

**CUSTOMS AND EXCISE ACT, 1964.-
AMENDMENT OF SCHEDULE NO. 3 (NO. 3/536)**

Under section 75 of the Customs and Excise Act, 1964, Schedule No. 3 to the said Act is hereby amended, with effect from 1 June 2003, to the extent set out in the Schedule hereto.

**M MPAHLWA
DEPUTY MINISTER OF FINANCE**

SCHEDULE

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Rebate Item	Tariff Heading	Rebate Code	C D	Description	Extent of Rebate	Annotations	
304.01		"04.06	68	By the substitution for rebate code 04.06 to tariff heading 0202.30 of the following: Meat of bovine animals, frozen, boneless, in such quantities and at such times and subject to such conditions as the International Trade Administration Commission, may allow by specific permit, for the manufacture of prepared or preserved meat in airtight metal containers	Full duty"		
	"02.04	01.04	44	By the substitution for tariff heading 02.04 of the following: Meat of sheep or goats, frozen, boneless, in the quantities and at such times and subject to such conditions as the International Trade Administration Commission, may allow by specific permit	Full duty less 56c/kg"		
306.06				By the substitution for tariff heading 28.35 of the following: Sodium tripolyphosphate, in such quantities and at such times as the International Trade Administration Commission may allow by specific permit	Full duty"		
311.02	"63.09	01.04	42	By the substitution for tariff heading 63.09 of the following: Worn clothing and other worn articles of textile materials, at such times, in such quantities and subject to such conditions as the International Trade Administration Commission may allow by specific permit for the recovery of fibres	Full duty"		

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311.18	"63.09	01.04	41	By the substitution for tariff heading 63.09 of the following: Worn clothing and other worn articles of textile materials, at such times in such quantities and subject to such conditions as the International Trade Administration Commission may allow by specific permit for the manufacture of wiping rags and cleaning cloths	Full duty"		
311.19	"55.12	03.00	48	By the substitution for tariff heading 55.12 of the following: Woven unprinted fabric of synthetic staple fibres of a value for duty purposes per m ² exceeding 100c and of a mass per m ² of 250 g or more, for the manufacture of boys shorts of the kinds, in such quantities and at such times as the International Trade Administration Commission may allow by specific permit	Full duty"		
	"55.14	01.00	41	By the substitution for tariff heading 55.14 of the following: Woven unprinted fabric of synthetic staple fibres of a value for duty purposes per m ² exceeding 100c and of a mass per m ² of 250 g or more, for the manufacture of boys shorts of the kinds, in such quantities and at such times as the International Trade Administration Commission may allow by specific permit	Full duty"		
		"02.00	42	By the substitution for rebate code 02.00 to tariff heading 55.15 of the following: Woven unprinted fabric of synthetic staple fibres of a value for duty purposes per m ² exceeding 100c and of a mass per m ² of 250 g or more, for the manufacture of boys shorts of the kinds, in such quantities and at such times as the International Trade Administration Commission may allow by specific permit	Full duty"		
317.04				By the substitution for Notes 4, 5 and 6 of the following: "4. "Import rebate credit certificates" means certificates issued by the International Trade Administration Commission in respect of eligible exports of goods defined in Note 5 5. "Eligible exports" means exports of any of the following which are new and unused at the time of export:			

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				<p>(i) Specified motor vehicles defined in Note 7 manufactured under this rebate item and exported from the licensed premises by the manufacturer</p> <p>(ii) Motor vehicles manufactured under rebate item 317.07 for which a certificate was issued by the International Trade Administration Commission, in such quantities and subject to such conditions as the International Trade Administration Commission may allow</p> <p>(iii) Automotive components and Automotive tooling as defined in Note 10 for which a certificate was issued by the International Trade Administration Commission that the export of such components and tooling contribute to the achievement of the overall objects of the Government's Motor Industry Development Programme</p> <p>Such components and tooling shall, furthermore, meet the following criteria, namely that –</p> <p>(a) They were wholly or partially manufactured in the common customs area;</p> <p>(b) not less than 25 per cent of the foreign currency earnings (as defined in Note 9) of the components and tooling is represented by the sum of -</p> <ul style="list-style-type: none"> - the cost of labour in the common customs area; - the value of materials of the common customs area; - the factory overhead expenses (excluding profit) incurred in the common customs area in respect of the components and tooling; <p>and</p> <p>(c) the final process of manufacture (which may not include packaging or painting operations) was carried out in the common customs area</p> <p>(iv) Motor vehicles, automotive components and automotive tooling (as defined in Note 10), exported between 1 June 1995 and 31 August 1995 and which were not utilized under any provision of rebate item 609.17 prior to 1 September 1995</p>		

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				<p>6. For the purpose of Note 5 the International Trade Administration Commission may, based on information provided by the component manufacturer, in respect of exports considered to be eligible to earn import rebate credits, issue such certificate subject to such conditions as it may determine."</p> <p>By the substitution for Note 9 of the following:</p> <p>9. The expression "foreign currency earnings" means the free carrier value [i.e. free-on-board (f.o.b.) and, in the case of overland transport through exit points in the common customs area, free-on-rail (f.o.r.), or free-on-truck (f.o.t.), at the border] of export sales. For the purposes of the definition the following shall not form part of the foreign currency earnings, namely:</p> <ul style="list-style-type: none"> (i) freight and insurance costs in respect of eligible exports, outside the common customs area, whether or not these costs have been paid for in the common customs area; (ii) any expenditure or costs, of whatever nature incurred by an exporter for any activity, including services performed, or to be performed, outside the common customs area for any export sale, including, but without limiting it to - <ul style="list-style-type: none"> (a) commission paid to an overseas representative; (b) costs incurred in the marketing, advertising, positioning, warehousing, repairing and clearance of products sold in terms of an export sale; and (c) any taxes, import and excise duties. <p>Whether, or not such expenditure or costs have been paid, or are payable, in the common customs area, provided that, in the event of any dispute arising as to the determination of foreign currency earnings, the International Trade Administration Commission may determine a national foreign currency earning"</p>		

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				<p>By the substitution for Notes 12 and 13 of the following:</p> <p>"12. (i) "The value for duty free allowance purposes" means the value, determined on the basis prescribed in this Note, of all motor vehicles produced in terms of this item during a quarter and ready for sale, excluding such vehicles exported during the same quarter</p> <p>(ii) For the purposes of this Note:</p> <p>(a) the value for duty free allowance purposes for such a quarter shall be the recommended retail list price (including options) for the domestic market (exclusive of VAT and <i>ad valorem</i> excise duty in terms of Schedule No. 1 Part 2B), applicable to such motor vehicle(s) at the time of production thereof, less a company specific percentage(s) determined by the International Trade Administration Commission on a quarterly basis;</p> <p>(b) the company's specific percentage(s) shall be based on the financial information of the quarter prior to the production quarter and shall, <i>inter alia</i> include the variance(s) between the average recommended retail list price(s) (exclusive of VAT and <i>ad valorem</i> excise duty in terms of Schedule No. 1 Part 2B), and the average invoice price(s) (excluding VAT and <i>ad valorem</i> excise duty in terms of Schedule No. 1 Part 2B), and the average invoice price(s) (excluding VAT and <i>ad valorem</i> excise duty) of the specific motor vehicle manufacturer, plus any other cost item(s) which may result in a distortion of sales price(s) which may include, but not limited to discounts, commissions and service contracts. The information shall, for purposes of Note 12, be based on sales on the domestic market and to buyers not related to the vehicle manufacturer in terms of section 66(2)(a) of the Act;</p>		

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				<p>(c) the International Trade Administration Commission may determine the apportionment of any related item and may, if the company's specific percentage(s) were incorrectly calculated, adjust such percentage(s) retrospectively;</p> <p>(d) the International Trade Administration Commission may request a report that includes computations and schedules supporting the calculation of the company's specific percentage(s) from the registered motor vehicle manufacturer, or his practicing accountant or auditor registered in terms of section 15 of the Public Account's and Auditor's Act, 1991 at the cost of the Registered Motor Vehicle Manufacturer;</p> <p>(e) the International Trade Administration Commission may in the case of any model for which relevant price and cost structures are not available, determine the company's specific percentage(s) in consultation with the motor vehicle manufacturer;</p> <p>(f) the Commissioner may, in the case of any model for which a recommended retail list price (exclusive of VAT and <i>ad valorem</i> excise duty) is not available, determine a recommended price in consultation with the motor vehicle manufacturer in accordance with section 69(3)</p> <p>13. For the purposes of Note 12:</p> <p>(i) all documentation, including but not limited to books of account, which support or may support information furnished in respect of the company's specific percentage(s) shall be kept for a period of not less than three years from the end of the production quarter and shall be made available and produced to the International Trade Administration Commission on request for purposes of verification and should such documentation not be available, all benefits relating to such documents are recoverable."</p>			

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				<p>By the substitution for Note 17 of the following:</p> <p>"17. For the purposes of Notes 15 and 16, the International Trade Administration Commission may determine the method and basis of calculation and method and conditions regarding the verification of the foreign currency usage declared on such certificates and may verify the correctness of such foreign currency usage."</p> <p>By the substitution for Notes 20 and 21 of the following:</p> <p>"20. The International Trade Administration Commission may issue import rebate credit certificates to exporters approved by it in respect of eligible exports as defined in Note 5 exported provided the undermentioned conditions are complied with:</p> <ul style="list-style-type: none"> (i) Such goods were packed and exported under customs supervision unless otherwise determined by the Commissioner (ii) All export documentation supported by duly completed forms DA 190, and proof of repatriation of funds for the goods exported be kept available by the registered exporter under such conditions that may be determined by the International Trade Administration Commission (iii) In order to qualify for stated benefits, applications for import rebate credit certificates are to be submitted to the International Trade Administration Commission, not later than twelve months from the date of the export bill of entry (iv) Only goods which have physically left the common customs area shall qualify. Such foreign currency earnings may only qualify for import rebate credit certificates if proof, to the satisfaction of the International Trade Administration Commission, has been furnished including evidence that the payment of such proceeds emanate from the direct inflow of foreign exchange through a registered banking institution. <p>Non compliance of any of these provisions shall not affect the obligations of the user of the rebate credit certificate under this item.</p>		

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				<p>21. For the purposes of Notes 16 and 20, the International Trade Administration Commission may -</p> <p>(i) prescribe the method, basis and conditions for applications for import rebate credit certificates and the substantiation and verification of such applications. All documentation, including but not limited to books of account, which support or may support an application for an import rebate credit certificate in terms of this item shall be kept for a period of not less than five years from the date of the certificate and shall be available and produced to the International Trade Administration Commission on request for purposes of verification and should such documents not be available all benefits relating to such documents are recoverable."</p> <p>By the substitution for Note 23 of the following:</p> <p>"23. The International Trade Administration Commission shall, based on information supplied by the applicant, on the import rebate credit certificate, indicate whether it is in respect of automotive components, automotive or motor vehicles exported."</p> <p>By the substitution for Note 28 of the following:</p> <p>"28. (i) The International Trade Administration Commission may at any time verify any matter or information relating to this item save for those relating to the Commissioner</p> <p>(ii) The International Trade Administration Commission may withdraw an import rebate credit certificate which was issued on the basis of incorrect information pertaining to the application. If, at the time of the withdrawal, any of the benefits in terms of such certificate had been used, such benefits will be recoverable from the user(s)</p> <p>(iii) In the event of any dispute arising as to the interpretation or application of any of the provisions of this item, save for those relating to the Commissioner, the decision of the International Trade Administration Commission will be final"</p>			

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317.06		"03.00	06	<p>By the substitution for rebate code 03.00 to tariff heading 00.00 of the following:</p> <p>Automotive components for use in the manufacture of original equipment components as defined in Chapter 98 of Schedule No. 1 for supply to a motor vehicle manufacturer registered under rebate item 317.04 imported by component manufacturers approved by the International Trade Administration Commission.</p> <p>Provided that –</p> <p>(i) such component manufacturer shall submit a quarterly return to the Controller regarding all goods entered under this rebate item together with a schedule supported by copies of bills of material reflecting the actual number of automotive components used in the manufacture of a specific original equipment component and the actual number of original equipment components manufactured as well as the quantity of each original equipment component supplied to motor vehicle manufacturers;</p> <p>(ii) the quarterly return shall be substantiated by statements from motor vehicle manufacturers to whom such components were supplied with specific reference to the part numbers, description and quantity received in respect of each part number during the same period; and</p> <p>(iii) the statements by the motor vehicle manufacturers are certified by a customs and excise officer.</p>	Full duty"	