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GENERAL NOTICE

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GUIDELINES, RULES AND CONDITIONS TO THE DUTY CREDIT CERTIFICATE SCHEME

For the Period 1 April 2001 to 31 March 2002

Department of Trade and Industry
Republic of South Africa
February 2002

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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 |
| FOB | Free on Board |
| FOR | Free on Rail |
| FOT | Free on Truck |
| GEIS | General Export Incentive Scheme |
| NPI | National Productivity Institute |
| PAR | Productivity Audit Report |
| PIP | Productivity Improvement Plan |
| PMP | Performance Measurement Programme |
| PPI | Production Price Index |
| 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 |
| SAICA | South African Institute of Chartered Accountants |
| SAP | Structural Adjustment Programme |
| SAPS | South African Police Services |
| SARS | South African Revenue Services |
| SETA | Sectoral Education Training Authority |
| SMME | Small, Medium and Micro Enterprises |
| TDR | The Expenditure on Training & Development Requirement |

DEFINITIONS

| | |
|-----------------------|---|
| Approved Exports | Approved exports are exports which are manufactured in terms of the rules and conditions of the DCCS, ie proof to the satisfaction of the DG must be submitted that the exports took place, that payment was received and that the money so received was repatriated to South Africa. |
| Constant Prices | Prices expressed in real terms |
| Date of Export | Date as reflected on the original Bill of Entry/Export, DA550 |
| Export Sales Turnover | The commercial invoice value of all exports converted to rand using the exchange rate as reflected by the Customs and Excise daily currency conversion schedule on the date of export, excluding vat. |
| Export Sales Value | Refer to par 2.9 |
| Export Year/Period | 1 April of each year to 31 March of the following year. |
| First Time Entrant | A company that has never before participated in the DCCS. |
| Nominal Values | Actual Value. |
| Real Growth Rate | Growth rate in excess of the specified index rate used. |
| Real Terms | Values adjusted to a base year by using a specified index. |
| Total Sales Turnover | Total export and domestic sales based on the commercial invoice value, excluding vat. 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. |
| Wage Bill | Basic wages and salaries of the workforce as defined, excluding overtime, benefits, bonuses or any other employment costs. |
| Workforce | Employees directly involved in the manufacturing or production process, ie the direct production related employees excluding supervision or similar rank. |

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 was extended for five years until March 2005, which represents the fourth extension, 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 460.11/00.00/06.00 and a retrospective provision for the refund of customs duties paid on date of importation exists, to get a refund of duties in cases where the goods were cleared without the duty credit certificate (DCC) being available. This document contains the revised guidelines, rules and conditions for participation during the period 1 April 2001 to 31 March 2002 and should be read in conjunction with the notes in the above-mentioned rebate item.

Participation in the DCCS is linked to a Performance and Training Audit which measures the participant'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. Specialisation in export products is encouraged whilst the participant's domestic product range can be broadened by importing additional goods duty free, using the DCC.

2. THE DCCS EXPLAINED

2.1 The earning of duty credits

In terms of the DCCS, exporters of certain prescribed textile and clothing products (see par 2.5) 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 him on the importation of certain prescribed textile and clothing products (see par 2.7).

2.2 Qualifying Participants

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 certify such applications, by co-signing all documents.

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.

TABLE 1: QUANTITATIVE CRITERIA FOR SMME's

| SIZE | TOTAL ANNUAL TURNOVER (vat excluded) | 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 would be preferable that the participant is registered with the relevant Export Council, however this is not a requirement.

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 with 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 12.6.

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 severally (if applicable) liable with the participant for all aspects relating to the application for duty credit certificates and any claims in terms of paragraph 13.

2.3 Categories of Participation

2.3.1 Category A:

Category A includes all SMME's qualifying in terms of the criteria as shown in Table 1, participating for the first time. Existing and past participants who qualify as a SMME are therefore not included in this category. First time entrants to the DCCS who do not qualify as a SMME, may also choose to participate in Category A rather than B or C.

| | |
|--------------------------------|--|
| <u>Training Requirement:</u> | 10% of the value of the DCCS Certificate to be spent in the following export year, with a training plan developed through the SETA. Refer par 4.1.1. |
| <u>Performance Assessment:</u> | As per guidelines. Applicant is at liberty to apply for 50% funding towards the cost of the report, from the Competitiveness Fund. |
| <u>Export Requirement:</u> | Annual real growth rate of 10% measured in Rand as per Section F of the application form (DCCS/2002/C). |

2.3.2 Category B:

Any exporting company who owns one or more factory, manufacturing for export. CMT operators may be used in addition to own factory(ies).

| | |
|--------------------------------|--|
| <u>Training Requirement:</u> | As per guidelines, par 4.1.2. |
| <u>Performance Assessment:</u> | As per guidelines. Applicant is at liberty to apply for 50% funding towards the cost of the report, from the Competitiveness Fund. |
| <u>Export Requirement:</u> | For level 1 beneficiaries: annual real growth rate of 10% measured in Rand as per Section G of the application form (DCCS/2002/C). For level 2 beneficiaries: no requirement (see 2.4). |

2.3.3 Category C:

A company not owning any factory, but making use of (a) CMT operator(s) only.

| | |
|--------------------------------|---|
| <u>Training Requirement:</u> | Training to be spent on CMT's as per guidelines, par 4.1.3. |
| <u>Performance Assessment:</u> | Not applicable. |
| <u>Export Requirement:</u> | As per guidelines. |

2.3.4 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 DCCS/2002/ND (available on request from the BTT). After payment for the order has been received, a claim can be submitted on Form DCCS/2002/CD (available on request from the BTT). 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.

2.4 Level of Benefit

Exporters of categories A to C, whose exports are less than 15% of total annual sales, during the particular DCC export year will receive a level 1 benefit, whilst qualifying participants exporting 15% or more of their total turnover, receive a level 2 benefit (please refer to Annexure A). Category D participants will receive a level 2 benefit, irrespective of their export percentage.

In order to determine the export percentage, total export turnover should be divided by total sales turnover, applying the following definitions:

Export Sales Turnover = The commercial invoice value of all exports converted to rand, using the exchange rate as reflected by the Customs and Excise daily currency conversion schedule on the date of export, excluding vat.

Total Sales Turnover = Total Export and Domestic Sales based on the commercial invoice value, excluding vat. 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.

2.5 Products on which duty credits are 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 60.06 |
| Yarn | 51.06 to 51.10 52.04 to 52.07 54.01 to 54.06 55.08 to 55.11 |

Export products must be manufactured in South Africa. If textile inputs are imported, the full duty must be paid, in order for the export product to qualify for a duty credit certificate. No rebate provision of Schedule 3, 4 or 5 may be used in conjunction with the DCCS, unless the circumstances described below apply. 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. 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.

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.

In the case of a category C participant, 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 be substantiated, to the satisfaction of the DG, that the products exported are manufactured from inputs manufactured locally, or from imported inputs in respect of which the full duty has been paid.

2.6 Export destinations

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

2.7 Products that may be imported utilising a duty credit certificate

Based on their exports, participants will be allowed to import the following products as set out in Table 3, 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 | Fabric Household Textiles |
| Manufacturer of Fabric and Other Textiles | Fabric Other Textiles | Yarn Fabric Other Textiles |
| Manufacturer of Yarn | Yarn | Yarn |

2.8 Determination of the value of the certificate

The value of the certificate is calculated as a percentage of the *export sales value* of the approved exports, as per Annexure A.

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

2.9 Export Sales Value defined

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 14.

The net fob export sales value is determined on the basis of the value in foreign currency reflected on the Commercial Invoice and must be converted to 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. As a result of international currency volatility, these values may differ by **not more than 5%**.

Please take note that as of 1 April 2002, the export sales value will be calculated based on the FOB value of the goods exported. The FOB value of the goods exported, if not presented in SA Rand, will be calculated using the foreign currency rate on the official date of export (as reflected on the original bill of entry/export, DA550), converted to SA Rand using the Customs and Excise daily currency conversion schedule, published by Jacobsens or obtainable at the offices of Local Controllers of Customs and Excise or on the Internet. The export sales value thus determined will therefore be equal to the values on the DA550 and F178.

2.10 **Benefits are granted subject to participation in the PERFORMANCE MEASUREMENT PROGRAMME 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 Measurement Programme, and the achievement of the TR and ER, the aim of which are 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.

The ER must be reported on by the participants external auditor as per Section G of form DCCS/2002/C. The Performance and Training audits are usually performed by the same person, being an accredited consultant (refer paragraph 6) and must be reported on as per paragraph 7.

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. **THE DCCS PERFORMANCE MEASUREMENT 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 (where applicable). In the case of a category C participant, no performance measurement will be required.

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. The accredited consultant should report on the findings according to the guidelines provided for under item 7.

3.1 **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)*

3.1.1 **The PPR**

This assessment is used to measure the participant using a performance matrix representative of the relevant 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 B.

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.

3.1.2 Site visit and recommendations (PAR & PIP)

The consultant must spend time with the management of the participant 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 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 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.

3.2 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/her findings. The consultant should pay special attention to hygiene, safety and a working environment conducive to worker satisfaction and productivity.

3.3 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.

The Productivity Consultant should indicate and report on the following:

- i staff compliment as at 1 April of previous year per workforce category
- ii number of exits per workforce category during the export year
- iii number of appointments per workforce category during the export year
- iv staff compliment as at 31 March of the current year
- v number of grievance procedures initiated
- vi man days lost per workforce category due to absenteeism

This information should be given for a period of at least 3 years in order to determine a trend.

4. TRAINING & DEVELOPMENT AUDIT

4.1 Calculation of DCCS training expenditure and TDR target

A condition for participation in the DCCS is that participants must reach specified targets.

4.1.1 Participants of category A must spend an amount equal to at least 10% of the value of the duty credit certificate earned on training for the workforce 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 value thereof determined, the applicant will be informed accordingly and will then have to pay 10% of the approved export sales value 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. 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.

4.1.2 Category B participants must have an annual expenditure of at least 3% of their annual wage bill on training for the workforce in the same export year, ie the expenditure on training runs parallel to the export year.

Diagram 1, attached hereto as Annexure C, can be used to assist in determining the amount to be spent. The 3% condition will be applied as follows:

- (a) In the event that the required level of expenditure of 3% 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 3% 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 3% 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 3% 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.

Formula: $(\text{Training Expenditure in previous year}) + 0.1 (\text{DCC value for year under consideration})$

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.

- 4.1.3 Category C participants 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's CMT's to spend on training in the following twelve month period, in addition to what should be spent in that year.

The training expenditure thus determined must be spent in accordance with the formula below on the workforce of each CMT supplier which is serving the Category C participant on the date on which the DCC audit is undertaken.

| <u>Duty credit certificate value</u> | <u>% to be spent on workforce</u> |
|--------------------------------------|-----------------------------------|
| ≤ R1 000 000 | 10% |
| > R1 000 000 but ≤ R5 000 000 | 9% |
| > R5 000 000 | 8% |

The training expenditure year runs parallel to the DCC export year, ie 1 April to 31 March.

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

The training and development monies available to CMT suppliers from the Category C participant 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 Category C participant 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, the Category C participant's 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.

All 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 training 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.

4.2 Definitions

Workforce, for the purposes of paragraph 4.1, refers to employees directly involved in the manufacturing or production process. The workforce is therefore defined as the direct production related employees excluding supervision or similar rank.

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 non-refundable levies paid over to the Textile, Clothing, Footwear and Leather SETA may be included as a valid training cost.

4.3 The training plan

The participant, or in the case of a Category C participant, 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 Category C participant 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.

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 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 the DCCS training expenditure forward 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 Reporting of the TDR

Reporting on the training and development expenditure requirement must be done in accordance with paragraph 7.

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

The findings made by the Consultant in terms of paragraph 3, must be scored by using Table 4. The findings 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:

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

6. Accredited Productivity Consultants

6.1 Appointment of a Productivity 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 and Training Audits. In the case of a Category C participant, the Category C participant should reach agreement with the CMT supplier as to which consultant to appoint to undertake the training audit. The Category C participant 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.

6.2 Set-up audit report

A set-up audit report is required in respect of all new participants. 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.

6.3 Responsibilities of the Productivity Consultant

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

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, DCCS/2002/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.

7. Content of the DCCS Performance and Training 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)
 - 2.4 Trend analysis over a period of at least 3 years
3. Training & Development Expenditure Review
 - 3.1 Training & Development Expenditure Schedule
 - 3.2 Report on compliance and if not an analysis of the secondary 10% requirement
 - 3.3 Trend analysis over a period of at least 3 years
4. Employee Amenities and Facilities
 - 4.1 Condition
 - 4.2 Compliance with legislative obligations
5. Management Practices Audit
 - 5.1 Staff compliment per workforce category as at 1 April of each year for at least 3 years
 - 5.2 Number of exits per workforce category as at 1 April of each year for at least 3 years
 - 5.3 Number of appointments per workforce category during the year for at least 3 export years
 - 5.4 Staff compliment per workforce category as at 31 March of each year for at least 3 years
 - 5.5 Number of grievance procedures initiated during the year for at least 3 years
 - 5.6 Man days lost per workforce category due to absenteeism, for at least 3 years

6. Scoring of findings as per table 4.
7. Recommendation.

8. 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, should they export less than 15% of their total turnover. To calculate the real growth rate, the rand value of exports must be expressed in constant prices, by deflating the nominal values 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 the previous 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 DCCS/2002/C.

In the event of non-compliance with the *Export Requirement*, the participant will still receive its benefit for the current year but will be disqualified from future participation until such time as it can show a 5% compound growth rate over a three year period.

TABLE 5 : EXAMPLE OF CALCULATION OF REAL GROWTH RATE

| | EXPORT SALES VALUE (Excl 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 - 1 | 90 000 000 | - | 73 410 000 ² | - |
| Current Year | 110 000 000 | 22,2% ¹ | 84 480 000 ³ | 15,1% |

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

Calculations:

$$1 \quad (R110\,000\,000 - R90\,000\,000)/R90\,000\,000 = 22,2\%$$

$$2 \quad (90/\text{PPI for textiles, clothing and footwear})100 \\ (90/122,6)100 = R73,41 \text{ million} \\ \text{where PPI index for 1999} = 122,6$$

$$3 \quad (110/\text{PPI for textiles, clothing and footwear})100 \\ (110/130,2)100 = R84,48 \text{ million} \\ \text{where PPI index for 2000} = 130,2$$

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

9.1 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 14.

9.2 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 its benefit for the year.

9.3 Non-compliance with the ER

In the event of non-compliance with the *Export Requirement*, the participant will still receive the year under consideration's benefit, but will be disqualified from future participation until such time as it can show a 5% compound growth rate over a 3 year period.

10. REGISTRATION FOR PARTICIPATION

Exporters qualifying in terms of and wishing to participate in the DCCS must register with the DTI on the registration form DCCS/2002/R, enclosed herewith. Please complete and return it to:

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

Any queries may be directed to anyone of the following:

| | |
|----------------------|--|
| Elaine Smith | tel (012) 428-7750 or esmith@dti.pwv.gov.za |
| Anna-Marie Pretorius | tel (012) 428-7756 or apretor@dti.pwv.gov.za |
| Lizzy Kekana | tel (012) 428-7776 or ekékana@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.

11. RESPONSIBILITIES OF THE PARTICIPANT AFTER REGISTRATION

11.1 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. Customs will exercise discretion as to whether they deem it necessary to provide supervision or not. Customs is obliged to inform the exporter of its decision. 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 14.2). Should SARS indicate that no such supervision is required or that SARS is not able to provide supervision, no further action is required from the exporter.

As from 1 April 2002, this requirement will be applied very strictly and exporters are requested to either supply a Bill of Entry stamped "exported under customs supervision" or if supervision was not provided, a copy of the DA73 sent to Customs as notification of the export consignment, or copies of the import documentation in the country of destination.

11.2 Set-up Performance Audit Report

Participants of Categories A and B 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. This report must be compiled in accordance with the guidelines and must be submitted to the DTI as soon as possible.

11.3 Training plan

The participant (or in the case of a **Category C participant**, 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.

11.4 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 following:

- commercial invoice
- bill of entry (DA550)
- Voucher(s) of correction (DA554) where applicable
- Bill of lading (with the invoice number quoted as a reference)
- Credit or debit notes where applicable
- Form F178 (in respect of transactions above R50 000)
- Foreign Exchange Purchase Slip (in respect of transactions of less than R50 000) for each export transaction
- Copy of the DA73 sent to customs as notification of export consignment in cases where supervision was requested but not provided
- Copy of import documentation in country of destination in cases where no export supervision was requested.

11.5 Contact details

Participants are requested to keep the DTI up to date with their contact details as provided per form DCCS/2002/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.

11.6 Claim Preparation, Training Certification and Registration

Claims for the duty credit benefit may only be prepared by certified persons who have completed a DCCS claim preparation workshop and evaluation. A person who has successfully completed such a workshop and has passed the evaluation will receive a certificate which entitles that person to prepare DCCS claims. Such a person will be known as a Registered Claims Administrator. The completed claim must be signed off by a Professional Claims Administrator. Such a person must be registered with SAICA and must register with the DTI by passing an exam. A report by the Professional Claims Administrator must also accompany the completed claim, and will be held responsible for the correctness of the claim. Any inconsistencies in the claim will be reported to SAICA.

11.7 External Auditing of Claim

Only accredited auditors may audit DCCS claims. Auditors will be accredited

once they have passed an exam which will evaluate their knowledge of the DCCS. The Accredited External Auditor may not also be the Professional Claims Administrator for the same client, as the accredited auditor must be external to the participant.

12. ISSUANCE AND USE OF DCC

12.1 Issuance

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.

12.2 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.

12.3 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 completed 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.

12.4 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.

12.5 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.

12.6 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 (unless approved by the BTT - see 12.7) and if not fully utilised by the expiry date, the benefit will be forfeited. The participant and the buyer must complete Form DCCS/2002/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.

12.7 Transferability of a sold certificate

Transferability of sold certificates will be considered by the Board on Tariffs and Trade on an ad-hoc basis. Cases such as a cancelled export order or non-payment by a buyer of a certificate will be considered.

13. AUTHORITY OF THE DIRECTOR-GENERAL

The DG may amend any guideline/rule/condition pertaining to the DCCS or 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 DCCS/2002/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.

14. 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 these 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.

15. 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 DCCS/2002/C must be used for this purpose.

No claim for DCCS benefits will be finalised without the Training and Performance Report and the Tax Clearance Certificate from the Receiver of Revenue.

The claim will be processed by officials of the DTI on a first come first serve basis. If all requirements have been met, the certificate(s) 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.

ANNEXURE A

CERTIFICATE VALUE

| BENEFIT LEVEL | 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 | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 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 |
| 2 | | | | | 35 | 23 | 17 | 12 | 35 | 23 | 17 | 12 | 30 | 20 | 15 | 10 | 30 | 20 | 15 | 10 | 25 | 17.5 | 12.5 | 8 |

KEY:

| | | |
|----|---|--------------------|
| c | - | clothing |
| hh | - | household textiles |
| f | - | fabric |
| y | - | yarn |

BENEFIT LEVEL:

| | | |
|---|---|---|
| 1 | = | Export Turnover less than 15% of Total Sales Turnover |
| 2 | = | Export Turnover equal to or more than 15% of Total Sales Turnover |

ANNEXURE C

CALCULATION OF DCCS TRAINING EXPENDITURE

1. Are you spending 3% 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?

| | 2001/2 Level 1 | 2001/2 Level 2 | |
|----------------------|-------------------|-------------------|-----|
| * 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

DCCS/2002/R
DCCS/2002/C
DCCS/2002/S
DCCS/2002/TDR

FORM DCCS/2002/R

DEPARTMENT OF TRADE AND INDUSTRY, RSA

APPLICATION FOR REGISTRATION UNDER THE DCCS FOR
EXPORTERS OF TEXTILES AND CLOTHING

Please refer to the Guidelines of February 2002 for full details of the DCCS.

1. REGISTERED NAME OF EXPORTER :.....
2. TRADING NAME :.....
3. DATE ESTABLISHED :.....
4. DATE OF FINANCIAL YEAR END :.....
5. FORM OF ENTERPRISE ((Pty) Ltd etc) :.....
6. NAME OF DIRECT HOLDING COMPANY
IF PART OF A GROUP :.....
7. STREET ADDRESS :.....
:.....
8. POSTAL ADDRESS :.....
:.....
9. NUMBER OF OWNED 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: | | |
| E-mail address: | | |

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 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.
PLEASE CIRCLE EITHER OWN FACTORY OR CMT

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 |
| CATEGORY C PARTICIPANT (prev 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 DCCS/2002/C

DEPARTMENT OF TRADE AND INDUSTRY, RSA

DUTY CREDIT CERTIFICATE CLAIM FORM

This claim form comprises sections A to H. Sections A to D must be completed by the participant, section E must be completed by the Professional Claims Administrator and sections F, G and H must be attached in the prescribed format and marked accordingly by the participant's external auditor, prior to submitting to:

DCCS Section

Department of Trade and Industry

by post : Private Bag X753, Pretoria, 0001 or

by hand : DCCS Section, SABS Building, Block A, 3rd Floor
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.

SECTION A : GENERAL INFORMATION

1. REGISTERED NAME OF EXPORTER :
2. TRADING NAME :
(If different from (1) above)
3. DCCS REGISTRATION NUMBER :
4. Please complete the following:

| | Current Year | Current Yr - 1 | Current Yr - 2 | Current Yr - 3 |
|---------------------------------------|-----------------|-------------------|-------------------|-------------------|
| Total Sales Turnover (excl vat) | | | | |
| Sales Growth | | | | |
| Exports Sales Turnover (excl vat) | | | | |
| Exports as % of Turnover | | | | |
| Annual Export Growth in R | | | | |
| Annual Export Growth in Units | | | | |
| Total Asset Value | | | | |
| Number of direct production employees | | | | |
| Number of indirect employees | | | | |

5. Please specify the period covered by the above figures (which months)?

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

1. YES

2. NO

7. For which category are you applying?

| | |
|------------|--|
| Category A | |
| Category B | |
| Category C | |

8. For which level of benefit do you qualify? 1 or 2

9. Contact person for this claim?

Name : _____

Designation : _____

BTT Registration No : _____

Tel : _____

Cell : _____

Fax : _____

E-mail : _____

10. Who are the authorised signatories for this claim?

| | Signatory 1 | Signatory 2 |
|----------------|-------------|-------------|
| Full Name | | |
| Designation | | |
| Signature | | |
| Tel No | | |
| Cell No | | |
| E-mail address | | |

11. Please supply details of your clearing agent for purposes of issuing your duty credit certificate(s):

Name : _____
 Clearing Agent Code : _____
 Street Address : _____
 Postal Address : _____
 Contact Person : _____
 Tel No : _____
 Fax no : _____
 Cell No : _____
 E-mail address : _____

12. EXPORTER CODE :

13. 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 | | | |

14. Please tick appropriate box for products exported and circle applicable tariff headings:

☐ Yarn 5106 5107 5108 5109 5110 5204 5205 5206
 5207 5401 5402 5403 5404 5405 5406 5508
 5509 5510 5511

☐ Textiles 5111 5112 5113 5208 5209 5210 5211 5212
 5311 5407 5408 5512 5513 5514 5515 5516
 5603 5801 5802 5803 5804 5806 5808 5810
 5811 5901 5903 5906 5907 6001 6002 6003
 6004 6005 6006

☐ Household Textiles 6301 6302 6303 6304

☐ Clothing

| | | | | | | | |
|------|------|------|------|------|------|------|------|
| 6101 | 6102 | 6103 | 6104 | 6105 | 6106 | 6107 | 6108 |
| 6109 | 6110 | 6111 | 6112 | 6113 | 6114 | 6115 | 6116 |
| 6117 | 6201 | 6202 | 6203 | 6204 | 6205 | 6206 | 6207 |
| 6208 | 6209 | 6210 | 6211 | 6212 | 6213 | 6214 | 6215 |
| 6216 | 6217 | | | | | | |

SECTION B: INFORMATION REQUIRED IN RESPECT OF QUALIFYING EXPORTS

Please complete schedule B by listing export consignments per DA550. This 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 per DA550, separately for each product directly exported per consignment for the relevant export period starting 1 April and ending March.

| N O | DA550 No | Date of Export | VOC(*) No | Country to which exported | Product Descrip- tion ◇ | Harmon =ised Tariff Code (6-digits) | Quantity # | Invoice No(*) | Invoice Foreign Currency | Freight & Insurance Charges | Credit / Debit Notes | K L + / - M | Foreign CUR = RENCY Value on FI78 | Band value of FI78 | FOB Value on DA550 | Bill of Lading Ref no | Exchange Rate h | Export Sales Value X | Foreign Currency Received | Exchange Rate | R Received according to Bank Statement |
|--------|-------------|----------------------|--------------|---------------------------------|----------------------------------|---|---------------|------------------|--------------------------------|-----------------------------------|----------------------------|-------------------------|--|--------------------------|-----------------------------|-----------------------------|--------------------|-------------------------------|---------------------------------|------------------|---|
| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V |
| 1 | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | | | | | | | |

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

X As defined in paragraph 2.9 of the guidelines

h 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 PROFESSIONAL CLAIMS ADMINISTRATOR TO THE DEPARTMENT OF TRADE AND INDUSTRY IN RESPECT OF A CLAIM PREPARED IN ACCORDANCE WITH THE DCCS FOR EXPORTERS OF TEXTILES AND CLOTHING

At the request of _____ I / we have prepared/checked the attached application for certificates under the duty credit certificate scheme for exporters of textiles and clothing (DCCS). I /we have initialled the application (Form DCCS/2002/C) for identification purposes.

I/we have compiled the application for DCCS on behalf of _____ (our reference _____ dated _____) in accordance with the DCCS Guidelines dated February 2002. I/We confirm that no errors exist in the application provided to us by _____ for purposes of compiling the claim application. The application has been prepared in accordance with the "Preparation of a claim in terms of the Duty Credit Certificate Scheme" guidelines and rules and all requirements contained in these guidelines have been met. The documentation used to compile the application includes commercial invoices, export bills of entry (DA550), Vouchers of Correction, F178 bank forms and bank statements proving repatriation of funds, credit and/or debit notes, DA73's and bills of lading. I/We can not confirm the integrity of the information contained in the documentation provided, but on the face of documentation provided, the information appears to be reasonable and accurate.

| | | |
|----------------|---|-------------------------|
| FULL NAMES | : | _____ |
| DESIGNATION | : | _____ |
| COMPANY | : | _____ |
| ADDRESS | : | _____ _____ _____ |
| TEL | : | _____ |
| CELL NO | : | _____ |
| E-MAIL ADDRESS | : | _____ |
| BTT REG NO | : | _____ |
| SAICA REG NO | : | _____ |
| SIGNATURE | : | _____ |
| DATE | : | _____ |

SECTION F: 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 DCCS/2002/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 G: PRO FORMA BANK 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)

(TO BE REPRODUCED ON BANK'S LETTERHEAD)

We (relevant bank) _____ hereby certify that the export proceeds as reflected on the F178's submitted for purposes of the application by (company name) _____ for the period 1 April 20____ to 31 March 20____, have been received and that the export sales values relating to such F178's have 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 schedule B of Section B of Form DCCS/2002/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.

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

Name : _____

Designation : _____

Tel no : _____

E-mail address : _____

SECTION H

PRO FORMA EXTERNAL AUDITOR'S REPORT RE EXPORT REQUIREMENT

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 8 of the guidelines.

(TO BE REPRODUCED 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 (Excl Vat) | Year on Year NOMINAL GROWTH RATE | EXPORT SALES VALUE IN REAL TERMS | 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____.

FORM TCE/2001/TDR

DEPARTMENT OF TRADE AND INDUSTRY, RSA

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 DCCS/2002/S

DEPARTMENT OF TRADE AND INDUSTRY, RSA

LETTER OF SALE OF DUTY CREDIT CERTIFICATE

I, _____ in my capacity as _____ of
 _____ hereby sell _____ % or R _____ of certificate number
 _____ to _____. I hereby authorize the Department of Trade and
 Industry to issue a certificate to the buyer as stated below:

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

BUYER'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 - BUYER'S 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 :