

NOTICE 137 OF 2004**INTERNATIONAL TRADE ADMINISTRATION COMMISSION****POLICY AND PROCEDURE REGARDING APPLICATIONS FOR PERMITS
ISSUED IN TERMS OF ITEM 470.03/00.00/01.00**

The International Trade Administration Commission intends to adopt the guidelines and application form, as contained in this notice, in respect of applications for 470.03/00.00/01.00 permits.

Interested parties are invited to comment on the guidelines and application form within six weeks of the date of this notice. After consideration of the comments received, the Commission will finalize the guidelines and application form and it will be published in the *Gazette* for general information.

Comments should be submitted, for the attention of the Adviser, to the Chief Commissioner, Private Bag X753, Pretoria, 0001. The fax number is (012) 428 7702.

ITAC Ref: T5/1/15

**GUIDELINES REGARDING APPLICATIONS FOR
PERMITS IN TERMS OF ITEM 470.03/00.00/01.00 FOR
REBATE OF THE CUSTOMS DUTIES ON GOODS FOR
USE IN THE MANUFACTURE, PROCESSING, FINISHING,
EQUIPPING OR PACKING OF GOODS EXCLUSIVELY
FOR EXPORT
(JANUARY 2004)**

1. The provision under item 470.03/00.00/01.00 of Schedule 4 to the Customs and Excise Act (Act 91 of 1964) provides for rebate of the full duty on goods for use in the manufacture, processing, finishing, equipping or packing of products exclusively for export, subject to permits issued by the International Trade Administration Commission (ITAC).
2. The purpose of the provision under item 470.03/00.00/01.00 is to promote economic development in general and export in particular by limiting the anti-export bias created by customs duties on imported products.
3. The ITAC's general policy is to recommend rebate permits in terms of the provision under item 470.03/00.00/01.00 in cases where the products imported are not available from SACU sources 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 the applicants to investigate the possibility of obtaining the required products from SACU manufacturers and to apply for rebate permits provided for by the provision under item 470.03/00.00/01.00 in only those cases where the SACU industry cannot meet the requirements. As a result the ITAC 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 ITAC will investigate in detail the availability of the SACU product and it's competitiveness relative to the imported product. When assessing the issue whether a SACU product's price is competitive with the imported product price, the ITAC 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 ITAC may under exceptional circumstances decided not to issue 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 521.00/00.00/01.00 of Part 1 of Schedule 5 to the Customs and Excise Act which provides for drawback of the full duty less the duty in Section B of Part 2 of Schedule 1 on imported goods used in the manufacture, processing, finishing, equipment or packing of any goods exported, subject to permits issued by the ITAC.¹
7. 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 exported. The rebate provision under item 470.03/00.00/01.00 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 goods exclusively for export. Applications for rebate permits in terms of the provision under item 470.03/00.00/01.00 should not be lodged with the ITAC unless the applicant is in possession of a firm export order or if the outcome of the application is needed to finalize an agreement regarding an export order.

¹ 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".

8. Interested parties should also note the following provisions:
 - Rebate of the full duty on goods for processing provided such goods do not become the property of the importer (item 470.01/00.00/01.00)
 - Rebate of the full duty on goods for repair, cleaning or recondition (item 470.02/00.00/01.00)
 - Rebate of the full duty on parts for goods temporarily imported for repair, cleaning or reconditioning (item 470.02/00.00/02.00)
9. The rebate provisions mentioned in the previous paragraph are not subject to permits issued by the ITAC. Interested parties who wish to use these provisions should approach SARS.
10. Applications for rebate permits in terms of the provision under item 470.03/00.00/01.00 must be addressed to the Chief Commissioner, International Trade Administration Commission, Private Bag X753, Pretoria or delivered by hand to the said chief commissioner officer at the SABS Building, No 1 Dr Lategan Road, Groenkloof, Pretoria.
11. Applicants should apply for rebate permits issued in terms of the provision under item 470.03/00.00/01.00 before importing the products. Rebate permits can only be used to claim rebate on imports that took place after the date of the permit.
12. Applications for permits in terms of the provision under Item 470.03/00.00/01.00 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.
13. 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.

14. At least four weeks should be allowed for the processing of an application.
15. An application for a rebate permit in terms of the provision under item 470.03/00.00/01.00 should have a bearing on only one export product. For this purpose the description of the export product should not be wider than 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 rebate 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.
16. Normally the applicant is responsible for the import and export of the products covered by an application. The ITAC also consider applications in respect of which two firms will be responsible for the import, the export and the activities covered by the application (The activities referred to are as required by the provision under item 470.03/00.00/01/00) namely "manufacture, processing, finishing, equipping or packing of goods exclusively for export").

17. An application which involves more than one firm results in administrative difficulties and as a result permits in respect of situations in terms of which more than two firms are involved will only be supported in exceptional circumstances. In assessing the merits of such application the ITAC will specifically attend to the issue whether the rebate applied for will make a meaningful contribution to the price competitiveness of the product concerned.
18. It is advisable that the SARS be consulted with regard to the tariff classification, description for customs tariff purposes and the statistical unit for customs tariff purposes of the each of the products to be imported and the product to be exported as required in terms of questions 4 and 6 of this application form.
19. Before the application is submitted to the ITAC it is imperative that applicants consult with SARS regarding the requirements of SARS in respect of the administration of permits issued in terms of the provision under item 470.03/00.00/01.00. Amongst other it is required that applicants should register with SARS.

20. Rebate permits will be forwarded to successful applicants by the ITAC by registered mail or can be collected at the ITAC'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 ITAC will inform the applicant by fax or e-mail of the date on which the permit will be available for collection. Note the control sheets which form part of a permit and it will be used by SARS to record the import and export transactions which are relevant in terms of the permit concerned.
21. If the ITAC decided not to approve an application, the applicant will be informed in writing of the decision and the reasons for the decision.
22. Regarding the periods allowed in permits for import and export and the period between import and export, the following guidelines are applicable in the cases of regular users of permits issued in terms of provision under item 470.03/00.00/01.00.
 - (a) A period for import of 12 months from the date of the permit, or such shorter period as requested by the applicant, or a shorter period that is regarded as justified by the ITAC, will be allowed.
 - (b) The period between import and export should be reasonable in terms of the time needed to manufacture, process, finish, equip or pack the export product.
 - (c) A period of export that ends not later than three months after the import period, or such shorter export period as requested by the applicant, or a shorter period that is regarded by the ITAC as justified, will be allowed.
23. In respect of applicants who apply for permits for the first time, the guidelines regarding the periods allowed in permits are the same as in the case of applicants who regularly use the provision concerned with the following exception:

- The import period allowed will be six months or a shorter period as requested by the applicant, or a shorter period that is regarded by the ITAC as justified.
24. Guidelines set out under paragraph 22 and paragraph 23 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 meet the guidelines, should submit detailed information and argument in support of the requested deviation.
25. If an applicant wishes to apply for amendment of a permit issued in terms of the provision under item 470.03/00.00/01.00, such application together with the permit should be submitted to the ITAC. 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 such amendments must be submitted. If the ITAC concluded that the requested amendment is justified, the ITAC will issue a new permit and it will be made available to the applicant in accordance with the procedure described under 20. If the application is not successful, the permit will be returned to the applicant in accordance with the procedure described under 20 and the applicant will be informed in writing of the decision and the reasons for the decision.
26. Request 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:
- (i) Information regarding the following will be regarded as non confidential and will be revealed on 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) Descriptions of products in respect of which rebate was allowed as stated under 4 of the application form;

- (c) Descriptions of products exported as stated under 6 of the application form
 - (d) The position regarding the availability from industries in SACU of the products on which rebate was allowed as described under under 11, 12 and 13 of the application form.
- (ii) Request 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 the exporter, agrees to reveal the information.
27. If necessary to assess an application the ITAC or officials of the ITAC will reveal the information referred to under 26(i) to other parties.

APPLICATION FORM 470.03/00.00/01.00**(JANUARY 2004)**

**INFORMATION REQUIRED IN RESPECT OF AN APPLICATION FOR
REBATE OF THE CUSTOMS DUTIES IN TERMS OF ITEM 470.03/00.00/01.00
ON PRODUCTS FOR USE IN THE MANUFACTURE, PROCESSING,
FINISHING, EQUIPPING OR PACKING OF PRODUCTS EXCLUSIVELY FOR
EXPORT**

PLEASE NOTE:

It is imperative to study the content of the document titled "Guidelines regarding applications for permits in terms of item 470.03/00.00/01.00 for rebate of the customs duties on products for use in the manufacture, processing, finishing, equipping or packing of goods exclusively for export. (January 2004)"

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

1. Details of applicant

Name:

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Postal address:

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Street address where the manufacture, processing, finishing, equipping or packing will take place:

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Tel no:

Fax no:

E-mail address:

Contact person:

Name:

Telephone no:

Cell phone no:

E-mail address:

Fax no:

- 2. If two firms will be involved in the import, export and the activities covered by the application, submit the following details in respect of exporter:**

Name:	.....
Postal address:	.....

Street address where manufacture, processing, finishing, equipping or packing will take place:	.....

Tel no:	.....
Fax no:	.....
E-mail address:	.....
Contact person:	
Name:	.....
Telephone no:	.....
Cell phone no:	.....
E-mail address:	.....
Fax no:	.....

- 3. If more than two firms will be involved in the import, export and the activities covered by the application, the information requested under 2 should be submitted in respect of each of the firms concerned.**

4. Furnish the following information in respect of each of the products in respect of which rebate 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 ¹⁾	a) b) c)
(v) CUSTOMS (FOB) VALUE RAND	a) b) c)
(vi) COUNTRY OF ORIGIN ²⁾	a) b) c)
(vii) DATES OF IMPORT	a) b) c)
(viii) YIELD FORMULA ³⁾	a) b) c)
(ix) PROCESS ⁴⁾	a) b) c)
(x) TIME LAPSE BETWEEN IMPORT AND EXPORT (DAYS)	

1 Please use the unit as per customs tariff classification and if the product to be imported was ordered using another statistical unit, also the quantity in that unit

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

3 State the quantities of each of the products to be imported to manufacture, process, finish, equip or pack one unit of the export product. For the import product use the same statistical unit or units as in respect of 4(iv) and for the export product the same statistical unit or units as used in respect of 5(iv)

4 Indicate, with respect to each of the products to be imported, whether it will be used in the manufacture, processing, finishing, equipping or packing of the export product.

5. Submit a brief technical description suitable for publication in the Government Gazette of each of the products in respect of which rebate is applied for:

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6. Furnish the following information in respect of the product to be exported:

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

5 Please use the unit as per customs tariff classification and if another statistical unit was used in the export transaction, also the quantity in that unit.

6 If the product is to be exported to more than one country state the quantity and value to be exported to each of the countries concerned

- 7. If the import, export and the activities covered by the application will be undertaken by two firms, submit the following in respect of the product which the importer will supply to the exporter.**

(i) DESCRIPTION AS IN CUSTOMS TARIFF	a) b) c)
(ii) TARIFF SUBHEADING	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)

- 8. If the import, export and the activities covered by the application will be undertaken by more than two firms, the information requested under 7 should be submitted in respect of the products which each firm will supply to the next firm.**

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

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10. Submit the following details in respect of each of the firms to which the product will be exported:

(i) Name:

(ii) Postal address:

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(iii) E-mail address:

(iv) Name and telephone number of contact person:

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11. Are the products, in respect of which rebate of the duty is required, manufactured in the SACU?

YES / NO

12. If the reply to 11 is No, furnish brief details of the efforts made to obtain the product or a substitute from SACU sources.

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13. If the reply to 11 is yes, indicate with an "X" 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)

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14. State whether any 470.03/00.00/01.00 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, submit a certified copy of the permit including certified copies of the control sheets.

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15. Indicate whether a 470.03/00.00/01.00 permit (or permits) was issued to the applicant in the last 24 months and if so, submit certified copies of the permit or permits, including certified copies of the relevant control sheets.
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16. Indicate with an "X" 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 International Trade Administration Commission at the SABS building, No 1 Dr Lategan Road, Groenkloof, Pretoria

REGISTERED MAIL	
COLLECT BY HAND	

17. Submit the following declaration (If more than one firm is involved in the application, each firm should submit a declarations and each declaration should list the numbers of the items of the application form 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 CONSCIENCE.**

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

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COMMISSIONER OF OATHS