

EXPLANATORY MEMORANDUM-TECHNICAL AMENDMENT

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

The draft amendments in Parts 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 XA International Trade Advisors on behalf of tiger brands for the creation of 8-digit tariff subheadings for rolled oats in retail packaging sizes

XA international made a request on behalf of Tiger Brands (Pty) Ltd for a creation of an 8-digit tariff subheading for oats in retail packaging sizes not exceeding 25 kg. The ultimate intention of the split in the tariff subheading category is to apply for an increase in the rate of duty on oats packed for retail sale in packaging sizes not exceeding 25 kg. The current structure allows for all sizes of rolled oats to be imported under one tariff subheading.

A distinction has now been made to provide for rolled oats in retail packaging size not exceeding 25 kg.

The following subheadings are inserted:

1104.12.10.	Packed for retail sale, with a content not exceeding 25 kg
1104.12.90	Other

The following subheading is substituted:

1104.12	Of oats:
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1.2 Request from the Department of Trade, Industry and Competition (the dtic) for the creation of separate 8-digit tariff subheadings for Anti-retroviral (ARVs) and Anti-Tuberculosis medicine

The dtic is applying for a creation of separate tariff subheadings for Anti-retroviral ARVs and Anti-Tuberculosis medicine. The dtic motivated that since the treatment regimen for HIV was extended in 2016 and the high numbers of TB infections and deaths, the local pharmaceutical industry has developed sufficiently to cater for South Africans in need of treatment.

However, the local pharmaceutical industry is under threat as a result of imported products competing with the local market, both in the public and private sector. Finished pharmaceutical products can be imported at more competitive prices than the locally manufactured ones.

Therefore, the new insertions of separate tariff subheadings will enable them to get statistical information.

The following subheading is deleted:

3004.90.90	Other
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The following subheadings are inserted:

3003.90.10	Nucleoside reverse transcriptase inhibitors (NRTIs)
3003.90.20	Non-nucleoside reverse transcriptase inhibitors (NNRTIs)
3003.90.30	Protease inhibitors (PIs)
3003.90.40	Entry inhibitors
3003.90.50	Integrase inhibitors



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3003.90.60	Tuberculosis drugs
3003.90.90	Other
3004.90.9	Other
3004.90.91	Nucleoside reverse transcriptase inhibitors (NRTIs)
3004.90.92	Non-nucleoside reverse transcriptase inhibitors (NNRTIs)
3004.90.93	Protease inhibitors (PIs)
3004.90.94	Entry inhibitors
3004.90.95	Integrase inhibitors
3004.90.96	Tuberculosis drugs
3004.90.99	Other

The following subheading is substituted:

3003.90	Other:
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