

EXPLANATORY MEMORANDUM-TECHNICAL AMENDMENTS

TECHNICAL AMENDMENTS 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 Forestry, Fisheries and Environment

In terms of the Biodiversity Act, No. 10 of 2004, derivatives of endangered species are protected and prohibited from being imported into or exported out of South Africa. A workshop was held between SARS and Department of Forestry, Fisheries and Environment (DFFE) to update the list of Prohibited and Restricted (P&R) goods and the information under the control of DFFE. It transpired that some derivatives such as elephant tusks and rhinoceros horn, which as a collective are defined as “ivory” of indigenous species listed as critically endangered in terms of section 56 to the said Act, are not included in the P&R list. These products are classified under tariff heading 0507.10.

This has been identified as a high risk for illegal movement of tusks and horns of endangered species to go undetected and without the necessary permits required in terms of the said Act. The DFFE, therefore, requested that these goods be provided for by the creation of 8-digit separate tariff subheading. This will address the proper reference and restrictions as it relates to specifically elephant tusks and rhinoceros horn under “Ivory”.

The following tariff subheadings are inserted:

0507.10.10	Tusks of the African elephant (<i>Loxodonta Africana</i>); ivory powder and waste thereof
0507.10.20	Horns of the white rhinoceros (<i>Ceratotherium simum</i>), black rhinoceros (<i>Diceros bicornis</i>); ivory powder and waste thereof
0507.10.90	Other

The following tariff subheading is substituted:

0507.10	Ivory; ivory powder and waste:
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1.2 Request from the South African Rooibos Council for the creation of a separate 8-digit tariff subheading under the correct tariff subheading

The 70th Session of the Harmonised System Committee (HSC) re-classified the plant *Aspalathus linearis*, otherwise known as Rooibos or Bush tea under tariff heading 1211.90. The product was initially determined and as such provided for under tariff heading 1212.99. The HSC will consider creating a 6-digit international tariff heading with the roll out of the 8th edition of the Harmonised System, however, that process will take approximately four years until the next edition is ready.

The following tariff subheadings are inserted:

Aspalathus linearis (Rooibos/Red Bush):	
1211.90.5	Aspalathus linearis (Rooibos/Red Bush):
1211.90.51	Leaves and stems, dried, in immediate packings not exceeding 10 kg
1211.90.53	Other leaves and stems, dried
12.11.90.59	Other

The following tariff subheadings are deleted:

1212.99.1	<i>Aspalathus linearis</i> (Rooibos/Red Bush):
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1212.99.11	Leaves and stems, dried, in immediate packings not exceeding 10 kg
1212.99.13	Other leaves and stems, dried
1212.99.19	Other
1212.99.90	Other

1.3 Request from XA Global Advisors on behalf of Tiger Brands for the creation of separate 8-digit tariff subheadings for tomato paste

XA Global Advisors on behalf of Tiger Brands requested that separate 8-digit tariff subheadings be created to provide for the different types of tomato paste. As a reason for the request, they stated that the granular categories for tomato pastes will assist them to gather import statistics. They further stated that having an elaborate structure should enable the International Trade Administration Commission to administer rebate item 304.07/2202.90/0106 more effectively while remedying the possible abuse of the rebate item.

The following subheadings are inserted:

2202.90.10	Tomato paste having a Brix value not exceeding 32 Brix and a Bostwick value not exceeding 4,2 centimetres, in containers holding 200 li or more
2202.90.20	Tomato paste having a Brix value exceeding 32 Brix but not exceeding 38 Brix, in containers holding 200 li or more
2202.90.90	Other

The following subheading is substituted:

2202.90	Other:
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1.5 Request from the Department of Trade, Industry and Competition (Thedtic) for the amendment of tariff subheadings provided for human vaccines

The dtic requested an amendment on the tariff subheadings provided for vaccines classified in tariff heading 3002.41. The Biologicals and Vaccines Institute of South Africa (Biovac) which is a public-private entity was established in 2003 to revive the vaccine development and manufacturing capabilities in South Africa. The Covid-19 pandemic has highlighted the need for countries to develop their manufacturing capacity of vaccines and South Africa has proven to have capacity capabilities to fill and finish of Covid-19 vaccines. Currently South Africa is dependent on imports of vaccines from Belgium, United States of America, Ireland and France. Biovac has been the sole supplier of supplier of the Expanded Programme on Immunisation (EPI) for the National and Provincial Health Department. Recent changes in the immunisation regime requires a new vaccine as part of the programme.

As a local formulator, Biovac imports bulk products and applies value add to provide for provide for retailing for distribution and use within the public sector. The entry of new suppliers of vaccines may negatively affect the uptake of locally manufactured vaccines. As such, there is a need to distinguish between bulk product and those which come put up in forms or packings for retail sale or in measured doses.

The following subheadings are inserted:

3002.41.13	Against Severe Acute Respiratory Syndrome Coronavirus 2 (SARSCoV-2) and its variants, put up in measured doses or in forms or packings for retail sale
3002.41.15	Against Severe Acute Respiratory Syndrome Coronavirus 2 (SARSCoV-2) and its variants, not put up in measured doses or in forms or packings for retail sale
3002.41.17	Bacilles Calmette-Guérin (BCG), put up in measured doses or in forms or packings for retail sale

3002.41.21	Bacilles Calmette-Guérin (BCG), not put up in measured doses or in forms or packings for retail sale
3002.41.23	Oral Polio Vaccine (OPV), put up in measured doses or in forms or packings for retail sale
3002.41.25	Oral Polio Vaccine (OPV), not put up in measured doses or in forms or packings for retail sale
3002.41.27	Rotavirus Vaccine (RV), put up in measured doses or in forms or packings for retail sale
3002.41.31	Rotavirus Vaccine (RV), not put up in measured doses or in forms or packings for retail sale
3002.41.33	Diphtheria, Tetanus, Acellular Pertussis (DTaP-IPV-Hib-HBV (Hexaxim)), put up in measured doses or in forms or packings for retail sale
3002.41.36	Diphtheria, Tetanus, Acellular Pertussis (DTaP-IPV-Hib-HBV (Hexaxim)), not put up in measured doses or in forms or packings for retail sale
3002.41.43	Tetanus toxoid (TT), put up in measured doses or in forms or packings for retail sale
3002.41.45	Tetanus toxoid (TT), not put up in measured doses or in forms or packings for retail sale
3002.41.47	Pneumococcal Conjugated Vaccine (PCV), put up in measured doses or in forms or packings for retail sale
3002.41.51	Pneumococcal Conjugated Vaccine (PCV), not put up in measured doses or in forms or packings for retail sale
3002.41.53	Measles Vaccine, put up in measured doses or in forms or packings for retail sale
3002.41.55	Measles Vaccine, not put up in measured doses or in forms or packings for retail sale
3002.41.57	Measles and Rubella containing vaccines, put up in measured doses or in forms or packings for retail sale

3002.41.61	Measles and Rubella containing vaccines, not put up in measured doses or in forms or packings for retail sale
3002.41.63	Oral Cholera Vaccine (OCV), put up in measured doses or in forms of packings for retail sale
3002.41.65	Oral Cholera Vaccine (OCV), not put up in measured doses or in forms of packings for retail sale
3002.41.67	Human Papilloma virus vaccine (HPV), put up in measured doses or in forms or packings for retail sale
3002.41.71	Human Papilloma virus vaccine (HPV), not put up in measured doses or in forms or packings for retail sale

The following tariff subheadings are deleted:

3002.41.1	Against Coronavirus:
3002.41.11	Against Severe Acute Respiratory Syndrome Coronavirus 2(SARSCoV-2) and its variants
3002.41.19	Other
3002.41.20	Bacilles Calmette-Guérin (BCG)
3002.41.25	Oral Polio Vaccine (OPV)
3002.41.30	Rotavirus Vaccine (RV)
3002.41.35	Diphtheria, Tetanus, Acellular Pertussis (DTaP-IPV-Hib-HBV (Hexaxim))
3002.41.40	Inactivated Polio Vaccine, Haemophilus Influenzae Type B and Hepatitis B Combined
3002.41.45	Pneumococcal Conjugated (PCV)
3002.41.50	Measles Vaccine
3002.41.55	Tetanus and reduced strength of Diphtheria Vaccine (Td Vaccine)

1.6 Request from the Southern African Institute of Steel Construction for the creation of separate 8-digit subheadings

The Southern African Institute of Steel Construction (SAISC) requested a creation of separate 8-digit tariff subheadings for the steel products that are used in the automotive industry in order to distinguish them from all other products classifiable under the residual tariff subheadings. They also requested for the creation of 8-digit tariff subheadings for other steel products to provide for specific range in thickness to distinguish them from those due for an increase in the rate of duty.

The following subheading is inserted:

7210.49.40	Of a thickness of 0,45 mm or more but not exceeding 0,80
7210.49.50	Of a thickness exceeding 0,80 mm but not exceeding 1,60 mm
7210.61.20	Of a thickness not exceeding 0,20 mm
7210.61.30	Of a thickness exceeding 0,20 mm but not exceeding 0,45 mm
7210.61.40	Of a thickness exceeding 0,45 mm but not exceeding 0,80 mm
7210.70.20	Of a thickness not exceeding 0,20 mm
7210.70.30	Of a thickness exceeding 0,20 mm but not exceeding 0,45 mm
7210.70.40	Of a thickness exceeding 0,45 mm but not exceeding 0,80 mm
7225.92.20	Of a thickness not exceeding 0,20 mm
7225.92.30	Of a thickness exceeding 0,20 mm but not exceeding 0,45 mm
7225.92.40	Of a thickness exceeding 0,45 mm but not exceeding 0,80 mm
7225.92.50	Of a thickness exceeding 0,80 mm but not exceeding 1,60 mm

The following subheadings are deleted:

7210.61.10	Of a thickness of less than 0,45 mm
7210.70.10	Of a thickness of less than 0,45 mm
7225.92.10	Of a thickness of less than 0,45 mm

1.5 Request from the South African Furniture Institute for the creatin of 8-digit tariff subheading

The South African Furniture Institute requested a creation of 8-digit tariff subheadings under Chapter 94. They stated that this will enable the industry to gather statistics as well as identify furniture products that are incorrectly declared at the time of importation.

The following tariff subheadings are deleted:

9401.91.20 7	Mechanical actions for chairs
9401.99.20	Mechanical actions for chairs

The following tariff subheadings are inserted:

9401.91.2	Mechanical actions for chairs:
9401.91.21	For the seats of subheading 9401.61.10 and 9401.61.20
9401.91.29	Other
9401.99.2	Mechanical actions for chairs:
9401.99.21	For the seats of subheading 9401.61.10 and 9401.61.20
9401.99.29	Other
9403.20.10	School-desks and similar desks, with metal frame and solid wooden desk-tops
9403.20.20	Other school-desks and similar desks, with metal frame and medium density fibreboard (MDF) desk-tops
9403.20.30	Other, school-desk and seat combinations, having a single metal frame and medium density fibreboard (MDF) desk-tops and seats
9403.20.90	- Other
9403.70.10	Tables for children, of polypropylene



South African Revenue Service

9403.70.90	Other
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The following tariff subheadings are substituted:

9403.70:	Furniture of plastics
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