
5				

3. Name of Participant who will export the order:

4. Indicate the place of entry through which you wish to clear goods for home consumption in terms of the duty credit certificate to be issued to you as a result of this claim application, as well as the percentage value of the duty credit certificate you wish to utilise at each port of entry. Only the following places of entry may be used for clearance in terms of the scheme:

PARTNER 1:

PORT	%	PORT	%
Cape Town		Cape Town International Airport	
Port Elizabeth		East London	
Durban		Durban International Airport	
Johannesburg		Johannesburg International Airport	
Germiston		Beit Bridge	
Pretoria			

PARTNER 2:

PORT	%	PORT	%
Cape Town		Cape Town International Airport	
Port Elizabeth		East London	
Durban		Durban International Airport	
Johannesburg		Johannesburg International Airport	
Germiston		Beit Bridge	
Pretoria			

PARTNER 3:

PORT	%	PORT	%
Cape Town		Cape Town International Airport	
Port Elizabeth		East London	
Durban		Durban International Airport	
Johannesburg		Johannesburg International Airport	
Germiston		Beit Bridge	
Pretoria			

PARTNER 4:

PORT	%	PORT	%
Cape Town		Cape Town International Airport	
Port Elizabeth		East London	
Durban		Durban International Airport	
Johannesburg		Johannesburg International Airport	
Germiston		Beit Bridge	
Pretoria			

PARTNER 5:

PORT	%	PORT	%
Cape Town		Cape Town International Airport	
Port Elizabeth		East London	
Durban		Durban International Airport	
Johannesburg		Johannesburg International Airport	
Germiston		Beit Bridge	
Pretoria			

5. Contact person for this claim?

Name :

Designation :

Tel :

Cell :

Fax :

E-mail :

SECTION B: INFORMATION REQUIRED IN RESPECT OF QUALIFYING EXPORTS

Please complete schedule B as outlined in the guidelines. The schedule must be submitted without omitting any of the required information. The schedule will not be accepted unless signed by the participant's authorised signatory(ies), the participant's auditor and stamped and signed by the participant's Bank.

SCHEDULE B

Furnish the following details separately for each individual product directly exported per consignment for the relevant export period starting 1 April and ending March.

SHOW VALUES IN FOREIGN CURRENCY AS PER INVOICE																				
No	Consignment No	DA550 & F178 Customs No.	Date of export	Country to which exported	Description of product	Harmonised tariff no (6 digits)	Quantity	VALUE IN RAND												
								Exchange Rate as on date of receipt	Amount Received as per Bank Certificate		Export Sales Value	Amount Received as per Bank Certificate	Date received	Official Use						
								R	P		S	T	U							
								Loss Freight, Insurance, Commission etc	Export Sales Value (ESV)	Spot buying rate for foreign currency	FOB Value	Credit/Debit Note	Amount Receivable from Foreign Buyer (L-/+O)	Amount Received as per Bank Certificate						
								J	K	L	M	N	O	P	Q					
								Transaction/Invoice Value												
Stamp & Signatures: Commercial Bank								Signature : Auditor												
								Signature : Authorised Signatory of Participant												
1	A	B	C	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U

PLEASE NOTE:

- * Date of Export = CUSTOMS DATE STAMP ON THE ORIGINAL BILL OF ENTRY (DA550)
- ◇ Indicate either clothing or fabric or yarn or household textiles
- ❖ Quantity: YARN - KG
FABRIC - M or KG
CLOTHING - UNITS or KG
- ✕ As defined in paragraph 2.7 of the guidelines
- # Spot buying rate of foreign currency as at 11h00 or 15h00 on date of export clearance (see par 2.7)

SECTION C : SOURCES OF INPUTS USED FOR THE MANUFACTURE OF EXPORTS SUBMITTED IN SECTION B

Type of input / Description	Tariff Heading (4 digits)	Quantity	Value (R)	State whether locally manufactured (L) # OR imported (I)	Name of supplier	Import Duty Paid (Rand)
A	B	C	D	E	F	G
1.						
I declare that the information furnished in this form is true and correct.						
Name:				Designation:		
				Signature:		
				Date:		/ /

Purchases from a wholesaler / merchant will only be accepted as locally manufactured if proof to this effect is submitted i.e. certificate by the merchant that the products were bought from a local manufacturer indicating the manufacturer's name, address, tel / fax no and contact person, substantiated by a copy of the relevant invoice. Refer to paragraph 2 and 9.3 in the guidelines.

SECTION D: SWORN AFFIDAVIT - to be completed by each partner

SECTION D

AFFIDAVIT BY CHIEF EXECUTIVE IN RESPECT OF AN APPLICATION UNDER CATEGORY D OF THE DUTY CREDIT CERTIFICATE SCHEME FOR EXPORTERS OF TEXTILES AND CLOTHING

NB The obligation to complete and submit this declaration cannot be transferred to an external authorised representative, auditor or any other third party acting on behalf of the participant.

I, the undersigned, _____ (full names) do make oath and declare in my capacity as Managing Director/Chief Executive (in respect of a company)/ Senior Member/Person with financial management responsibility (Close Corporation, Partnership or Individual) (delete that which is not applicable), of _____ (hereafter referred to as the applicant), that

- (a) the facts herein contained are within my own personal knowledge;
- (b) should the participant not comply with the prescribed requirements in order to qualify for a category D duty credit certificate during the export period, the participant will refund the full value of the certificate herein applied for to the DTI;
- (c) I have satisfied myself that the preparation of the application has been done in conformity with the Director-General of Trade and Industry's guidelines and requirements in respect of the DCCS, of which I have fully acquainted myself and which I unconditionally agree to;
- (d) the products for which the application has been lodged were actually exported from the RSA;
- (e) all the products listed in Section B of the application form have been produced or manufactured in the RSA at the following physical address(es):

and no product manufactured outside the RSA has been included in the application;

- (f) all the goods exported including goods exported through the border exit points in Botswana, Lesotho, Swaziland and Namibia (the BLNS countries) remained the property of the applicant until it left the territory of the South African Customs Union and that the export clearance of these goods has been done in the RSA;
- (g) the export sales values shown represent normal commercial values negotiated at arms-length and have not been either over- or under-invoiced;
- (h) all foreign exchange earned in respect of the goods applied for, has been repatriated to the RSA;
- (i) The DG may at any time conduct or order that a full scale investigation to verify any information furnished in the application form be conducted;
- (j) I understand that the DG relies on and can call on me as far as the correctness of this declaration is concerned;
- (k) the information furnished in this application is true and correct and I understand that the furnishing of misleading or false information as far as this application is concerned, will lead to disqualification of participation and forfeiture of all benefits in terms of the DCCS and that the participant will be required to refund any duty credits received to which measures I unconditionally agree;

- (l) I personally accept full responsibility for the correctness of this application and I furthermore accept personal liability, jointly and severally with the participant (where applicable), for any refund of duty credits that may be required;
- (m) the participant (or any one of its associated or related parties) has correctly utilised concessions, if any, granted to him by the DG in terms of provisions under Schedule 3, 4 and 5 to the Customs and Excise Act;
- (n) the participant or any one of its associates or related party is not the subject of an investigation by either the SAPS or the Office for Serious Economic Offenses, or a verification by the DTI, the SARS or the Commissioner for Customs and Excise into previous claims or any related matter pertaining to the GEIS, the SAP or the DCCS.

NAME

DESIGNATION

SIGNATURE

DATE

I certify that the deponent has acknowledged that he/she knows and understands the contents of this affidavit, that he/she has no objection to the taking of the prescribed oath, that he/she considers this oath to be binding on his/her conscience.

Signed and sworn to before me at _____ on this _____ day of _____ 20 ____

COMMISSIONER OF OATH

FULL NAMES : _____

CAPACITY : _____

ADDRESS : _____

**SECTION F: PRO FORMA REPORT BY THE EXPORTER'S RELEVANT BANK (S)
TO THE DEPARTMENT OF TRADE AND INDUSTRY IN RESPECT OF A CATEGORY
D APPLICATION IN TERMS OF THE DUTY CREDIT CERTIFICATE SCHEME FOR
EXPORTERS OF TEXTILES AND CLOTHING (DCCS)**

(ON BANK'S LETTERHEAD)

We (relevant bank) _____ hereby certify that the requirements of Form E have been complied with in respect of the F178's submitted for the purposes of the category D application by _____. In the export period 1 April 20_____ to 31 March 20_____ and that the export sales value relating to such F178's has already been repatriated to the RSA to the extent stated by the applicant in columns Q and T of Schedule B. The relevant details are contained in the schedule B of Section B of Form TCE/2001/C (the application).

In terms of commercial invoices valued at less than R50 000 for which no F178 is required, we hereby declare that the values as stated by the applicant in columns Q and T of Schedule B have been repatriated as reflected by the relevant Form A.

Schedule B has been stamped and signed by (relevant bank) _____ for identification purposes.

We are aware of the fact that certificates will only be considered in respect of exports for which satisfactory proof of repatriation of export has been submitted.

SIGNATURE OF BANK MANAGER
DATE

FORM TCE/2001/E

REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF TRADE AND INDUSTRY

EXPORTS IN TERMS OF THE DUTY CREDIT CERTIFICATE SCHEME
CUSTOMS SUPERVISION REQUIREMENT

This form must be stamped and signed by the Controller for Customs and Excise and must be attached to the DA550 in the absence of customs supervision (ie the DA550 was not stamped to indicate that it was exported under customs supervision).

This certifies that _____ (Duty Credit Certificate Holder) duly applied for customs supervision on export consignment no _____ at the Controller for Customs and Excise CT / DBN / JHB and such controller exercised his/her discretion not to supervise the packing of the export consignment.

CONTROLLER: CUSTOMS & EXCISE

NAME

DATE

Stamped:

FORM TCE/2001/ND

REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF TRADE AND INDUSTRY

NOTIFICATION OF A CATEGORY D PARTNERSHIP

be completed by the participant who will be exporting the order. The other partners should confirm participation by signing the form. The form, copy of the order, must be submitted to:

Board on Tariffs and Trade: DCCS Section
Department of Trade and Industry
by post : Private Bag X753, Pretoria, 0001 or
by hand : Board on Tariffs and Trade, SABS Building, Block A, Room 518, 1 Dr Lategan St, Groenkloof, Pretoria

ALL INFORMATION REQUESTED MUST BE SUBMITTED

If the space provided is inadequate, provide the required details on a separate page as an annexure, clearly marked and numbered.

	Registered Name	Registration No	Trading Name	Exporter Code	Exporter of this order? Y/N	% of Value of Certificate to be allocated	AUTHORISED SIGNATORY OF PARTICIPANT Signature
1							
2							
3							
4							
5							

This form was completed by:

Name :
Company :
Designation :

Tel no :
Cell no :
E-mail :

FORM TCE/2001/R

REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF TRADE AND INDUSTRYAPPLICATION FOR REGISTRATION UNDER THE DCCS FOR
EXPORTERS OF TEXTILES AND CLOTHING

For details on how to complete this form and who qualifies for application, please refer to the Guidelines of February 2001.

1. REGISTERED NAME OF EXPORTER :.....
2. TRADING NAME :.....
3. DATE ESTABLISHED :.....
4. DATE OF FINANCIAL YEAR END :.....
5. FORM OF ENTERPRISE :.....
6. NAME OF DIRECT HOLDING COMPANY
IF PART OF A GROUP :.....
7. STREET ADDRESS :.....
:.....
8. POSTAL ADDRESS :.....
:.....
9. NUMBER OF FACTORIES PRODUCING
FOR EXPORT :.....
10. NAMES OF CMT OPERATORS USED :.....
:.....
11. CUSTOMS AND EXCISE CODE :.....

12. PARTICIPANT'S SIGNATORIES:
Please list all the Directors/Members/Partners/Owners of your enterprise:

FULL NAMES	DESIGNATION	IDENTITY NUMBER	% SHARE

Authorised signatory(ies) for the signing of all DCCS related documents (please note that the signatory must be the Managing Director/Chief Executive (in respect of a company) or Member/Person with financial management responsibility (in respect of a close corporation, partnership or individual)):

	SIGNATORY 1	SIGNATORY 2
Name :		
Designation :		
ID number :		
Signature :		
Tel number :		
Cell number :		

Please indicate who should sign the documents:
☐ both
☐ either 1 or 2

SWORN AFFIDAVIT

I declare that the information furnished in this form including Annexure A comprising _____ pages and Annexure B comprising _____ pages, is true and correct. I have fully acquainted myself with the terms and conditions of the DCCS and understand and accept, that by making this application for registration under the Duty Credit Certificate Scheme, I fully and unconditionally agree to the provisions set out in the guidelines/rules/conditions applicable thereto.

I understand that any actions by the authorised signatory on behalf of the participant will be binding and the DTI will not be held liable for any loss or injury caused by any actions of the authorised signatory.

SIGNATURE

NAME : _____
DESIGNATION : _____
DATE : _____

I certify that the deponent has acknowledged that he/she knows and understands the contents of this affidavit, that he/she has no objection to the taking of the prescribed oath, that he considers this oath to be binding on his/her conscience.

Signed and sworn to before me at _____ on this _____
day of _____ 20 ____.

COMMISSIONER OF OATH : _____
FULL NAMES : _____
CAPACITY : _____
BUSINESS ADDRESS : _____
AREA : _____

Annexure A

Please fill in one of these forms for each factory/CMT operator.

1. FACTORY NAME :.....
2. PHYSICAL ADDRESS :.....
3. POSTAL ADDRESS :.....
4. NUMBER OF EMPLOYEES :.....
5. PRODUCTION EXECUTIVE :.....
- Telephone :.....
- Facsimile :.....
- E-mail :.....
6. FINANCIAL EXECUTIVE :.....
- Telephone :.....
- Facsimile :.....
- E-mail :.....

7. TYPE OF INDUSTRY (Mark appropriate space with a cross):

Textile Spinning	Textile Weaving	Textile Knitting
Textile Made-up Household Products	Textile Other	Clothing/Accessories
EXPORT TRADING HOUSE		

8. Dominant product eg men’s suits, men’s shirts, ladies’ blouses, ladies’ underwear, socks etc:
.....
9. Harmonised Tariff (Customs) Code of dominant product

FORM TCE/2001/S

REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF TRADE AND INDUSTRY

LETTER OF SALE OF DUTY CREDIT CERTIFICATE

I, _____ in my capacity as _____
of _____ hereby authorize the Department of Trade and Industry to sell
_____ % of certificate number _____ to _____.

CERTIFICATE HOLDER

NAME OF HOLDER:				
DCCS REG NO :				
IMPORTER CODE :				
CERTIFICATE NO :				
VALUE OF CERT :				
VALUE TO BE SOLD :				
CONTACT PERSON:	Name: Designation: Tel: Fax: Cell: E-mail:			

CERTIFICATE BUYER

NAME OF ENTITY :				
IMPORTER CODE :				
PHYSICAL ADDRESS :				
POSTAL ADDRESS :				
CONTACT PERSON :	Name: Designation:			
CONTACT NUMBERS :	Tel:	Fax:	Cell:	E-mail:
CLEARING AGENT :	Name: Contact Person: Tel: Fax: Cell: E-mail:			

NUMBER OF CERTIFICATES TO BE ISSUED :				
% VALUE AND PORT PER CERTIFICATE :	Cape Town	_____%	Cape Town International Airport	_____%
	Port Elizabeth	_____%	East London	_____%
	Durban	_____%	Durban International Airport	_____%
	Johannesburg	_____%	Johannesburg International Airport	_____%
	Germiston	_____%	Beit Bridge	_____%
	Pretoria	_____%		

SELLER'S CLEARING AGENT

NAME :			
PHYSICAL ADDRESS :			
POSTAL ADDRESS :			
CONTACT PERSON :			
CONTACT NUMBERS :	Tel:		
	Fax:		
	Cell:		
	E-mail:		
CLEARING AGENT CODE :			

SIGNED - BUYER:

_____	_____	_____	_____
NAME	COMPANY	SIGNATURE	DATE

SIGNED - SELLER (Authorised signatory(ies) as per form TCE/2001/R):

_____	_____	_____	_____
NAME	COMPANY	SIGNATURE	DATE

SIGNED - CLEARING AGENT:

_____	_____	_____	_____
NAME	COMPANY	SIGNATURE	DATE

SWORN AFFIDAVIT

(To be completed by the buyer of the duty credit certificate)

I declare that the information furnished in this form is true and correct. I have fully acquainted myself with the terms and conditions of the DCCS and understand and accept, that by buying this Duty Credit Certificate, I fully and unconditionally agree to the provisions set out in the guidelines/rules/conditions applicable thereto.

I understand that the sale of the duty credit certificate does not entitle me to any more rights than that of the seller and that any non-compliance by the seller in terms of the DCCS may invalidate the certificate. I understand that the DTI will not be liable for any loss of, or injury caused by any misrepresentation by the seller or any other party, other than the DTI.

SIGNATURE : _____
NAME : _____
DESIGNATION : _____
DATE : _____

I certify that the deponent has acknowledged that he/she knows and understands the contents of this affidavit, that he/she has no objection to the taking of the prescribed oath, that he considers this oath to be binding on his/her conscience.

Signed and sworn to before me at _____ on this _____
day of _____ 20 _____.

COMMISSIONER OF OATH : _____
FULL NAMES : _____
CAPACITY : _____
BUSINESS ADDRESS : _____
AREA : _____

REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF TRADE AND INDUSTRY

PERFORMANCE REVIEW CONFIRMATION

The signatories appended below hereby confirm that employee representatives of _____ have received the information below on the Training and Development Expenditure incurred during the DCCS export year 1 April _____ to 31 March _____ and that the prescribed apportionment complies with the obligations contained in the DCCS guidelines.

Total Wage Bill as defined in par 4.2, for the period under review	R	
Total Training & Development Expenditure	R	A
Training & Development Expenditure as a percentage of Wage Bill	%	
Expenditure on Production Related Employees	R	B
Expenditure on Production Related Employees as a percentage of Total Expenditure	%	B/A
Expenditure on ABET and other inter-related Employee Development Topics	R	C
ABET Expenditure as a percentage of Total Expenditure on Production Related Employees	%	C/B

The signatories also concur that an overview of the company's operational performance has been given covering the DCCS year under review.

AUTHORISED SIGNATORY OF PARTICIPANT Date:	FULL NAMES	DESIGNATION
---	------------	-------------

EMPLOYEE REPRESENTATIVE Date:	FULL NAMES	DESIGNATION
----------------------------------	------------	-------------

CONSULTANT Date:	FULL NAMES	DESIGNATION
---------------------	------------	-------------

FORM TCE/2001/C

REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF TRADE AND INDUSTRY

DUTY CREDIT CERTIFICATE CLAIM FORM

This claim form comprises sections A to G. Sections A to D must be completed by the participant, and sections E, F and G must be attached in the prescribed format and marked accordingly, prior to submitting to:

Board on Tariffs and Trade: DCCS Section

Department of Trade and Industry

by post : Private Bag X753, Pretoria, 0001 or

by hand : Board on Tariffs and Trade, SABS Building, Block A, Room 518, 1 Dr
Lategan St, Groenkloof, Pretoria

ALL INFORMATION REQUESTED MUST BE SUBMITTED

If the space provided is inadequate, provide the required details on a separate page as an annexure, clearly marked and numbered.

For details on how this form should be completed, please refer to the guidelines, paragraph 14.

SECTION A : GENERAL INFORMATION

1. REGISTERED NAME OF EXPORTER :
2. TRADING NAME :
(If different from (1) above)
3. DCCS REGISTRATION NUMBER :
4. EXPORT CODE :
5. Indicate the place of entry through which you wish to clear goods for home consumption in terms of the duty credit certificate to be issued to you as a result of this claim application, as well as the percentage value of the duty credit certificate you wish to utilise at each port of entry. Only the following places of entry may be used for clearance in terms of the scheme:

PORT	%	PORT	%
Cape Town		Cape Town International Airport	
Port Elizabeth		East London	
Durban		Durban International Airport	
Johannesburg		Johannesburg International Airport	
Germiston		Beit Bridge	
Pretoria			

1. Please complete the following:

	Current Year	Current Year - 1	Current Year -2
Total Turnover incl vat			
Total Exports			
Total Asset Value			
Number of permanent employees			

2. Is this the first time you are applying for a duty credit certificate?

☐ YES

☐ NO

3. For which category are you applying?

Category A	
Category B	
Category C	

4. Contact person for this claim?

Name : _____

Designation : _____

Tel : _____

Cell : _____

Fax : _____

E-mail : _____

SECTION B: INFORMATION REQUIRED IN RESPECT OF QUALIFYING EXPORTS

Please complete schedule B as outlined in the guidelines. The schedule must be submitted without omitting any of the required information. The schedule will not be accepted unless signed by the participant's authorised signatory(ies), the participant's auditor and stamped and signed by the participant's Bank.

SCHEDULE B

Furnish the following details separately for each individual product directly exported per consignment for the relevant export period starting 1 April and ending March.

No	Consignment No	DA550 & FY78 Customs No.	Date of export	Country to which exported	Description of product	Harmonised tariff no (6 digits)	Quantity	SHOW VALUES IN FOREIGN CURRENCY AS PER INVOICE										Exchange Rate as on date of receipt	VALUE IN RAND		Date received	Official Use
								Transaction/ Invoice Value	Ins Freight, Insurance, Commission etc	Export Sales Value (ESV)	Spot buying rate for foreign currency	FOB Value	Credit/ Debit Notes	Amount Receivable from Foreign Buyer (L(+)/O)	Amount Received as per Bank Certificate	Export Sales Value	Amount Received as per Bank Certificate					
A	B	C	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U			
1																						
2																						
3																						
4																						
5																						
6																						
7																						
8																						
9																						
10																						

Stamp & Signature: Commercial Bank

Signature : Auditor

Signature : Authorised Signatory of Participant

PLEASE NOTE:

- Date of Export = CUSTOMS DATE STAMP ON THE ORIGINAL BILL OF ENTRY (DA550)
- Indicate either clothing or fabric or yarn or household textiles
- Quantity:
 - YARN - KG
 - FABRIC - M or KG
 - CLOTHING - UNITS or KG
- As defined in paragraph 2.7 of the guidelines
- Spot buying rate of foreign currency as at 11h00 or 15h00 on date of export clearance (see par 2.7)

SECTION C : SOURCES OF INPUTS USED FOR THE MANUFACTURE OF EXPORTS SUBMITTED IN SECTION B

SCHEDULE C

Type of input / Description A	Tariff Heading (4 digits) B	Quantity * C	Value (R) D	State whether locally manufactured (L) # OR imported (I) E	Name of supplier F	Import Duty Paid (Rand) G
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
I declare that the information furnished in this form is true and correct.						
Name:		Designation:		Signature:		Date: / /

* Quantity : Fibre - kg
: Yarn - kg
: Fabric - m or kg

Purchases from a wholesaler / merchant will only be accepted as locally manufactured if proof to this effect is submitted i.e. certificate by the merchant that the products were bought from a local manufacturer indicating the manufacturer's name, address, tel / fax no and contact person, substantiated by a copy of the relevant invoice. Refer to paragraph 2 and 9.3 in the guidelines.

SECTION D: SWORN AFFIDAVIT

AFFIDAVIT BY AUTHORISED SIGNATORY IN RESPECT OF AN APPLICATION UNDER THE DUTY CREDIT CERTIFICATE SCHEME FOR EXPORTERS OF TEXTILES AND CLOTHING

NB The obligation to complete and submit this declaration cannot be transferred to an external authorised representative, auditor or any other third party acting on behalf of the participant.

I, the undersigned, _____ (full names) do make oath and declare in my capacity as Managing Director/Chief Executive (in respect of a company)/ Senior Member/Person with financial management responsibility (Close Corporation, Partnership or Individual) (delete that which is not applicable), of _____ (hereafter referred to as the applicant), that

- (a) the facts herein contained are within my own personal knowledge;
- (b) the applicant complies with the prescribed requirements in order to qualify for participation in the DCCS;
- (c) I have satisfied myself that the preparation of the application has been done in conformity with the Director-General of Trade and Industry's guidelines and requirements in respect of the DCCS, of which I have fully acquainted myself and which I unconditionally agree to;
- (d) the products for which the application has been lodged were actually exported from the RSA;
- (e) all the products listed in Section B of the application form have been produced or manufactured in the RSA at the following physical address(es):

and no product manufactured outside the RSA has been included in the application;

- (f) all the goods exported including goods exported through the border exit points in Botswana, Lesotho, Swaziland and Namibia (the BLNS countries) remained the property of the applicant until it left the territory of the South African Customs Union and that the export clearance of these goods has been done in the RSA;
- (g) the export sales values shown represent normal commercial values negotiated at arms-length and have not been either over- or under-invoiced;
- (h) all foreign exchange earned in respect of the goods applied for, has been repatriated to the RSA;
- (i) The DG may at any time conduct or order that a full scale investigation to verify any information furnished in the application form be conducted;
- (j) I understand that the DG relies on and can call on me as far as the correctness of this declaration is concerned;
- (k) the information furnished in this application is true and correct and I understand that the furnishing of misleading or false information as far as this application is concerned, will lead

to disqualification of participation and forfeiture of all benefits in terms of the DCCS and that the participant will be required to refund any duty credits received to which measures I unconditionally agree;

- (l) I personally accept full responsibility for the correctness of this application and I furthermore accept personal liability, jointly and severally with the participant (where applicable), for any refund of duty credits that may be required;
- (m) the participant (or any one of its associated or related parties) has correctly utilised concessions, if any, granted to him by the DG in terms of provisions under Schedule 3, 4 and 5 to the Customs and Excise Act;
- (n) the participant or any one of its associates or related party is not the subject of an investigation by either the SAPS or the Office for Serious Economic Offenses, or a verification by the DTI, the SARS or the Commissioner for Customs and Excise into previous claims or any related matter pertaining to the GEIS, the SAP or the DCCS.

NAME

DESIGNATION

SIGNATURE

DATE

I certify that the deponent has acknowledged that he/she knows and understands the contents of this affidavit, that he/she has no objection to the taking of the prescribed oath, that he/she considers this oath to be binding on his/her conscience.

Signed and sworn to before me at _____ on this _____ day of
_____ 20 _____

COMMISSIONER OF OATH

FULL NAMES : _____

CAPACITY : _____

ADDRESS : _____

**SECTION E: PRO FORMA REPORT BY THE PARTICIPANT'S EXTERNAL AUDITOR(S)
TO THE DEPARTMENT OF TRADE AND INDUSTRY IN RESPECT OF A CLAIM IN
TERMS OF THE DCCS FOR EXPORTERS OF TEXTILES AND CLOTHING**

At the request of _____ I / we have audited the attached application for certificates under the duty credit certificate scheme for exporters of textiles and clothing (DCCS). The application is the responsibility of the directors of the company. My / our responsibility is to report on the application. I / we have initialled the application (Form TCE/2001/C) for identification purposes. This report is furnished solely for the information of the Department of Trade and Industry in connection with the verification of applications for duty credit certificates on the basis of exports of qualifying products and should be used only for this purpose. (If qualified, a full report on the nature, extent and reasons for such qualification must be furnished by the auditor).

I/we conducted an audit on the annual financial statements of _____ ended _____/20_____ in accordance with Generally Accepted Auditing Standards in order to enable me/us to express an opinion on these annual financial statements as a whole. These annual financial statements were reported on with the following qualification / without qualification.

I/we conducted my/our audit in accordance with Generally Accepted Auditing Standards. These standards require that I/we plan and perform the audit to obtain reasonable assurance that, in all material aspects, fair presentation is achieved on the attached application. The audit included an evaluation of the appropriateness of accounting policies, an examination, on a test basis, of evidence supporting the amounts and disclosures included in the application, an assessment of the reasonableness of significant estimates. My/our audit included certain procedures which include procedures to ensure that all invoices selected from the application, are supported by valid export documentation, that the amounts shown on the export documentation showed a distinct correlation between the currency values indicated on the selected invoices and the amount applied for, and that all dates reflected on export documentation reflected in the application corresponds with the underlying documentation. In addition my/our audit included procedures to test that no invoice were duplicated in the application or included in a previous or other application, that the details of invoices checked, including product descriptions and destinations, were all in agreement with the details contained in the export documentation, that only products qualifying in terms of the Guidelines were included in the application, that the export values have been correctly calculated (that is, nett of freight, commissions, credit notes, bad debts, overseas clearing, duties, VAT, etc.), that the products have actually been exported, that exports included in the application are in respect of locally manufactured products, that only exports in respect of products manufactured from locally manufactured raw materials and or imported materials on which full duty was paid are included in Section B of the application, that all export proceeds relating to the exports included in this application were repatriated, and that no other foreign exchange receipts such as foreign loans were included as repatriated export proceeds. I/we have also scrutinised credit notes issued during the year and for a reasonable period subsequent to the year end to ensure that they did not reveal any reversals of invoices which should have been excluded from the application.

I/we consider my/our procedures appropriate in the circumstances to express my/our opinion presented below.

In my/our opinion, this application fairly presents the export sales value for purposes of an application for duty credit certificates on the basis of exports of textiles and clothing for the period 01/04/20____ to 31/03/20____ by _____ in terms of the Guidelines for the DCCS.

SECTION F: PRO FORMA REPORT BY THE PARTICIPANT'S RELEVANT BANK (S)
TO THE DEPARTMENT OF TRADE AND INDUSTRY IN RESPECT OF AN
APPLICATION IN TERMS OF THE DUTY CREDIT CERTIFICATE SCHEME FOR
EXPORTERS OF TEXTILES AND CLOTHING (DCCS)

(ON BANK'S LETTERHEAD)

We (relevant bank) _____ hereby certify that the requirements of Form E have been complied with in respect of the F178's submitted for the purposes of the application by _____ for the period 1 April 20____ to 31 March 20____ and that the export sales value relating to such F178's has already been repatriated to the RSA to the extent stated by the applicant in columns Q and T of Schedule B. The relevant details are contained in the schedule B of Section B of Form TCE/2001/C (the application).

In terms of commercial invoices valued at less than R50 000 for which no F178 is required, we hereby declare that the values as stated by the applicant in columns Q and T of Schedule B have been repatriated as reflected by the relevant Form A.

Schedule B has been stamped and signed by (relevant bank) _____ for identification purposes.

We are aware of the fact that certificates will only be considered in respect of exports for which satisfactory proof of repatriation of export has been submitted.

SIGNATURE OF BANK MANAGER
DATE

SECTION G: PRO FORMA REPORT BY THE PARTICIPANT'S EXTERNAL AUDITOR(S) TO THE DEPARTMENT OF TRADE AND INDUSTRY IN RESPECT OF AN APPLICATION IN TERMS OF THE DUTY CREDIT CERTIFICATE SCHEME FOR EXPORTERS OF TEXTILES AND CLOTHING (DCCS) REGARDING THE EXPORT REQUIREMENT
Refer to paragraph 5 of the guidelines.

(ON AUDITOR'S LETTERHEAD)

At the request of _____ I / we have audited the export sales turnover for the period 1 April 20__ to 31 March 20__ and wish to report as follows:

	EXPORT SALES VALUE (Incl Vat)	Year on Year NOMINAL GROWTH RATE	EXPORT SALES VALUE IN REAL TERMS ¹	Year on Year REAL GROWTH RATE
EXPORT PERIOD	Rand	%	Rand	%
Current - 3				
Current - 2				
Current - 1				
Current Year				

The above figures show an export growth rate of ____% for the period 1 April 20__ to 1 March 20__ .
As such I/we wish to report that _____ has met/not met the requirement of export growth of at least 10% per annum.

As the export growth rate is less than 10% per annum, I/we have considered the average real growth rate of export sales over the 3 year period immediately preceding the current year. The average growth rate for the period _____ to _____ is ____%

As such I/we wish to report that _____ meets/does not meet the *Export Target Requirement* in terms of the DCCS for the period 1 April 20__ to 31 March 20__.

¹The Rand value of exports must be expressed in rand in constant prices , with the nominal values deflated by the production price index (ppi) for textiles, clothing and footwear, as published on a monthly basis.