

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 2080 OF 2023

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

GUIDELINES, RULES AND CONDITIONS PERTAINING TO REBATE ITEMS

REBATE ITEMS 311.42 AND 320.02 FOR REBATE OF DUTY ON WOVEN FABRICS AND OTHER FABRICS CLASSIFIABLE UNDER TARIFF HEADINGS 52.08,52.09,52.10,54.07,55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09,5512.1, 55.16,5903.20, 5903.10.90 AND 5903.90.90,6001.21 USED IN THE MANUFACTURE OF GOODS CLASSIFIABLE UNDER TARIFF HEADINGS 63.02, 63.03, 63.04, 63.07 AND 94.04.

1. Applications for permits must be addressed to the International Trade Administration Commission (ITAC), Private Bag X 753, Pretoria or delivered by hand to the DTI Campus, (Block E), 77 Meintjies Street, Sunnyside, Pretoria, 0002.
2. Applications for permits must be submitted according to the requirements of the attached application form. If the space provided in the application form is insufficient, please use the format of the application form to submit the requested information.
3. If all the information requested in the application form is not submitted, the application will not be considered, and it will be returned to the applicant.
4. At least fourteen (14) days should be allowed for the processing of applications and the issue of permits, provided that all necessary information has been submitted to ITAC and the application is deemed duly complete.
6. Each rebate permit issued defines the period during which the goods concerned can be cleared under the rebate. The period can be for a calendar year, and commences on the date on which the permit was issued. The permit may be issued for a shorter period as requested by the applicant, or as decided upon by ITAC.
7. If an applicant intends to apply for a subsequent permit for which the period of validity should commence on the day after the expiry date of the permit issued in terms of paragraph 6, this must be clearly indicated in a new application. The application must be submitted to ITAC at least one to two months prior to the expiry date of the previous permit as permits cannot be issued with retrospective effect.
8. Rebate permits issued will be subject to the following conditions:
 - 8.1 The applicant(s) must manufacture end products as described in the rebate provision to such an extent that there is a visible permanent change in the fabrics, and a change in tariff heading;

8.2 ITAC, if deemed necessary, should physically inspect the equipment and manufacturing process prior to the issue of a rebate permit, and at least 70 per cent of manufacturing should be done by the applicant itself and therefore should not be outsourced;

- 8.3 The applicant must comply with labour laws and agreements gazetted by the Minister of Employment and Labour;
- 8.4 An applicant must, together with his application submit proof of registration with and a Certificate of Compliance obtainable from the relevant Bargaining Council;
- 8.5 The applicant must provide ITAC with its current SARS electronic access Pin in order to enable ITAC to verify full tax compliance status;
- 8.6 The applicant must provide, in each permit application, the number of jobs it expects to create annually as a result of the rebate (Conversion ratio from fabric to end product is approximately 1 employee: 6 000kg).
- 8.7. Should another rebate application, in terms of this rebate item, be submitted, a report detailing the applicant's performance against its previously made job creation estimate and developmental undertakings, as detailed in paragraph 12 of the application form, must be provided as part of the new application.
- 8.8. The Applicant(s) must approach the Textile Federation (Texfed) and known local textile mills, including, but not limited to, Svenmill and Zaydtext for confirmation of the local availability of the fabrics to be imported under rebate and to confirm that the fabrics to be imported will not have a negative impact on downstream manufacturers. Confirmation should be in the form of a written letter from the entity concerned and must accompany the application.
- 8.9. Applications must be accompanied by proof of engagements with local textile mills regarding the development of commercially viable and sustainable manufacturing capability and capacity for fabrics to supply home textile manufacturers, with a view to increase localisation within the entire value chain. The applicant agrees that this information may be shared with the CTFL sector desk at the dtic.
- 8.10. The applicant can request the manufacturer to respond within 14 days of their request. Should the local manufacturers of textiles and textile articles not be able to supply the quantity requested, the applicant(s) need to obtain a confirmation letter from the manufacturer stating that they are not able to supply. The original letter needs to be submitted with the application form;
- 8.11. If the manufacturer unreasonably refuses to provide such a confirmation letter, ITAC will write a letter to the manufacturer informing them of the application and requesting them to confirm their production and production capacity. The manufacturer will then be allowed 7 days to respond to this letter. Should the manufacturer respond within the 7-

day period, the information provided will be taken into account during the decision making process; and

- 8.12. Should, after receipt of the manufacturers response, or in the absence of such response, information be available that reflects that the manufacturer is reasonably unable to supply the quality and quantity of fabrics required in the required time frame, ITAC will be able to issue a permit without, or despite, the required letter of confirmation by the manufacturer.
9. Rebate permits may not be transferred in any manner by the holder thereof, to any other person, or be used to the benefit of any person and/or entity, not named in the permits;
10. Applicants making use of Cut Make and Trim (CMT), should attach to the application the following information:
 - a) Name of the CMT;
 - b) VAT certificate and SARS Pin;
 - c) Certificate of Compliance obtainable from the Bargaining Council;
 - d) Job profile of the CMT;
 - e) Provide ITAC with production volumes to be carried by the CMT (the applicant should note that manufacturing by the CMT should not exceed 30 per cent of its own manufacturing volume as indicated in a permit issued by ITAC).
11. The applicant should take responsibility of all compliance issues as indicated in paragraph 8, as non-compliance will result in appropriate steps being taken.
12. If a *prima facie* case is established that any condition of this permit has not been complied with, the consignment in terms of which the rebate permit was issued may be seized by ITAC. If it is established that there was non-compliance, appropriate steps will be taken. These steps will be taken in terms of the International Trade Administration Act and the Customs and Excise Act, and can include criminal charges, withdrawal of the permit or permits concerned and/or the rejection of future applications for permits.

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF
SOUTH AFRICA**

**APPLICATION FOR A PERMIT IN TERMS OF REBATE
ITEMS**

Rebate items 311.42 and 320.02 for rebate of duty on woven fabrics and other fabrics classifiable under tariff headings 52.08,52.09,52.10,54.07,55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09,5512.1, 55.16,5903.20, 5903.10.90 and 5903.90.90,6001.21 used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04, 63.07 and 94.04.

APPLICATION FORM

NOTE: BEFORE COMPLETING THIS FORM, PLEASE ACQUAINT YOURSELF WITH THE GUIDELINES AND CONDITIONS PERTAINING TO THESE REBATE ITEMS

Application for a permit in terms of rebate items 311.42 and 320.02 for rebate of duty on woven fabrics and other fabrics classifiable under tariff headings 52.08,52.09,52.10,54.07,55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09,5512.1, 55.16,5903.20, 5903.10.90 and 5903.90.90,6001.21 used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04, 63.07 and 94.04.

NB: ALL INFORMATION REQUESTED SHOULD BE FURNISHED

<p>1 (a). Applicant's name and postal address:</p> <p>Contact Person:.....</p> <p>Position:.....</p> <p>Address:.....</p> <p>Tel No.:.....</p> <p>Fax No.:.....</p> <p>Date completed:.....</p> <p>Email add:.....</p> <p>VAT Registration No:.....</p> <p>SARS Importer Registration No:.....</p> <p>(No application for this rebate provision will be considered for applicants utilising the "unallocated importers reference number" i.e, 70707070)</p>	<p>1(b). Physical address where manufacturing will take place:</p>
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2 (a) In the event that the applicant will make use of the services of the CMT, provide the details of the CMT as indicated in paragraph 1.

2 (b) List the products that will be manufactured by the CMT and volumes to be produced.

3 (a) Technical description of the FABRICS that will be imported:

1.
2.
3.
4.

3 (b) Furnish the following information in respect of each of the FABRICS mentioned in 3 (a)

Product	1 HS Tariff code (8-digits)	2 Duty payable	3 Estimated quantity	4 Customs (f.o.b) Value	5 Country of origin	6 Planned date of importation
1.						
2.						
3.						
4.						

4 (a). Description of the products that will be manufactured from the fabrics described in 3(a)

- 1
- 2
- 3
- 4

4 (b) Furnish the following information in respect of each of the products mentioned in 4(a):

Product	1 HS Tariff code 8- digits	2 Quantity to be processed	3 Estimated sales value (ex-factory)
1.			
2.			
3.			
4.			

5. Furnish the following information in respect of the yield/formula of manufacture:

What quantities of each of the fabrics listed in 3(a) will be needed to produce a UNIT quantity of the product listed in 4(a)?

6. Describe the method of manufacturing of products mentioned in 4(a).

7. Furnish the following information in respect of the value of total sales in the Southern African Customs Union (SACU) as well as exports for the past three years in respect of the products mentioned in 4(a):

Year	Product	HS Tariff code (8 – digits)	Total Sales (in SACU)	Total export sales

8(a) Are the goods/materials/components to be imported (as mentioned in 3(a)) manufactured locally?

YES	NO
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8(b) Why do you have to import the goods/materials/components? (This information is for record purposes only). (Please submit letters from manufacturers as proof of efforts made to obtain the fabrics locally).

9. Provide information pertaining to the number of jobs the firm will create annually as a result of the rebate. (Submit with the application a letter signed by the Chief Executive Officer to provide an annual report on job creation performance).

10. Give an assessment (consumer benefit or downstream benefit to a specific industry) of how your cost and price structure would be affected should the permit application succeed. To what extent will your firm's selling price for the product be influenced should the permit application be successful?
11. How do you support or plan to support the participation in manufacturing and related activities by small businesses, black-owned or black-managed enterprises and Common Customs Area supply chains?
12. State the increased economic benefits that can be realised subsequent to being granted tariff relief, by completing the table below:
By completing this table the applicant gives consent that the information provided in this table and related information can be shared with the relevant parties as indicated in the affidavit for purposes of monitoring and reporting progress with developmental undertakings made in terms of this rebate provision.

No	Item	PREVIOUS FINANCIAL YEAR PROVIDE date of base year	Should the support be given		
			base year + 1	base year + 2	base year + 3
1	Consumption of locally produced fabric (kg): total				
	Local manufacturer 1 name:				
	Local manufacturer 2 name:				
2	Consumption of locally produced inputs other than fabric: total including local services				
	Local manufacturer 1 name & product:				
	Local manufacturer 2 name & product:				
	Local manufacturer 3 name & product:				
	Local manufacturer 4 name & product:				
	Local services 1 – name and service:				
	Local services 2 – name and service:				
2	Consumption of imported fabrics (kg)				
3	Expected total production volume of end products (kg/unit)				
4	Expected ex-factory selling price/unit of end product				
5	Expected total investment (Rm):				
	Plant & Machinery				
	Buildings				
6	Supply-side measures (Rm):				
	Research & Development				
	Skills Development & Training				
	Upgrading Machinery & Equipment				
	Other (list)				
7	Expected Total Export:				
	Volume (kg/m/units)				
	Value R				
8	Expected Total Employment:				
	Skilled				
	* Youth (18-35)				
	Semi-skilled				
	* Youth (18-35)				
	Unskilled				
	* Youth (18-35)				
	Total direct factory workers				
	* Youth (18-35)				
9	Expected Total Wage (R):				
	Skilled				
	* Youth (18-35)				
	Semi-skilled				
	* Youth (18-35)				
	Unskilled				
	* Youth (18-35)				
	Total direct factory workers				
	* Youth (18-35)				

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Report on localisation efforts with local textile mills or other input providers. Please provide company names and contact persons. Use separate page for this.

13. Name of Chief Executive Officer:.....
Tel No:.....Fax No:.....

DECLARATION IN RESPECT OF AN APPLICATION FOR A PERMIT IN TERMS OF REBATE PROVISIONS 311.42 AND 320.02 FOR REBATE OF DUTY ON WOVEN FABRICS AND OTHER FABRICS CLASSIFIABLE UNDER TARIFF HEADINGS 52.08,52.09,52.10,54.07,55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09,5512.1, 55.16,5903.20, 5903.10.90 AND 5903.90.90,6001.21 USED IN THE MANUFACTURE OF GOODS CLASSIFIABLE UNDER TARIFF HEADINGS 63.02, 63.03, 63.04, 63.07 AND 94.04.

NB: The obligation to complete and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the claimant.

I, (full names) with identity number, in my capacity as – managing director/chief executive (in respect of a company) or senior member/ person with management responsibility (close corporation, partnership or individual) (Delete whichever is not applicable)

of (hereinafter referred to as the applicant) hereby declare that –

- a) the applicant complies with prescribed requirements in order to qualify for rebate in terms of the above-mentioned rebate provision;
- b) the permit, if granted, will only be used for the purpose clearly and explicitly stated in the application or in the permit itself, if that scope is narrower;
- c) I will take every possible step to ensure all personnel of the company adhere to such conditions and terms, and they will ensure the company policy requires every new managing director/chief executive officer to make a similar commitment under oath;
- d) I have satisfied myself that the preparation of the application has been done in conformity with the guidelines and requirements in respect of the above-mentioned rebate provision, with which I have fully acquainted myself and to which I unconditionally agree to;
- e) I undertake to provide the Commission with reports detailing its adherence to the developmental undertakings detailed in paragraph 8.7 of the Guidelines and paragraph 12 of this application. No amendment, variation, waiver or cancellation of this undertaking shall be of any force and effect unless agreed to in writing and signed by the Chief Commissioner of the Commission.

- f) I agree to the sharing of the information in the table under paragraph 12 to be shared with the relevant sector desk at the dtic and SARS for purposes of monitoring and reporting on the undertakings made.
- g) I accept that the decision by the Chief Commissioner: International Trade Administration will be final and conclusive and that the said Chief Commissioner may at any time conduct or order that an investigation to verify information furnished in the application form, be conducted;
- h) The information furnished in this application is true and correct;
- i) The applicant, or any one of its associates, or related party is not subject of an investigation by either the South African Police, the Office for Serious Economic Offences, International Trade Administration, or the Commissioner for South African Revenue Service (SARS) into previous claims or other related matters.

NAME: **DESIGNATION:**

SIGNATURE: **DATE AND YEAR:**

I CERTIFY THAT THE DEPONENT HAS ACKNOWLEDGED THAT HE KNOWS AND UNDERSTANDS THE CONTENTS OF THIS AFFIDAVIT, AND THAT HE HAS NO OBJECTION TO TAKING THE PRESCRIBED OATH, AND THAT HE CONSIDERS THIS OATH TO BE BINDING ON HIS CONSCIENCE.

SIGNED and SWORN to before me at on this Day of Year.....

.....
COMMISSIONER OF OATHS

FULL NAMES:.....

CAPACITY: