

No. R. 157

1 March 2011

AMENDMENT ISSUED IN TERMS OF SECTION 74(3)(a) OF THE VALUE-ADDED TAX ACT, 1991 (ACT NO. 89 OF 1991), TO AMEND ITEM NO. 407.00 IN PARAGRAPH 8 OF SCHEDULE 1 TO THE VALUE-ADDED TAX ACT, 1991, (ACT NO. 89 OF 1991) IN CONSEQUENCE OF THE AMENDMENT OF REBATE ITEM 407.00 IN SCHEDULE NO. 4 TO THE CUSTOMS AND EXCISE ACT, 1964 (ACT NO. 91 OF 1964).

By virtue of the power vested in me by section 74(3)(a) of the Value-Added Tax Act, 1991 (Act No. 89 of 1991), I, Pravin Jamnadas Gordhan, Minister of Finance hereby make the following amendment to item no. 407.00 in paragraph 8 of Schedule 1 to the Value-Added Tax Act, 1991, (Act No. 89 of 1991), to further regulate the exemption from value-added tax on the importation of goods by immigrants, tourists, returning residents and other passengers, for their personal use.



P J GORDHAN
Minister of Finance

GENERAL EXPLANATORY NOTE:

- [] Words in bold type in square brackets indicate omissions from existing enactments.
— Words underlined with a solid line indicate insertions in existing enactments.

Schedule

Schedule 1 to the Value-Added Tax Act, 1991 (Act No. 89 of 1991), is hereby amended—

- (a) by the substitution in paragraph 8 for item no. 407.00 of the following item:
**“407.00 GOODS IMPORTED BY IMMIGRANTS, TOURISTS,
RETURNING RESIDENTS AND OTHER PASSENGERS, FOR
THEIR PERSONAL USE:**

NOTES:

1. For the purposes of item nos. 407.01 and 407.02—
 - (a) the person referred to in these item nos. means a “traveller” as defined in rule 15.01 to the Customs and Excise Act and as contemplated in form DA331; and
 - (b) in addition to the notes to item no. 407.00, such traveller must comply with the requirements of section 15 of the Customs and Excise Act, the rules to that section and form DA331.
2. The exemption in terms of item no. 407.01/00.00/01.02 is allowed only if the goods can be identified as being the same goods which were removed from the Republic.
3. The exemption in terms of item no. 407.02 is not allowed for firearms acquired abroad or at any duty-free shop and imported by residents of the Republic returning after an absence of less than 6 months.
4. (a) The exemption in terms of item no. 407.02 shall only apply to accompanied passengers' baggage declared by returning residents of the Republic and non-residents visiting the Republic, for personal use or to dispose of as gifts.

(b) The exemption in terms of item no. 407.02 shall only be allowed once per person during a period of 30 days and shall not be allowed for goods imported by persons returning after an absence of less than 48 hours.

(c) For the purposes of item no. 407.02, any goods obtained from an inbound duty and tax free shop must be regarded as imported goods.

(d) The exemption in terms of item no. 407.02 may, with the exception of tobacco and alcoholic products, be claimed by children under 18 years of age, whether or not they are accompanied by their parents or guardians, provided the goods are for use by the children themselves.

5. A member of the crew of a ship or aircraft (including the master or pilot) is, subject to the conditions laid down by the Commissioner, only entitled to—

(a) the exemption in terms of item no. 407.02/00.00/01.00 on new or used goods of a total value not exceeding R700 per person; and

(b) the exemption in terms of item no. 407.02/00.00/02.00 on new or used goods of a total value not exceeding R2 000 per person.

-
6. A member of the crew of a ship or aircraft (including the master or pilot) is not entitled to an exemption in terms of item nos. 407.02/22.00, 407.02/24.02, 407.02/24.03 and 407.02/33.03.
7. If the person concerned so desires and indicates accordingly before the goods are cleared, the goods in respect of which the exemption in item no. 407.02/00.00/02.00 is applicable, may be cleared at the rates of duty specified in Schedule No. 1 to the Customs and Excise Act and with payment of tax levied in terms of section 7(1)(b) of this Act.
8. (a) The exemption in terms of item no. 407.02/00.00/02.00 is applicable in addition to the exemption in terms of item no. 407.02/00.00/01.00.
- (b) The exemptions in terms of item nos. 407.02/22.00, 407.02/24.02, 407.02/24.03 and 407.02/33.03 are applicable in addition to the exemptions in terms of item nos. 407.02/00.00/01.00 and 407.02/00.00/02.00.
- (c) Wine, spirituous and other alcoholic beverages, tobacco products and perfumery imported in excess of the quantities specified in item nos. 407.02/22.00, 407.02/24.02, 407.02/24.03 and 407.02/33.03, must be cleared with payment of tax levied in terms of section 7(1)(b) of this Act.

9. If a person contravenes any provision of this Act, the Customs and Excise Act or any other law relating to the importation of goods, the Commissioner may refuse to grant any exemption provided for in item no. 407.02.

10. For the purposes of item no. 407.04/87.00/01.00 the vehicle in question shall not be deemed to be personally owned and used personally by the importer, unless such importer was, at all reasonable times, personally present at the place where the vehicle was used by him or her, and the importer shall be deemed to have used that vehicle from the date on which he or she took physical delivery of the vehicle until the date on which the vehicle was delivered by him or her to the shipper or the agent for the purpose of shipment or dispatch. Where a vehicle is imported on its own wheels, the date of shipment or dispatch shall be the date that the vehicle leaves the country where it was so owned and used en route to the Republic.

11. For the purposes of item no. 407.04, the importer shall, if that person is absent for a continuous period of longer than 3 months from the place where the vehicle is usually used in the Republic, not be deemed to have imported the vehicle for that person's personal or own use, and tax as determined by the Commissioner is payable as from the date of such absence.

12. The exemption in terms of item no. 407.04 is allowed once per family during a period of 3 years.

13. Any entry under item no. 407.04 must be supported by a duly completed form DA 304 A.

14. Any entry under item no. 407.06 must be supported by duly completed forms DA 304 and P1.160.”;

b) by the substitution in paragraph 8 for item no. 407.02/00.00/01.00 of the following item:

“407.02/00.00/01.00 New or used goods, of a total value not exceeding **[R3 000] R5 000** per person **[(or such other amount as the Minister may fix by notice in the Gazette)]**”;
and

(c) by the substitution in paragraph 8 for item no. 407.02/00.00/02.00 of the following item:

“407.02/00.00/02.00 Additional goods, new or used, of a total value not exceeding **[R12 000] R20 000** per person **[(or such amount as the Minister may fix by way of a notice in the Gazette), excluding goods of a class or kind specified in item no’s. 407.02/22.00, 407.02/24.02, 407.02/24.03 and 407.02/33.03]**”.