

**NOTICE 1512 OF 2003****BOARD ON TARIFFS AND TRADE****GUIDELINES FOR APPLICATIONS FOR PERMITS IN TERMS OF  
ITEM 521.00/00.00/01.00 OF SCHEDULE 5 TO THE CUSTOMS AND  
EXCISE ACT**

Interested parties are hereby notified that applications for permits for drawback of duty in terms of the above-mentioned provision submitted to the International Trade Administration Commission (which will replace the Board on Tariffs and Trade on 1 June 2003) after 20 June 2003:

- (a) will be dealt with according to the guidelines described in this notice; and
- (b) must be in the format as set out in the application form in this notice.

**GUIDELINES REGARDING APPLICATIONS FOR PERMITS IN  
TERMS OF ITEM 521.00/00.00/01.00 FOR DRAWBACK OF THE  
CUSTOMS DUTIES ON PRODUCTS USED IN THE MANUFACTURE,  
PROCESSING, FINISHING, EQUIPMENT OR PACKING OF ANY  
PRODUCTS EXPORTED  
(MAY 2003)**

1. The provision under item 521.00/00.00/01.00 of Schedule 5 to the Customs and Excise Act (Act 91 of 1964) provides for drawback of the full duty less the duty in Section B of Part 2 of Schedule No 1 to the Customs and Excise Act<sup>1)</sup> on imported goods used in the manufacture, processing, finishing, equipment or packing of any products exported, subject to permits issued by the Director-General: Trade and Industry on recommendation by the Board on Tariffs and Trade.
2. The purpose of the provision under item 521.00/00.00/01.00 is to promote economic development in general and export in particular by

<sup>1)</sup> Section B of Part 2 provides for "ad valorem excise duties and ad valorem customs duties on imported goods of the same class or kind".

limiting the anti-export bias created by customs duties on imported products.

3. The Board's general policy is to recommend the drawback permits in terms of item 521.00/00.00/01.00 in cases where the products to be imported are not available from SACU manufacturers in sufficient quantity, or of acceptable quality, or of acceptable specification, or not at a price competitive with the landed cost without customs duty of the imported products.
4. It is expected of applicants to investigate the possibility of obtaining the required products from SACU manufacturers and to apply for drawback permits provided for by item 521.00/00.00/01.00 in only those cases where the SACU industry cannot meet the requirements. As a result the Board normally accepts the validity of the applicant's explanation of the reasons why the product should be imported, but general information regarding each permit issued is published quarterly in the Government Gazette to allow SACU manufacturers to react by offering to the export manufacturers the relevant product, or to develop products which meet the requirements of the export manufacturer.
5. In cases where disputes arises as a result of the publication of the information regarding permits issued, the Board will investigate in detail the availability of the SACU product and its competitiveness relative to the imported product. When assessing the issue whether a SACU product's price is competitive with the imported product price, the Board may also take into account the impact of the price on the competitiveness of the export product. In cases where the SACU product's price is higher than the landed cost without customs duty the Board may under exceptional circumstances decided not to recommend a permit. The exceptional circumstances will be cases where the absence of a permit will not weaken the competitiveness of the export product meaningfully while it will potentially contribute meaningfully to the SACU industry concerned.
6. Interested parties should note the existence of the provision under item 470.03/00.00/01.00 of Part 3 of Schedule 4 to the Customs and Excise Act which provides for rebate of the full duty on "Goods cleared in terms of a permit issued by the Director-General: Trade and Industry, on the recommendation of the Board on Tariffs and Trade, for use in

the manufacture, processing, finishing, equipping or packing of goods exclusively for export.”

7. The rebate provision described in the previous paragraph is aimed at assisting exporters who import products specifically with the objective to use the imported products in the manufacture, processing, finishing, equipping or packing of products, exclusively for export. Drawback in terms of item 521.00/00.00/01.00 is of assistance to firms who import products with payment of the duty and who subsequently use the products in the way described in the provision in respect of products for export.
8. Applications for permits must be addressed to the Chief Executive Officer, Board on Tariffs and Trade, Private Bag X753, Pretoria or delivered by hand to the said chief executive officer at the SABS Building, No 1 Dr Lategan Road, Groenkloof, Pretoria. On 1 June 2003 the Board on Tariffs and Trade will be replaced by the International Trade Administration Commission but the postal and street addresses will remain the same.
9. Exporters should preferably apply for drawback permits before the conclusion of agreements in terms which export will take place. Applications submitted after the date of export will only be considered if the applicant can prove that due to the limited time from the date of the export order to the date of export, it was not possible to submit an application before the date of export.
10. Applications for permits must be submitted according to the attached application form and in harmony with the guidelines set out in this document. If the space provided in the application form is insufficient, please use the format of the application form to submit the requested information.
11. If an application is deficient, the application will not be further processed and the applicant will be informed accordingly. An application will be regarded as deficient if one or more of the following is applicable:
  - The application is not in the format of the application form
  - The application does not comply with the guidelines set out in this document

- All the information requested in the application form is not submitted
- The application contains conflicting information
- The application contains incorrect information.

Applicants who submitted deficient applications should submit duly completed application forms to replace deficient application forms, should they wish to proceed.

12. At least four weeks should be allowed for the processing of an application.
13. A permit for drawback should have a bearing on only one export product. For this purpose the description of the export product should be in terms of the description of the relevant tariff subheading. In cases where distinct different products are classifiable under the same tariff subheading and the applicant wishes to apply for drawback permits with a view to export the different products, separate applications should be submitted for each product notwithstanding the fact that the products are classifiable under the same tariff subheading,
14. It is advisable that the local Controller of Customs and Excise be consulted with regard to the tariff classification, description for customs tariff purposes and the statistical unit for customs tariff purposes of each of the imported products and the product exported, as required in terms of questions 3 and 4 of application form.
15. It is imperative that applicants consult with their local Controller of Customs and Excise regarding the use of permits issued, in support of drawback claims.
16. Claims for drawback in terms of a drawback permit should be submitted to SARS within six months of the date of export.
17. Drawback permits will be forwarded to successful applicants by the Department of Trade and Industry by registered mail or can be collected at the Department's offices at SABS Building, No 1 Dr Lategan Road, Groenkloof, Pretoria, by a person in possession of written proof that he/she acts on behalf of the applicant. If the applicant indicates in the application form that the permit will be collected by hand, officials of

the Department will inform the applicant by fax or e-mail of the date on which the permit will be available for collection.

18. If the Board decides not to recommend the issuing of a permit, the applicant will be informed in writing of the decision and the reasons therefore.
19. Regarding the periods allowed in permits for import and export, the following general guidelines are applicable:
  - (a) The imports in respect of which drawback is required should have taken place within two years prior to the date of the application.
  - (b) The period of export allowed, will be as requested by the applicant, provided that it is, in the view of the Board, reasonable and that the period ends not later than 12 months from the date of the application. However, if the application is in respect of imports, which will take place after the date of the application, an export period, which is three months longer than the import period, will be allowed. Applications for drawback of the duty on products to be imported after the date of the permit or application will, in the light of paragraph 7, only be considered under exceptional circumstances.

Under all circumstances the export period allowed must be compatible with paragraph 16.

20. The guidelines set out under paragraph 19(a) and (b) are aimed at improving control and deviation from these guidelines will only be permitted under exceptional circumstances. Applicants, who apply for permits, which do not comply with the guidelines, should submit detailed motivation.
21. If an applicant wishes to apply for amendment of a permit, such application together with the permit, should be submitted to the Board. The application should describe in detail the amendment requested and the reasons why the amendment is requested. If the amendment requested results in amendment of any other information supplied in the application form, which resulted in the issuing of the permit, details of the amendments must be submitted. If the Board concludes that the

requested amendment is justified, the Board will recommend a new permit and it will be made available to the applicant in accordance with the procedure described under 17. If the application is not successful, the permit will be returned to the applicant in accordance with the procedure described under 17 and the applicant will be informed in writing of the decision and the reasons for the decision.

22. Requests for information regarding permits issued, submitted by interested parties in terms of the Promotion of Access to Information Act, No 2 of 2000), will be dealt with as follows by the Board on Tariffs and Trade and the Department of Trade and Industry:
- (i) Information regarding the following will be regarded as non confidential and will be revealed at the request of an interested party to the interested party;
    - (a) Name and address of the applicant and where applicable name and address of the exporter;
    - (b) Street address where the imported product will be used in the manufacture, processing, finishing, equipment or packing of the export product;
    - (c) Descriptions of products in respect of which drawback was allowed as stated under 3(i), 3(ii) and 4 of the application form;
    - (d) Descriptions of products exported as stated under 5(i), 5(ii) and 7 of the application form;
    - (e) The position regarding the availability from industries in SACU of the products on which drawback is required as described under 9, 10, 11 and 12 of the application form.
  - (ii) Requests for more information than the information mentioned under (i) will be conveyed to the applicant and, where applicable the exporter, and the information will only be revealed if the applicant and, where applicable also the exporter, agrees to reveal the information.

23. If necessary to assess an application, the Board or officials of the Board will reveal the information referred to under 22(i) to other parties.



(MAY 2003)

**INFORMATION REQUIRED IN RESPECT OF AN APPLICATION FOR  
A PERMIT IN TERMS OF ITEM 521.00/00.00/01.00 FOR DRAWBACK  
OF THE CUSTOMS DUTIES ON PRODUCTS USED IN THE  
MANUFACTURE, PROCESSING, FINISHING, EQUIPMENT OR  
PACKING OF ANY PRODUCT EXPORTED**

**PLEASE NOTE:**

It is imperative to study the content of the document titled "Guidelines regarding applications for permits in terms of item 521.00/00.00/01.00 for drawback of the duty on products used in the manufacture, processing, finishing, equipment or packing of any product exported. (May 2003)" before completing the application form.

If the space provided for on the application form is insufficient, please use the lay-out of the application form as a guideline regarding the form in which the requested information should be submitted.

**1. Details of applicant**

(i) **Name:** .....

(ii) **Postal address:** .....

.....

.....

(iii) **Street address where manufacture, processing, finishing, equipment or packing took place or will take place:**

.....

.....

(iv) **Tel no:** .....

(v) **Fax no:** .....

(vi) **E-mail address:** .....

(vii) **Contact person:**

**Name:** .....

**Telephone no:** .....

**Cell phone no:** .....

**E-mail address:** .....

**Fax no:** .....



**2. If the applicant is not the exporter submit the following details in respect of exporter:**

(i)	<b>Name:</b>	.....
(ii)	<b>Postal address:</b>	..... ..... .....
(iii)	<b>Street address where manufacture, processing, finishing, equipment or packing took place or will take place:</b>	..... .....
(iv)	<b>Tel no:</b>	.....
(v)	<b>Fax no:</b>	.....
(vi)	<b>E-mail address:</b>	.....
(vii)	<b>Contact person:</b>	
	<b>Name:</b>	.....
	<b>Telephone no:</b>	.....
	<b>Cell phone no:</b>	.....
	<b>E-mail address:</b>	.....
	<b>Fax no:</b>	.....

**3. Furnish the following information in respect of each of the products imported and in respect of which drawback is applied for:**

(i) DESCRIPTION AS IN CUSTOMS TARIFF	a) b) c)
(ii) TARIFF SUBHEADING	a) b) c)
(iii) RATE OF CUSTOMS DUTY	a) b) c)
(iv) QUANTITY <sup>1)</sup>	a) b) c)
(v) CUSTOMS (FOB) VALUE RAND	a) b) c)
(vi) COUNTRY OF ORIGIN <sup>2)</sup>	a) b) c)
(vii) DATES OF IMPORT	a) b) c)
(viii) YIELD FORMULA <sup>3)</sup>	a) b) c)
(ix) PROCESS <sup>4)</sup>	a) b) c)

<sup>1)</sup> Please use the unit as per the customs tariff classification and if the imported product was ordered using another statistical unit, also the quantity in that unit.

<sup>2)</sup> If a particular product is imported from more than one country state the quantity and customs (f.o.b.) value imported from each of the countries concerned.

<sup>3)</sup> State the quantities of each of the imported products used to manufacture, process, finish, equip or pack one unit of the export product. For the imported product use the same statistical unit or units as in respect of 3(iv) and for the export product the same statistical unit or units as used in respect of heading 5(iv) below.

<sup>4)</sup> Indicate, with respect to each of the imported products, whether it was or will be used to manufacture, process, finish, equip or pack the export product.

**4. Submit a brief technical description suitable for publication in the Government Gazette of each of the products imported:**

.....

.....

.....

.....

**5. Furnish the following information in respect of the product exported or to be exported:**

<b>(i) DESCRIPTION AS IN CUSTOMS TARIFF</b>	
<b>(ii) TARIFF SUBHEADING</b>	
<b>(iii) RATE OF CUSTOMS DUTY</b>	
<b>(iv) QUANTITY <sup>5)</sup></b>	
<b>(v) CUSTOMS (FOB) VALUE RAND</b>	
<b>(vi) COUNTRY OF EXPORT <sup>6)</sup></b>	
<b>(vii) DATES OF EXPORT</b>	

<sup>5)</sup> Please use the unit as per the customs tariff classification and if another statistical unit was used in the export transaction also the quantity in that unit

<sup>6)</sup> If the product is exported or to be exported to more than one country state the quantity and value exported or to be exported to each of the countries concerned.

6. If the importer is not the exporter submit the following information in respect of the products which the importer has supplied or will supplied to the exporter:

(i) DESCRIPTION AS IN CUSTOMS TARIFF	a) b) c)
(ii) TARIFF SUBHEADING ( 8 DIGITS)	a) b) c)
(iii) QUANTITY	a) b) c)
(iv) VALUE RAND	a) b) c)
(v) PERIOD DURING WHICH THE PRODUCTS WILL BE SUPPLIED TO EXPORTER	a) b) c)

7. Submit a brief technical description suitable for publication in the Government Gazette of the export product:

.....  
 .....

8. Submit the following details of each of the firms to which the product was or will be exported:

(i) Name: .....

(ii) Postal address: .....

.....  
 .....

(iii) E-mail address: .....

(iv) Name and telephone number of contact person:

.....  
 .....

9. Are the products, in respect of which drawback of the duty is required, manufactured in the SACU?

YES / NO
----------

10. If the reply to 9. is No, explain briefly the efforts made to obtain the product or a suitable substitute from SACU manufacturers. <sup>7)</sup>

.....

.....

.....

.....

.....

.....

11. If the reply to 9. is Yes, indicate by a cross which of the following reasons for importing the products are applicable:

- not available in the SACU in sufficient quantities

--

- not available in the SACU at internationally competitive price

--

- not available in the SACU according to the required specifications

--

- other (describe briefly)

.....

--

.....

<sup>7)</sup> The Board may request written evidence of the efforts made to obtain the product or a suitable substitute from SACU manufacturers including the names of SACU manufacturers approached and the outcome of such efforts.

12. Submit a brief elaboration of the reason indicated under 11. :

.....

.....

.....

.....

.....

.....

13. State whether any 521.00/00.00/01.00 permit has been issued to the applicant in respect of the specific quantity of export product, which is the subject of this application. If so, indicate the permit number.

.....

14. Indicate by a cross whether the outcome of the application should be forwarded by registered mail to the applicant or whether it will be collected at the offices of the Department of Trade and Industry at the SABS Building, No 1 Dr Lategan Road, Groenkloof, Pretoria.

REGISTERED MAIL	
COLLECT BY HAND	

15. Indicate at which Customs Office the claims for drawback will be submitted if the application is successful: .....

16. Submit the following declaration (If the applicant is not the exporter, both the importer and exporter should submit declarations and each of the declaration should list the numbers of the items of the application in respect of which the declaration is applicable.)

I, ..... (full names) with identity number ....., in my capacity as ..... of ..... (hereinafter referred to as the applicant) hereby declare that the information furnished in this application is to the best of my knowledge true and correct.

**NAME:..... DESIGNATION: .....**

**SIGNATURE:..... DATE: .....**

**I CERTIFY THAT THE DEPONENT HAS ACKNOWLEDGED THAT HE/SHE KNOWS AND UNDERSTANDS THE CONTENTS OF THIS AFFIDAVIT, AND THAT HE/SHE HAS NO OBJECTION TO TAKING THE PRESCRIBED OATH, AND THAT HE/SHE CONSIDERS THIS OATH TO BE BINDING ON HIS/HER CONSCIENCE.**

**SIGNED and SWORN to before me at ..... on this .....  
Day of ..... Year.**

.....  
**COMMISSIONER OF OATHS**