
NOTICE 676 OF 2012**INTERNATIONAL TRADE ADMINISTRATION COMMISSION****GUIDELINES REGARDING APPLICATIONS FOR PERMITS IN TERMS OF THE
PROVISION UNDER REBATE ITEM 311.18/63.09/01.04 OF SCHEDULE 3 TO THE
CUSTOMS AND EXCISE ACT.**

Interested parties are hereby invited to comment on the guidelines regarding applications for permits in terms of the provision under rebate item 311.18/63.09/01.04 of Schedule 3 to the Customs and Excise Act for permits for rebate of the full duty on worn clothing and other worn articles of textile material used for the manufacturing of wiping rags and cleaning cloths.

APPLICANT

The International Trade Administration Commission of South Africa

Private Bag x 753

Pretoria

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ENQUIRIES

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PUBLICATION PERIOD

Representation should be submitted to the above address within **six weeks** of the date of this notice.

INTERNATIONAL TRADE ADMINISTRATION COMMISSION**GUIDELINES REGARDING APPLICATIONS FOR PERMITS UNDER REBATE ITEM 311.18/6309/01.04 OF SCHEDULE 3 TO THE CUSTOMS AND EXCISE ACT****1. APPLICATION**

- 1.1 Applications for rebate permits must be addressed to the International Trade Administration Commission, Private Bag X 753, Pretoria or delivered by hand to the DTI Campus (Block E), 77 Meintjies Street, Sunnyside, Pretoria, 0002.
- 1.2 Applications for permits must be submitted according to the requirements reflected in the application form. If the space provided in the application form is insufficient, please use the format of the application form to submit the requested information.
- 1.3 If all the information requested in the application form is not submitted, the application is deficient and will not be considered, and it will be returned to the applicant.
- 1.4 At least seven working days must be allowed for the processing of rebate permit applications and the issuing of the rebate permit.
- 1.5 Worn clothing and other worn articles of textile materials are subject to Import Control conditions and an import permit will only be issued in instances where a rebate permit has already been obtained.

- 1.6 Each rebate permit defines the period during which the goods cleared in terms of the rebate permit must be used for the manufacture of wiping rags and cleaning cloths. The rebate permit will valid for twelve months from date of issue, or a shorter period as decided upon by ITAC.
- 1.7 Rebate and Import Control permits may not be transferred in any manner by the holder thereof, to any other person, or be used to the benefit of any person, not named in the permits.
- 1.8 The applicant must submit a Tax Clearance Certificate;
- 1.9 The applicant must comply with labour laws and agreements gazetted by the Minister of Labour;
- 1.10 The applicant must provide in each permit application the number of jobs it expects to create or sustain annually as a result of this rebate. The applicant must submit to ITAC a quarterly report on its job creation performance;

2. CONDITIONS OF PERMITS

- 2.1 Rebate permits (Note: can't provide for import permit conditions in this guideline) issued will be subject to the following conditions:

2.1.1 Production capacity

Rebate permit allocations will be based on actual capacity of the applicant. The capacity will be calculated on actual production, employment and sales figures. These figures may be verified should it be required.

2.1.2 Movement of clothing and other textile material

There shall be no movement of any clothing or articles of textile materials from the premises, described in the application as the premises where the manufacture of wiping rags and cleaning cloths will take place. .

2.1.3 Goods suitable for the manufacture of wiping rags and cleaning cloths

Only worn clothing and other worn articles of textile material with cotton containing less than 35% by mass of cotton fibers are regarded as suitable for the manufacture of wiping rags and cleaning cloths.

Articles of worn clothing therefore allowed to be imported under this rebate item are vesting, T-shirts, sweat-shirts, polo shirts, men's cotton shirts, lounge shirts, men's cotton pants, track suit tops and pants, sweat tops, ladies cotton blouses, shirts, dresses and skirts, pajama tops and pants, nightdresses, flannel shirts and skirts, corduroy shirts and pants and men's and ladies denim pants and skirts.

Articles such as, inter alia, brassieres, girdles, corsets, braces, suspenders, garters, worn jackets, coats, blazers, jerseys, pullovers, cardigans, overcoats, car-coats, raincoats, anoraks, ski-jackets, duffle coats, mantels, parkas, swimwear, socks and similar clothing articles are not suitable for the manufacture of wiping rags and cleaning cloths and are not allowed to be imported under this rebate item. Other worn articles of textile material allowed to be imported are towels, bed sheets, bed covers and pillow casings of cotton.

2.1.4 Location and requirements of rebate store

The rebate store must be situated on the manufacturers registered factory premises. These premises must be physically separated from premises where any activity other than the manufacture of wiping rags and cleaning cloths is taking place. Therefore, the premises where the rebate store is situated must exclusively be used for the manufacture of wiping rags and cleaning cloths and the storage of clothing and other articles of textile material obtained for the purpose of the manufacture of wiping rags and cleaning cloths.

All manufacturers under this rebate item must comply with the following rebate store requirements:

- Rebate stores must be substantially constructed and must offer the maximum security possible. The walls must be extended to the ceiling, and suitable steps must be taken to prevent access to the materials over the walls.
- The doors must be lockable and suitably equipped with fastenings for Customs locks.
- The windows, if any, must be fitted with bars.
- Rebate store must have only one entry point.

2.1.5 Notification requirement

The Inspectorate of the Directorate Import and Export Control [Fax number (012) 394 4606 and Telephone no (012) 394 3606], e-mail ddaniel@itac.org.za must be notified in writing by the permit holder at least 10 working days in advance of the date of the arrival of consignments of imported worn clothing and other imported worn articles of textile materials at its premises.

The notification must state:

- Anticipated date or dates of arrival of the goods concerned at the premises.
- The mass and invoice value in Rand of the goods concerned
- A description of the goods reflecting the type of clothing, type of article of textile material and whether the goods are new, used or worn.

Before the arrival of goods imported under this rebate item at the registered rebate store of the rebate permit holder, the Manager: Inspectorate of the Directorate Import and Export Control, Mr. Desmond Daniels, must be informed in writing by the permit holder of the details of any clothing and any article of textile material obtained in South Africa that are kept on the premises where the rebate store are situated

2.1.6 Documentation Requirement

The following documents must be available on the day of any physical inspection by ITAC:

- SARS release notification
- Copy of the import permit notification
- Copy of the rebate permit.
- Copy of the Bill of Entry
- Copy of invoice as provided by the supplier
- Copy of Bill of Lading

A Rebate register, as required by SARS, must be kept in respect of worn clothing and other worn articles of textile materials cleared under rebate of the duty.

Records must be kept of any clothing and any other article of textile materials obtained by the permit holder in South Africa and that enters the premises described in the permit or permits issued to the permit holder.

These records must contain the following:

- The name, postal address, e-mail address and telephone number of the firm or copy of I. D. Document and other contact details of the person from whom the clothing or other articles of textile material was purchased.
- The date of the purchase.
- The mass (kg) and sales value (R) of the clothing or other articles of textile material.
- A description of the clothing and other articles of textile materials purchased, indicating the type of clothing, type of other articles of textile material and whether the goods are new, used or worn.
- The date on which the clothing and the other articles of textile materials entered and, if applicable left the premises.

Records must be kept of imported worn clothing and other worn articles of textile material for the manufacture of wiping rags and cleaning cloths for at least five years. These records must provide a clear documentation trail from the point of order to the actual import of the goods.

Invoices reflecting the sale of wiping rags and cleaning cloths manufactured from worn clothing and other worn articles of textile materials obtained in terms of rebate permits must be kept for at least five years. These records must include the date, mass (kg) and sales value of each sale and the name, addresses (postal and street) and telephone number of each purchaser.

Invoices reflecting the sale of wiping rags and cleaning cloths manufactured from clothing and other articles of textile materials obtained in South Africa must be kept for at least five years. These records must include the date, mass (kg) and sales value of each sale and the name, address (postal and street) and telephone number of each purchaser.

2.1.7 Requirements in respect of goods not suitable for the manufacture of wiping rags and cleaning cloths.

Any clothing and other articles of textile material that enter the premises for the manufacture of wiping rags and cleaning cloths that are not suitable for the manufacture of wiping rags and cleaning cloths, must be cut up at the premises, within 10 working days of being identified as not suitable for the manufacture of wiping rags and cleaning cloths.

Any product not suitable for the manufacture of wiping rags and cleaning cloths, such as zips, that are removed from the consignment must be destroyed within 10 working days of being removed from the clothing or other articles of textile materials, with the exception of buttons. Buttons removed from clothing or other articles of textile material must be disposed off within 10 working days after removal. Proper records must be kept with regards to the disposal of such goods.

The not suitable material can only be removed from the premises in terms of a written authorization issued by the Manager: Inspectorate of the Directorate Import and Export Control in which authorization the nature and mass of the goods, the date or dates on which the goods will be removed from the premises and the destination of the goods are fully described.

Requests to obtain the above authorization must be in writing and submitted to the Manager: Inspectorate of the Directorate Import and Export Control at least 15 working days before the date on which authorization is required. Should waste be removed more frequently, requests need to be submitted to the Manager: Inspectorate of the Directorate Import and Export Control at least five working days before the date on which authorization is required. Requests must describe the nature and mass of the goods, the planned date or dates of the removal of the goods from the premises and the designation of the goods.

2.1.8 Inspections by the Inspectorate: Import and Export Control of the International Trade Administration Commission.

Investigators from the Inspectorate of the Directorate Import and Export Control of the International Trade Administration Commission will visit permit holders and the premises of permit holders to inspect and to investigate any matter or record related to the importation and the manufacture of wiping rags and cleaning cloths under this rebate item. This includes the inspection of the goods cleared in terms of permits, any other goods that entered the premises and any wiping rags, cleaning cloths and waste that leave or came from the premises.

2.1.9 The use of other rebate provisions

Registered users of the rebate provision for the manufacture of wiping rags and cleaning cloths may not apply to register and import under the rebate provision for used overcoats.

3 NON-COMPLIANCE TO THE CONDITIONS OF PERMITS

If there is a reason to believe that any condition of a permit issued in terms of this rebate provision the consignment in terms of which the rebate permit was used can be seized by ITAC. If non-compliance is detected, appropriate steps will be taken in terms of the International Trade Administration Act, relevant regulations and the Customs and Excise Act that can include, criminal charges, withdrawal of the permit or permits concerned and/or the rejection of future applications for permits.