

FREQUENTLY ASKED QUESTIONS EXPORT DUTY ON SCRAP METAL

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Questions	Answers	Reference
1. What is export duty?	“export duty” means any duty leviable under Part 6 of Schedule No. 1 on goods exported from the Republic	Definition of “export duty” in section 1 of the Customs and Excise Act, 1964, (the Act). Part 6 of Schedule No. 1 of the Schedule to the Act.
2. What is the definition of metal waste and scrap?	As a signatory to Harmonised System (HS) Convention, South Africa is bound to the legal text of the HS which includes all Section Notes, Chapter Notes, Heading Notes and Subheading Notes and the tariff structure up to the 6-digit subheading level. In terms of Section Note 8(a) to Section XV “waste and scrap” of base metals are: “Metal waste and scrap from the manufacture or mechanical working of metals, and metal goods definitely not usable as such because of breakage, cutting-up, wear or other reasons.”	Section Note 8(a) to Section XV - SCHEDULE 1 / PART 1 / SECTION XV of the Schedule to the Act
3. What is the objective of export duty on scrap metal?	The objective of export duty on scrap metal is to provide foundries and mills with better access to higher quality and more affordable scrap metal in the local market.	
4. What customs legislation is applicable to export duty on scrap metal?	The Act, is applicable	The Act. 1964; Legislative guide on export duty on scrap metal
5. Who is liable for export duty on scrap metal?	An exporter as defined in section 1 of the Act is liable for export duty on scrap metal.	Section 1 of the Act
6. Is export duty payable on scrap metal imported and on scrap metal manufactured in the Republic subsequently entered for export?	In terms of Note 1 of Schedule 1, Part 6 of Section A the rate of export duty is payable on goods specified in this Section whether imported into or manufactured in the Republic. “Imported” in Note 1 refers to imported goods specified in Schedule 1 Part 6 cleared for home consumption and subsequently cleared for export.	Note 1 of Schedule 1, Part 6 of Section A of the Act
7. What are the registration requirements?	The registration requirements are provided for in section 59A read with the rules for section 59A of the Act.	Section 59A read with the rules for section 59A of the Act
8. How is the duty paid	Deferment accounts cannot be used for payment of export duty on scrap metal. The billing process has to be performed on DA 490 & CEB01 at a Customs branch. Payment can be effected using current payment channels	
9. What rate of export duty applies when the consignment exported contains a mixture of scrap metals?	In terms of Note 3 in Section A of Part 6, “when the metals specified in this Section are exported in a consignment containing a mixture of different scrap metals the highest rate of export duty shall be used to determine the duty on such a consignment.”	The Act.1964
10. How is a scrap metal export declaration submitted?	The normal channels for submission of export clearance declarations as currently provided for may be used.	
11. Where can I find the rates of export duty on scrap metal?	The rates of export duty on scrap metal can be found in Section A of Part 6 of Schedule No. 1	Section A of Part 6 of Schedule No. 1 to the Act
12. Can I apply for a refund of export duty?	Yes, traders can submit their refunds applications at a Customs branch office. An application for refund of export duty on goods specified in Part 6 of Schedule No. 1 shall be paid or granted in accordance with the provisions of section 76 of the Act. Section 76(2)(a) to (h) prescribes the circumstances under which any application for a refund or payment from any applicant who contends that he or she has paid any duty or other charge for which he or she was not liable or that he is entitled to any payment under this Act	Section 76 of the Act
13. Is lead scrap regarded as scrap metal with respect to duty payable scrap metal exports?	Lead is classified under Chapter 78 and as such it is excluded in the definition of dutiable scrap metal and waste.	Schedule 1 Part 6 of the Act.

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14. Is lead car batteries included under the export duty?	Lead acid accumulators (batteries) for vehicles fall under 8507.10.11 when used and this subheading is not listed under Part 6. The same applies to waste and scrap of electric accumulators of lead-acid for vehicles that falls under tariff subheading 8548.10.10.	Schedule 1 Part 6 of the Act.
15. Is a permit required for all scrap metal exports?	Yes, an ITAC permit is required and declarations submitted without a valid ITAC permit will be rejected.	Section 27 of the International Trade Administration Act No 71 of 2002; Section 113(2) of the Act
16. What are the invoice requirements for exports?	In terms of section 41(1) the exporter of any goods exported from the Republic shall render a true, correct and sufficient invoice, as may be necessary to make a valid entry of such goods and shall furnish such additional information in connection with such invoice, as the Commissioner may, for the purposes of this Act, require at any time.	Section 41(1) of the Act.
17. Is export duty applicable to exports destined to BELN countries?	Exports to BELN countries are duty free	
18. Is the export duty replacing the PPS policy directive?	The export duty on scrap metal will not replace the PPS policy directive. Government Gazette No. 44905 dated 28 July 2021 extended the policy directive by the Minister of Trade, Industry and Competition on the exportation of ferrous and non-ferrous waste and scrap metal to complement and support the operation of the export duty on ferrous and non-ferrous waste and scrap metal.	International Trade Administration Act No 71 of 2002
19. How will SARS pay the refunds? Will it be a cheque, cash, EFT or via eFiling?	The current refund payment process will remain the same – payments will be made via EFT to the trader’s account	
20. How are the export values determined?	Under section 72, for the purposes of the Act, the value of any goods exported from the Republic shall be the price of those goods free on board at the place of despatch from the Republic, which value shall be declared on the bill of entry export. For the purpose of section 72, “free on board”, in relation to goods exported to or to be exported from the Republic, includes all profits, costs, charges and expenses incidental to placing goods on board a vessel, aircraft, train or vehicle in which the goods are to be transported across the border of the Republic.	Section 72 of the Act