

DEPARTMENT OF TRADE AND INDUSTRY
NOTICE 2 OF 2017

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

Rebate item 460.11/00.00/01.00: 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

ITAC hereby invites new importers to submit permit applications in terms of the abovementioned rebate provision, for 2017, within three (3) weeks from the date of this publication.

It is imperative that new importers acquaint themselves and comply with the interim guidelines, rules and conditions pertaining to the rebate provision concerned, which are attached hereto together with the relevant Application form, which are also available on ITAC's website at www.itac.org.za, before applying for a rebate permit.

Hard copies of the original duly completed applications for rebate permits must either be:

Posted/couriered to:

The International Trade Administration Commission of South Africa (ITAC), Private Bag X 753, Pretoria, 0001; or

Hand delivered or couriered to:

The DTI Campus, (Block E, 1st Floor), 77 Meintjies Street, Sunnyside, Pretoria.

Note: Permits in relation to rebate provisions which are subject to a permit being issued by ITAC must be applied for and received before the goods concerned are shipped.

For enquires contact: Mr Christopher Sako, email: csako@itac.org.za, Tel: (012) 394 3669, Mr Coert Grobbelaar, email: cgrobbelaar@itac.org.za, Tel: (012) 394 3672 or Ms Kokami Legodi email: klegodi@itac.org.za, Tel: (012) 394 3812.

INTERIM GUIDELINES, RULES AND CONDITIONS

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 an importer before applying for a rebate permit under rebate item 460.11/00.00/01.00.
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 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, unless otherwise determined by ITAC. Where applications are not received in time for issuing from 01 January to 31 December, permits will be issued for the remainder of the 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 entity, or be used to the benefit of any person or entity not named in the permits.

9. Permit holders are not allowed to import used overcoats and then sell the imported coats directly to a person or entity which is owned by or who is owned by any related party, person or entity set out in Section 2 of the Companies Act.
10. Applications submitted in terms of this rebate provision will be subject to the following requirements:
 - 10.1 The applicant must provide a formal letter on business letterhead confirming that the applicant complies with labour laws, regulations and agreements gazetted by the Minister of Labour.
 - 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 Proof of UIF registration must be provided by submitting a certified copy of UIF registration. Furthermore, proof need to be provided that all the permanent workers employed as registered for UIF and that the UIF payments are made to SARS.
 - 10.4 Proof must be provided that salaries are being paid (permanent as well as temporary workers) as well as certified copies of ID documents must be submitted. In this regard certified copies of salary slips need to be provided as well as certified proof of payment of these salaries.
 - 10.5 Certified copies of bank statements need to be provided as proof of payment of UIF and salaries. Bank accounts must be in the name of the applicant.
 - 10.6 Certified copies of employment contracts need to be provided as proof of employment of permanent employees.
 - 10.7 The applicant must provide their CIPC registration document as proof of registration.
 - 10.8 The applicant must submit a valid Tax Clearance and VAT Certificate (NB: VAT certificate only applicable based on annual turnover). In line with the VAT Act, applicants must be registered for VAT if the income earned in any consecutive twelve month period exceeded or is likely to exceed R1 million. In addition, an enterprise which has not made R50 000 in taxable supplies must register for VAT, if there is a reasonable expectation to exceed R50 000 in taxable supplies within the 12 month period from date of registration.
 - 10.9 Certified invoices as proof of sales must be provided.
 - 10.10 New importer's business premises will be visited by inspectors of the Inspectorate: Import and Export Control prior to the consideration of the

application. Existing importer's business premises will be visited should it be deemed necessary.

- 10.11 Applicants must provide municipal proof of its registered address as listed in the business CIPC documents.
- 10.12 Applicants must provide proof of country of import and proof that they have secured supply from abroad;
- 10.13 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:

10.13.1 South African Identity issued document and passport;

10.13.2 Valid Business Visa and a letter of recommendation from the Department of Trade and Industry (thedti);

10.13.3 Proof of extension of permanent residence, and

10.13.4 Any other information as ITAC may require.

- 11. Applicants shall not be related to any existing importers or current permit holders in any way. Note that the definition of related parties in terms of Section 2 of the Companies Act 70 of 2008 and Section 66 (2) of the Customs and Excise Act 91 of 1964 (as amended) apply to these applications and ITAC reserves the right to request whatever appropriate and relevant information it deems necessary to properly evaluate each of the applications submitted. Also for Tax purposes, the Customs and Excise Act, Section 66 (2) (i) –(viii)'s objective is to ensure that no two people use the Act to derive the same benefit on a multiple scale.

11.1 Please note that in terms of Section 66 (2)(a) of the Customs and Excise Act, two persons shall be deemed to be related, inter alia, when:

- (i) they are officers or directors of one another's businesses;
- (ii) they are legally recognized partners in business;
- (iii) the one is employed by the other;
- (iv) any person directly or indirectly owns, controls or holds five per cent or more of the equity share capital of both of them;
- (v) one of them directly or indirectly controls the other;
- (vi) both of them are directly or indirectly controlled by a third person;
- (vii) together they directly or indirectly control a third person; or
- (viii) they are members of the same family.

- 12. The take-over or sale of a business as a going concern, which deals, in among others, with worn overcoats subject to such rebate permit; shall warrant the permit holder first to notify ITAC of such sale as rebate permits or the allocated quota issued under such permit are not transferrable without the prior approval of ITAC on application

made in terms of Section 26 showing demonstrable good cause why such permit should be transferred or re-allocated to the new entity or its management.

13. Permit holders shall not operate or conduct business from or store their goods cleared in terms of the permit on the same premises. All 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).

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

14. An entity will be deemed a new importer where:

14.1 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 to this category importers will be limited to 5)** ; or

14.2 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).**

15. The quantity of overcoats to be imported by each importer 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 during the validity of the rebate permit 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 rebate permit, 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.

16. 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.
17. 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 Mr D Daniels; e-mail: ddaniels@itac.org.za, Tel: (012) 394 3606 and fax: (012) 394 4606 in writing of the date of shipment, the place of arrival and the expected date of arrival of all consignments at least 7 days.
18. 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.
19. 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.

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

APPLICATION FOR A PERMIT IN TERMS OF REBATE ITEM 460.11/00.00/01.00 FOR REBATE OF DUTY ON USED OVERCOATS

APPLICATION FORM

BEFORE COMPLETING THIS FORM, PLEASE ACQUAINT YOURSELF WITH THE GUIDELINES AND CONDITIONS PERTAINING TO REBATE ITEM 460.11/00.00/01.00

NB: ALL INFORMATION REQUESTED SHOULD BE FURNISHED

<p>1 (a). Applicant's name (Company):</p> <p>Contact Person:.....</p> <p>Position:.....</p> <p>Postal Address:.....</p> <p>Tel No.:.....</p> <p>Fax No.:.....</p> <p>Date completed:.....</p> <p>Email add:.....</p> <p>VAT Registration No:.....</p> <p>SARS Importer Registration No:.....</p> <p>(No application for this rebate provision will be considered for applicants utilising the "unallocated importers reference number i.e. 70707070)</p>	<p>1(b). Physical address where used overcoats bales will be stored and sold: This address must be the address that ITAC will verify in case where verification visit may be conducted.</p>
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2. Details of product in respect of which a rebate permit is required with regards to categories: Men's, Ladies, Boy's or girls'

Overcoats	Duty payable	Quota applied for	Estimated customs FOB value	Country of origin
1. Men's				
2. Ladies'				
3. Boy's				
4. Girls'				

3. Furnish the following information in respect of the value of total sales in the Southern African Customs Union (SACU) for the past three years in respect of the overcoats imported under thi.

Year	Overcoats: Men's, Ladies', Boys and Girls'	Total quantity	Total Sales (in SACU)
1.			

4. Copies of the relevant DA500 (for previous permit) and import permit in terms of the International Trade Administration Act of 2002 should be submitted as per schedule below.

SCHEDULE 1

Bill of Entry (DA 500) No	Date of Entry	Quantity: Number of Items	FOB Value
1.			

5. Provide information pertaining to the number of jobs the firm will create annually as a result of this rebate. *(Submit with the application a letter signed by the Chief Executive Officer providing a report on job creation performance)*
6. Name of Chief Executive Officer:.....
Tel No:.....Fax No:.....

DECLARATION IN RESPECT OF AN APPLICATION FOR A PERMIT IN TERMS OF REBATE PROVISION 460.11/00.00/01.00 OF SCHEDULE 4 TO THE CUSTOMS AND EXCISE ACT, 1964

NB: The obligation to complete and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the claimant

I, (full names) with identity number, in my capacity as – managing director/chief executive (in respect of a company) or senior member/ person with management responsibility (close corporation, partnership or individual)

(Delete whichever is not applicable)

of (hereinafter referred to as the applicant) hereby declare that –

- the applicant complies with prescribed requirements in order to qualify for rebate in terms of the above-mentioned rebate provision;
- I have satisfied myself that the preparation of the application has been done in conformity with the guidelines and requirements in respect of the above-mentioned rebate provision, with which I have fully acquainted myself and to which I unconditionally agree;
- I accept that the decision by the Chief Commissioner: International Trade Administration Commission will be final and conclusive and that the said Chief Commissioner may at any time conduct or order that an investigation to verify information furnished in the application form, be conducted;

- d) The information furnished in this application is true and correct.
- e) The applicant is not related to any other rebate and import permit holder(s) in terms of the above-mentioned rebate provision, as set out in the guidelines pertaining to the rebate provision.
- f) The applicant or any one of its associates, or related party is not the subject of an investigation by either the South African Police, the Office for Serious Economic Offences, International Trade Administration, or the Commissioner for South African Revenue Services (SARS) into previous claims or other related matters.
- g) I confirm that the applicant complies/ does not comply with the relevant labour laws and agreement gazetted by the Minister of Labour.

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 before me at on this Day of Year.

COMMISSIONER OF OATHS.....FULL NAMES.....

CAPACITY:

BUSINESS

ADDRESS:

.....
.....
.....**AREA**.....