

DEPARTMENT OF TRADE AND INDUSTRY

NOTICE 710 OF 2015

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

GUIDELINES REGARDING APPLICATIONS FOR PERMITS IN TERMS OF THE PROVISION UNDER REBATE ITEM 460.11/00.00/01.04 OF SCHEDULE 4 TO THE CUSTOMS AND EXCISE ACT.

Interested parties are hereby invited to comment on the ***proposed amended guidelines hereunder*** regarding applications for permits in terms of the provision under rebate item 460.11/00.00/01.04 of Schedule 4 to the Customs and Excise Act for permits for rebate of the full duty less 30% ***ad valorem*** on used overcoats, car-coats, raincoats, anoraks, ski-jackets, duffle coats, mantles, three-quarter coats, greatcoats, hooded caps, trench coats, gabardines, padded waistcoats, parkas, (but no other clothing articles) classifiable under tariff headings 61.01, 61.02, 62.01, 62.02 and 6209.00.13 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit.

GUIDELINES, RULES AND CONDITIONS PERTAINING TO PERMITS ISSUED UNDER REBATE ITEM 460.11/00.00/01.00 FOR USED OVERCOATS, CAR-COATS, RAINCOATS, ANORAKS, SKI-JACKETS, DUFFLE COATS, MANTLES, THREE-QUARTER COATS, GREATCOATS, HOODED CAPS, TRENCH COATS, GABARDINES, PADDED WAISTCOATS AND PARKAS (BUT NO OTHER CLOTHING ARTICLES) CLASSIFIABLE UNDER TARIFF HEADINGS 61.01, 61.02, 62.01, 62.02 AND 6309.00.13 IN SUCH QUANTITIES, AT SUCH TIMES AND SUBJECT TO SUCH CONDITIONS AS THE INTERNATIONAL TRADE ADMINISTRATION COMMISSION MAY ALLOW BY SPECIFIC PERMIT.”

1. Applicants must register with the South African Revenue Service (SARS) as a user of rebate item 460.11/00.00/01.00 before applying for a rebate permit.
2. Applications for rebate permits must be addressed to the International Trade Administration Commission of South Africa (ITAC), Private Bag X 753, Pretoria or delivered by hand to the DTI Campus, (Block E), 77 C/o Meintjies street and Robert Sobukwe Street, Sunnyside, Pretoria, 0002.

3. Applications for permits must be submitted according to the requirements laid down 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.
4. If all the information requested in the application form is not submitted, the application will be deemed as deficient and the application will not be considered, and it will be returned to the applicant.
5. At least fourteen (14) working days should be allowed for the processing of applications and the issuing of permits.
6. Used overcoats are subject to Import Control conditions and an import permit will only be issued in instances where a rebate permit has already been obtained.
7. Each rebate permit issued defines the period during which the goods concerned can be cleared under the rebate. The period shall be from the date when the permit is issued in the prevailing year until 31 December of the same year. This period shall apply to both new and existing importers and shall be for a shorter period if so requested by the applicant, or so decided by ITAC. Permits for the next period may be issued with effect from 01 January every year until 31 December.
8. 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.
9. Permit holders are not allowed to import used overcoats and then sell the imported coats directly to a company which is owned by or who is owned by any related party as set out in Section 2 of the Companies Act. This will also result in a breach of the Companies Act (Act No 71 of 2008).
10. Applications submitted in terms of this rebate provision will be subject to the following requirements:
 - 10.1 The applicant must comply with labour laws, regulations and agreements gazetted by the Minister of Labour. Proof must be provided by submitting certified copies of UIF registration as well as proof of salaries being paid (permanent as well as temporary workers).
 - 10.2 The applicant must provide, in each permit application, the number of jobs it expects to create annually as a result of the rebate.

The applicant must submit to ITAC an annual report on its job creation performance;

- 10.3 The applicant must submit a valid Tax Clearance Certificate and VAT Certificate;
- 10.4 New importer's business premises will be visited by inspectors of the Inspectorate: Import and Export Control prior to the consideration of the application;
- 10.5 New importer's must provide municipal proof of its registered address as listed in the business CIPC documents;
- 10.6 New importers must provide proof that the entity is a holder of a South African bank account, with Bank statements for a period as determined by ITAC (or Forex Account in cases where an importer holds a foreign account);
- 10.7 New importers must provide proof of country of import and proof that they have secured supply from abroad; and
- 10.8 Where an entity is owned or partly owned by a person or persons who are non-citizens or non-residents of RSA, or these persons own any shareholding in such entity, applications should be accompanied by certified copies of the following documentation:
 - 10.8.1 South African Identity issued document and passport; or
 - 10.8.2 Any other information as ITAC may require.

- 11. New importers shall not be related to any existing importers or current permit holders in any way. Permit holders shall not operate or conduct business from or store their goods cleared in terms of the permit on the same premises. All new importers that are companies or closed corporations must submit their company or close corporation registration documents, and ITAC reserves the right to verify the shareholding or membership of the companies or close corporations with the Companies and Intellectual Property Commission (CIPC).

- 11.1 "Premises" include a warehouse, office, establishment, store, shop, quarters and dwelling".

12. An entity will be deemed a new importer where:
- 12.1 That entity applies for a permit with ITAC for the first time under this rebate item and is not linked in any way to an existing participant under this rebate (in respect of this category importers will be limited to 5) ; or 6
 - 12.2 An entity that has previously utilised a permit under this rebate provision but has not applied for another permit under this rebate provision for a period of one year following the issue of the aforementioned permit. (In respect of this category importers will be limited to 5).
13. In instances where an existing entity wishes to buy, merge with, or purchase (“the purchasing entity”) another legal entity (“the purchased entity”) and that purchased entity has or possesses a valid permit for the prevailing period, the following shall apply:
- 13.1 The purchasing entity must submit the sale agreement which outlines the terms of sale. If the purchased entity is sold as a going concern and is deregistered, the permit held by the purchased entity may be transferred to the purchasing entity. Proof of deregistration must be furnished to ITAC before ITAC will transfer the remaining quota for the year.
 - 13.2 Notwithstanding the sale as a going concern, where ITAC establishes that the purchased entity has not subsequently been deregistered, the permit held by the purchased entity shall not be transferred to the purchasing entity, and may be withdrawn from the purchasing entity if already transferred.
 - 13.3 Notwithstanding the above, where any entity is regarded as new importer in a current period (see 12 above) and has been granted a permit by ITAC and that new importer is purchased by another entity that is already in possession of a permit, the purchased entity must immediately notify ITAC of such sale and furnish ITAC with a copy of the sale agreement, and in such circumstances ITAC will not transfer any permit held by the purchased entity to the purchasing entity, nor will ITAC issue a new permit to the purchased entity pursuant to such sale.
14. The quantity of overcoats to be imported by each importer per 12 month period will be limited and the criteria that will be used for the allocation of the quantity of overcoats that each importer may import under this rebate item will be as follows:

Existing Importers

- The quantity imported in the last twelve months period will be used as the basis for allocation of quota for the current application.
- Importers will only be allowed the same quantities as the quantity allocated in the previous year, with no quota increase.

New Importers

- The quota for new importers will be limited to a maximum of 20 000kg. In terms of this category the number of importers will be limited to 5.
- The 20 000 kg quota for new users of this rebate item will be allocated on a first come first serve basis and ITAC reserves the right to reject the applications in cases where the quota for the year approved by the Commission for use by new importers under this rebate item is fully issued to applicants. In terms of this category the number of new importers will be limited to 5.

15. All applicants for rebate permits under this rebate item must also apply for an import permit, for the same period, to import the used or second hand overcoats and no rebate permits will be released without the import permit. The rebate permit issued will also be subject to the conditions contained in the import permit issued.
16. It is a condition of permits issued in terms of the rebate provision that the holder of this permit must notify the Manager of the Directorate Import and Export Control, in writing of the date of shipment the place of arrival and the expected date of arrival of all consignments at least 7 days. Please note that containers must arrive for inspection only during Monday to Friday. No arrivals may occur during Saturday, Sunday or public holidays.
17. All users of rebate permits under this rebate item must inform ITAC without delay if any consignment imported by the permit holder under this rebate item contains clothing items not defined in this rebate item. These clothing items must be kept separate from the rest of the clothing items imported under this rebate item or any other clothing items in possession of the permit holder and may not be removed until officials of ITAC had an opportunity to inspect these items. ITAC in consultation with the importer and SARS will decide how to dispose of the clothing items incorrectly imported under this rebate item.

18. If there is reasonable suspicion that any condition of this permit has not been complied with, the consignment in terms of which the rebate permit was issued may be seized by ITAC. If it is established that there was non-compliance, appropriate steps will be taken. These steps will be taken in terms of the International Trade Administration Act and the Customs and Excise Act, and can include criminal charges, withdrawal of the permit or permits concerned and/or the rejection of future applications for permits.

ENQUIRIES:

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PUBLICATION PERIOD

Representation should be submitted to the above address within **four (4)** weeks of the date of this notice.