

EXPLANATORY MEMORANDUM

AMENDMENTS FOR IMPLEMENTATION ON 1 JANUARY 2025

The draft amendments of the Schedules to the Customs and Excise Act, 1964, Act No. 91 (the Act), are implemented **with effect from 1 January 2025**.

The proposed amendments are in respect of –

- External requests in Part 1 of Schedule No. 1; and
- Miscellaneous internal amendments in Schedule Nos. 3, 4, and 5 to the Act.

1. Technical amendment to the Schedules of the Act

1.1 Additional tariff subheadings in Part 1 of Schedule No. 1 to the Act

Additional tariff subheadings have been added in Chapter 8 of Part 1 of Schedule No. 1 for the reasons indicated in the following subparagraphs:

1.1.1 Request from South African Subtropical Growers Association for the creation of separate tariff subheadings for mangoes

The South African Subtropical Growers' Association (Subtrop), which manages the affairs of the South African Mango and Litchi Growers' Associations (SAMGA & SALGA), applied for separate tariff subheading for Mangoes. Mango production is identified in the National Development Plan an industry that is labour intensive with high growth potential and are thus important drivers of economic growth, employment and foreign currency earnings.

Mangoes are currently classified under tariff subheading 0804.50, with other commodities like guavas and mangosteens.

Subtro, therefore, requests SARS to create new 8-digit tariff subheadings under tariff heading 0804.50 to enable them to monitor imports and exports of mangoes and litchis, as this information is important in planning for future growth in the Mango industry.

The following tariff subheading are deleted:

0804.50.10	Fresh
0804.50.90	Other

The following tariff subheadings are inserted:

0804.50.1	Fresh:
0804.50.11	Mangoes
0804.50.19	Other
0804.50.9	Other:
0806.20.19	Mangoes, dried
0806.20.90	Other

1.1.2 Request from Raisins South Africa Non-Profit Company (Raisins SA) for the creation of separate tariff subheadings in respect of dried grapes (raisins) classifiable under tariff subheading 0806.20, by way of creating new 8-digit tariff subheadings.

F C Dubbelman & Associates CC acting on behalf of Raisins SA submitted a request for the creation of separate tariff subheading under 0806.20. The subheading provides for dried grapes. Raisins SA represents approximately 700 growers.

Raisins SA was approached on numerous occasions by their members requesting market information to assist them in determining the South African market for raisins, especially the various variants of raisins, as well as the variants of raisins that are exported. The trade data on imports and exports is a valuable tool for the members to benchmark and to strategically plan and gear themselves for the South African market, as well as the export market.

The market data will contribute to the South African producers increasing their production, domestic sales and exports. These would lead to increased investment and employment. However, as the tariff subheading is only up to the 6-digit level, the data collected has not enabled the members to plan accordingly with regard to the various raisin products and markets as this type of information is currently not available.

Raisins SA, therefore, requests SARS to create new 8-digit tariff subheadings under tariff heading 0806.20 to distinguish between the different types of dried grapes.

The following tariff subheading is substituted with the following:

0806.20	Dried:
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The following tariff subheadings are inserted:

0806.20.1	Sultanas:
0806.20.11	In immediate packaging of a mass of 30 g or more but not exceeding 2 kg
0806.20.13	In immediate packaging of a mass of 2 kg or more but not exceeding 13.6 kg
0806.20.19	In immediate packaging of a mass exceeding 13.6 kg
0806.20.2	Other, seedless
0806.20.21	In immediate packaging of a mass of 30 g or more but not exceeding 2 kg
0806.20.23	In immediate packaging of a mass of 2 kg or more but not exceeding 13.6 kg
0806.20.29	In immediate packaging of a mass exceeding 13.6 kg
0806.20.9	Other
0806.20.91	In immediate packaging of a mass of 30 g or more but not exceeding 2 kg
0806.20.93	In immediate packaging of a mass of 2 kg or more but not exceeding 13.6 kg
0806.20.95	In immediate packaging of a mass exceeding 13.6 kg

1.1.3 Request from the Pomegranate Association of South Africa (POMASA) for the creation of separate tariff subheading for pomegranates

The South African pomegranate industry has shown remarkable growth over the past decade, both in terms of area planted and the gross value of production. The industry links well with the National Development Plan's (NDP) focus on growth in high-value export crops with strong employment potential.

To expand the pomegranate industry, sound data and statistics are needed. Currently only pomegranates juice is specifically provided for under tariff code 2009.89.20. Pomegranates are classifiable under a residual tariff subheading 0810.90.90. This makes it difficult to establish exact export figures for fresh pomegranates.

POMASA is collecting statutory levies as published in the Government Gazette No. 4299 dated 2 February 2024. The levies are utilised in line with guidelines set by the National Agricultural Marketing Council (NAMC).

The creation of 8-digit tariff subheadings for pomegranates in Part 1 of Schedule No. 1 will enable POMASA to collect the correct levies according to export figures. Additionally, access to accurate statistics will help POMASA to be more efficient in creating an enabling environment to all the pomegranate producers of South Africa.

The following tariff subheading is inserted:

0810.90.30	Pomegranates
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1.2 AMENDMENT IN PART 1 OF SCHEDULE NO. 3

The Minister of Trade, Industry and Competition issued a policy directive in terms of section 5 of the International Trade Administration Act, 2002 requesting the International Trade and Administration Commission (the Commission) to assist in the implementation of the APDP post 2020 (APDP Phase II) in order to replace the old APDP. The old APDP was expected to run from 1 January 2013 until 31 December 2020.

APDP phase II was implemented through Government Gazette No. 44759, with effect from 1 July 2021 as recommended in the Commission's Minute M10/2020. The old provisions for APDP were not removed.

Rebate items 317.03, 317.03/98.01/01.04, 317.03/98.01/02.04, 317.03/98.01/03.04, 317.03/98.01/05.04, 317.03/98.01/06.04 and 317.06/00.00/03.00 applicable to the old APDP are being deleted. Two years has now lapsed since the implementation of APDP as such stakeholders are now acquainted with the new provisions, and these provisions have become redundant.

Note 1 to rebate item 317.06/00.00/06.00 is being substituted to remove the reference to “317.03 for APDP I”.

1.3 AMENDMENT IN PART 2 OF SCHEDULE NO. 4

Rebate items 460.17/00.00/03.00, 460.17/8701.2/01.05, 460.17/87.02/02.04, 460.17/87.03/03.04, 460.17/87.04/02.04 and 460.17/87.06/02.04 applicable to the old APDP are being deleted. These provisions have become redundant.

1.4 AMENDMENT IN PART 3 OF SCHEDULE NO. 5

Refund items 536.00/00.00/03.00, 537.03, 537.03/8701.2/01.05, 537.03/87.02/01.04, 537.03/87.03/01.04, 537.03/87.04/01.4 and 538.00/00.00/03.00 are being deleted, as they were applicable to the old APDP.

Refund item 536.00 00.00 04.00 is being substituted to remove the references to “Form C1 for APDP I” and “317.03 for APDP II”.