

EXPLANATORY MEMORANDUM

TECHNICAL AMENDMENTS FOR IMPLEMENTATION WITH EFFECT FROM 1 JANUARY 2017

Amendments of the General Notes to Schedule No. 1 as well as Schedules Nos. 1, and 4 to the Customs and Excise Act, 1964 (the Act), are technical in nature and **will have no effect on the duty structure**. The amendments are as a result of requests by industry, SARS and other government agencies and they are scheduled for implementation on 1 January 2017.

1. Amendment of General Notes to Schedule No. 1

General Note G which provides for abbreviations and symbols is substituted to include various abbreviations used in the Schedule to the Act. This will ensure alignment with the abbreviations and symbols as contained in the Harmonised Commodity Description and Coding System (HS) as developed by the World Customs Organisation.

2. Amendments in Part 1 to Schedule No. 1

2.1 Request from National Agricultural Marketing Council for the creation of a separate tariff subheading for mango Juice

National Agricultural Marketing Council applied for the creation of a separate tariff subheading for mango juice, concentrated, not containing added sugar or other sweetening matter, of a Brix value exceeding 15.

Mango juice is classified in a residual tariff subheading 2009.89.50, which provides for other fruit juices. It is, therefore, difficult for the mango industry to monitor the movement of competitive products.

The new 8-digit tariff subheading will enable industry to monitor volumes of the mango juice concentrates.

The following new 8-digit subheading is inserted:

2009.89.45	Mango juice, concentrated, not containing added sugar or other sweetening matter, of a Brix value exceeding 15
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2.2 Amendment in Chapter 20

Tariff subheading 2008.99.60 provides for sweet corn (*Zea mays var. saccharata*). This tariff subheading was created to facilitate the implementation of the European Free Trade Agreement (EFTA), which was implemented on 1 January 2008. It has, however, transpired that the 8-digit subheading is not in line with the 4-digit classification of sweetcorn.

Sweetcorn is provided for in tariff subheading 2005.80 as a vegetable that is prepared or preserved. As a result the 8-digit subheading in 2008.99 is redundant and should be deleted.

The following new 8-digit subheading is deleted:

2008.99.60	Sweet corn (<i>Zea mays var. saccharata</i>)
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2.3 Amendment in Chapter 27

The opportunity is also used to amend the reference to the tariff subheadings in Note 2(d) in Chapter 27 to align the Note with the current tariff structure under heading 27.10 to read as follows:

“The use of goods classified under 2710.12.07, 2710.12.15, 2710.12.26, 2710.12.37 and 2710.12.39 are subject to the provisions of section 37A of the rules.”

3 Amendment of Schedule No. 4

Rebate item 410.03/87.00/01.02 in Part 1 of Schedule No. 4 provides for goods for manufacturing or commercial purposes, not exceeding two assembled motor vehicles per model manufactured under rebate item **[s 317.04 and]** 317.07, entered as prototypes for use exclusively in the development or manufacture of new models, subject to a permit issued by the Controller and any additional conditions he may impose in each case: Provided that the prototypes are not offered, advertised, lent, hired, leased, pledged, given away, exchanged, sold or otherwise disposed of within a period of two years from the date of entry under this item: Provided further that any one of the foregoing acts with such vehicles within a period of two years from the date of entry in terms of this item shall render such vehicles liable to payment of duty.

The rebate provision is substituted to remove the reference to rebate item **317.04** applicable to Motor Industry Development Programme (MIDP). MIDP provisions were deleted with effect from 1 January 2016. The MIDP has been replaced with the Automotive Production and Development Programme (APDP) with effect from 1 January 2013.