

**EXPLANATORY MEMORANDUM-TECHNICAL AMENDMENTS**

**TECHNICAL AMENDMENTS FOR SCHEDULE NO. 1 TO THE CUSTOMS AND EXCISE ACT, 1964**

The draft amendments in Part 1 of Schedule No. 1 to the Customs and Excise Act, Act No. 91 of 1964 (the Act), are technical in nature and **will have no effect on the duty structure**. The amendments are mostly due to requests received from industry or other government agencies.

**1. AMENDMENT OF PART 1 OF SCHEDULE NO. 1**

**1.1 Request from the Department of Trade, Industry and Competition (dtic) for the creation of separate tariff subheadings for certain chemicals**

**thedtic** requested that separate 8-digit tariff subheadings for Phenyl chloride, Triisopropyl phosphite and O,O-Diethyl phosphorothioate be created for purposes of imposing prohibitions and restrictions measures on the importation of these products.

The following subheadings are inserted:

2903.69.10	Phenyl chloride
2903.69.90	Other
2920.19.10	O,O-Diethyl phosphorodithioate
2920.19.90	Other
2920.29.10	Triisopropyl phosphite
2920.29.90	Other

The following subheadings are substituted:

<b>2903.69</b>	<b>Other:</b>
<b>2920.19</b>	<b>Other:</b>
<b>2920.29</b>	<b>Other:</b>



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**1.2 Request from the dtic for the creation of a separate tariff subheading for cannabis**

the dtic Pharmaceutical and Medical Devices Desk requested that a separate 8-digit tariff subheading for cannabis and products containing cannabis be created.

The basis for the request centres on the current development of the framework being developed to commercialise cannabis and its products. As part of the strategy to develop and sustain the pharmaceutical industry, detailed market information is required to identify opportunities as well as threats for this sector. The ability to access detailed information about the procurement and import of products will provide insight into development appropriate strategies to increase the domestic market capacity to enable greater procurement of locally manufactured products

The separate tariff subheading will enable the department to collect trade data, monitor levels of capacity locally and ascertain if any other opportunities on other product categories exists.

The following subheading is inserted:

3004.90.97	Medicaments for retail sale, containing cannabis or cannabinoids
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**1.3 Request from Standerton Mills for the creation of separate tariff subheadings for fabric dipped with Resorcinol Formaldehyde Latex (RFL)**

Standerton Mills requested separate tariff subheadings for fabrics dipped with Resorcinol Formaldehyde Latex (RFL). They motivated that these fabrics are currently imported under a residual category of goods. The creation of the separate tariff subheadings will enable them to collect trade statistics.

The following subheadings are inserted:

5407.69.10	Of a mass exceeding 200 g/m <sup>2</sup> and dipped with Resorcinol Formaldehyde Latex (RFL)
5407.69.90	Other
5512.19.10	Of a mass exceeding 200 g/m <sup>2</sup> and dipped with Resorcinol Formaldehyde Latex (RFL)
5512.19.90	Other

The following subheading is substituted:

<b>5407.69</b>	<b>Other:</b>
<b>5512.19</b>	<b>Other:</b>

**1.4 Request from Delange Consultants on behalf of Power Line Association of South Africa (POLASA) for the expansion of the provisions for powerlines and substation hardware**

POLASA requested SARS to create separate tariff subheadings in an effort to expand on the provisions catering for powerlines and substations hardware, classifiable in tariff headings 73.08 and 76.10. POLASA motivated that they need to ascertain the extent of the volumes of the products that imported in order to determine the import price. This will enable them to determine if the local industry is competing on equal footing with the international market.

The following subheadings are inserted:

7308.20.05	Lattice masts for telegraph lines
7308.20.15	Lattice masts for electric power lines
7308.20.20	Towers for electric power lines (including transmission towers or pylons)
7308.90.50	Other electric power line structures and electric substation structures; parts thereof

7610.90.10	For electric power lines (including transmission towers or pylons) and power stations
7610.90.90	Other

The following tariff subheading is deleted:

7308.20.10	Lattice masts for telegraph lines or electric power lines
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### 1.5 Request from Delange Consultants on behalf of Hi-Tec Nuts (Pty) Ltd

Delange Consultants requested the creation of 8-digit tariff subheadings for nyloc nuts, classifiable in tariff subheading 7318.16.20. They motivated that, as a result of the imposition of the safeguard duties on hexagon nuts, classifiable in tariff subheading 7318.16.30, there has been a flood of imports on hexagon nuts classifiable in tariff subheading 7318.16.20.

Tariff subheading 7318.16.20 provides for Hexagon dome nuts, hexagon nuts with non-metallic inserts, hexagon collared nuts and hexagon self-locking nuts. Thus, the applicant requests to create a separate tariff subheading for nyloc nuts.

The subheadings are inserted:

<b>7318.16.2</b>	<b>Hexagon dome nuts, hexagon nuts with non-metallic inserts, hexagon collared nuts and hexagon self-locking nuts:</b>
7318.16.21	Hexagon nuts with nylon inserts
7318.16.23	Hexagon nuts with other non-metallic inserts
7318.16.29	Other

The following subheading is deleted:

7318.16.20	Hexagon dome nuts, hexagon nuts with non-metallic inserts, hexagon collared nuts and hexagon self-locking nuts
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**1.6 Request from Ginammar Customs Consulting (GINAMMAR) on behalf of Scaw Metals (South Africa)**

Ginammar requested that 8-digit tariff subheadings be created for certain stranded wire classified under tariff heading 7312.10. They motivated that the separate 8-digit tariff subheadings will enable them to collect trade data and statics.

Tariff subheadings 7312.10.10 and 7312.10.15 have been renumbered as a result of the insertion of the three new provisions as indicated below. Tariff subheading 7312.10.14 is substituted to amend the structure accordingly with the new provisions.

The following tariff subheadings are inserted:

7312.10.04	Stranded wire, of wire which is plated, coated or clad with copper-zinc base alloys (brasses)
7312.10.06	Stranded wire, of wire which is plated, coated or clad with tin
7312.10.08	Consisting of 7-wires stranded, not plated, coated or clad, of a diameter of 9.30 mm or more but not exceeding 18.00 mm, of the grades 1770 MPa but not exceeding 1860 MPa
7312.10.11	Consisting of 7-wires stranded, not plated or coated but clad, of a diameter of 12.50 mm or more but not exceeding 15.70 mm of the grades of 1770 MPa but not exceeding 1860 Mpa

7312.10.14	Stranded wire, galvanised, waxed, greased and sheathed with high density polyethylene, with a diameter of 15.70 mm and tensile strength of 1770 MPa but not exceeding 1860 Mpa
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The following tariff subheadings are deleted:

7312.10.10	Stranded wire, of wire which is plated, coated or clad with copper-zinc base alloys (brasses)
7312.10.15	Stranded wire, of wire which is plated, coated or clad with tin

The following tariff subheading is substituted:

7312.10.17	Other stranded wire, of a diameter of 4,8 mm or more (excluding that of wire of stainless steel and that identifiable as conveyor belt cord)
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## 2 Omissions and errors found in HS 2022 publication

The sixth version of the Harmonised System (HS 2022) was published with effect from 1 January 2022. Minor errors were picked up and an opportunity is taken to fix them.

### 2.1 AMENDMENT OF PART 1 OF SCHEDULE NO. 1

Tariff subheading 3824.39.85 was erroneously inserted and is now being deleted.

With the insertion of tariff subheadings 8704.41 and 8704.51 for hybrid cars, new provisions for doubles-cabs were also created under these headings. Additional Note 1 in Chapter 87 provides for a definition of double cabs. Therefore, 8704.41.81



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and 8704.51.81 were erroneously omitted on the list of tariff subheadings providing for double-cabs. The Note is amended accordingly.

## **2.2. AMENDMENT OF PART 2A OF SCHEDULE NO. 1**

With the implementation of the HS 2022, new tobacco products were introduced in Part 1 of Schedule No. 1. As a consequence, Part 2A was amended accordingly, however, the header for tariff heading 2404.1 was erroneously omitted. The header is now inserted in Part 2A of Schedule No. 1.

## **2.3. AMENDMENT OF PART 2B OF SCHEDULE NO. 1**

With the HS of 2017, tariff subheading 8415.10 in Part 1 of Schedule No. 1 was amended to read "Of a kind designed to be fixed to a window, wall, ceiling or floor, self-contained or "split-system". A consequential amendment in Part 2B of Schedule No. 1 to align the description was erroneously omitted. An opportunity is used to amend the description in order to align it with the description of Part 1 of Schedule No. 1.

## **2.4. AMENDMENT OF PART 3E OF SCHEDULE NO. 1**

Consequential amendments to the HS 2022 were also published with effect from 1 January 2022. Minor errors were picked up and an opportunity is taken to fix them. Some of these errors have no effect to the structure, however, some do and are discussed below.

Environmental levy item 153.01.09 was supposed to be deleted, as a result of an introduction of new provisions for tractors. This item was erroneously left out from the deletion and is now being deleted.

The following environmental levy item is deleted:



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153.01.09	Track-laying tractors
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### **3. AMENDMENT OF SCHEDULE NO. 2**

As a consequence, to the substitution of tariff subheading 7312.10.17 in Part 1 of Schedule No.1, Schedule No. 2 is amended accordingly.

### **4. AMENDMENT OF SCHEDULE NO. 3**

As a consequence, to the amendment in Part 1 of Schedule No. 1, with the creation of new 8-digit tariff subheadings for fabrics dipped with RFL, Schedule No. 3 is amended accordingly.

### **5. AMENDMENT OF SCHEDULE NO.5**

An internal request was received to amend Note 13 in Schedule No. 5. The reference to “refund of the customs duty specified in refund item 533.00” is being amended. The refund item 533.00 has been deleted and thus, the reference to it has become irrelevant.

### **6. AMENDMENT OF SCHEDULE NO. 6**

The excise division requested an amendment to the wording “under customs supervision” wherever it appears in Schedule No. 6. Supervision may be conducted in both customs and excise environments by officers whenever there are inspections to be performed at the clients’ premises. The current wording is limiting these supervisions to only be conducted in a customs environment.

The expression is thus amended to read “under the supervision of an officer”.