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DEPARTMENT OF TRADE AND INDUSTRY

NOTICE 305 OF 2020

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

NOTICE OF EXPIRATION OF VAT CERTIFICATE ISSUED IN TERMS OF SCHEDULE 1(8) OF THE VALUE ADDED TAX ACT, 89 OF 1991, ITEM 412.11/00.00/01.00

This notice serves to advise interested parties that the global Value Added Tax ("VAT") Certificate ("the VAT Certificate") issued by the International Trade Administration Commission of South Africa ("ITAC") on 8 April 2020 in terms of Schedule 1(8) of the Value Added Tax Act, 89 of 1991, Item No. 412.11/00.00/01.00 ("Rebate Item 412.11") will expire at midnight on Friday, 5 June 2020.

BACKGROUND

1. On 15 March 2020, the Minister of Cooperative Governance and Traditional Affairs, Dr Nkosazana Dlamini Zuma ("the Minister"), declared a national state of disaster in terms of Section 27(2) of the Disaster Management Act, 57 of 2002 ("the Act"). (See Government Gazette Notice No. 43096 of 15 March 2020).

2. Having declared a national state of disaster, the Minister promulgated regulations in terms of section 27(2) of the Act. In the Regulations published on 25 March 2020 in Government Gazette No. 43148, the Minister set forth a list of essential goods ("essential goods"). The essential goods were contained in Annexure B, paragraph A (*Categorisation of Essential Goods and Services during Lockdown*) of said Regulations.

3. Rebate Item 412.11 provides for the relief of distress of persons caused by, amongst others, a national disaster, such as the Covid-19 pandemic. The relief provided under Rebate Item 412.11 is an exemption of VAT at the time of importation (clearance).

4. To operationalise Rebate Item 412.11 and afford an exemption of VAT for imports of essential goods, the South African Revenue Service requested ITAC to issue the VAT certificate.

5. ITAC issued the VAT Certificate, which came into effect on 8 April 2020. The VAT Certificate provides that it may be amended from time to time.

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DISCUSSION

6. To date, SARS has recorded significant imports of essential goods benefitting from an exemption of VAT under the VAT Certificate. With the advent of Alert Level 3, the domestic economy will see increased activity, including production of essential goods.

7. Additionally, there is no indication, based on information available to ITAC, that the continued incentivising of imports through an exemption of VAT is necessary.

8. On a policy level, although the benefit afforded imports through the exemption of VAT at the time of importation is small, imports and domestic production of essential goods should be competing on a level playing field.

9. The VAT Certificate provided that it may be amended from time. Pursuant to this Notice, the validity period of the VAT Certificate is being amended, which period is set forth in a new certificate being issued herewith.

10. In light of the foregoing consideration, ITAC is issuing a new VAT certificate, which will remain in effect up to and including Friday, 5 June 2020. As a result, imports of essential goods will no longer benefit from an exemption of VAT after that date.

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Certificate issued in terms of Schedule 1(8) of the Value Added Tax Act, Act 89 of 1991, Rebate Item 412.11/00.00/01.00

Pursuant to this certificate (Certificate), the International Trade Administration Commission of South Africa (ITAC) hereby certifies that for the purpose of Schedule 1(8) of the Value Added Tax Act, Act No. 89 of 1991, item no 412.11/00.00/01.00, the list of essential goods set out in Annexure B of the Regulations (**the Annexure B list of essential goods)** (R.398, *Government Gazette* No. 43148 of 25 March 2020) under the Disaster Management Act, Act No. 57 of 2002 (the Disaster Management Act), are goods imported for the relief of distress of all persons in South Africa as a consequence of the COVID-19 pandemic, which was declared a national disaster on 15 March 2020 by the Minister of Cooperative Governance and Traditional Affairs in *Government Gazette* Notice No. 313 of *Government Gazette* No. 43096 in terms of section 27(2) of the Disaster Management Act (the National Disaster).

This Certificate does not apply to, and therefore does not cover, the following goods set out in **the Annexure B list of essential goods**:

1. goods that are subject to an ordinary customs duty as set forth in Schedule No. 1 to the Customs and Excise Act, Act No. 91 of 1964 (the Customs Act) and a trade remedies duty (anti-dumping, countervailing or safeguard duty) as set forth in Schedule No. 2 to the Customs Act;

2. goods that would be subject to the duties referred to in paragraph 1, but that are entering South Africa duty fee because of a preferential trade agreement or other agreement, such as a customs union

3. goods that are currently subject to an application made under the International Trade Administration Act, Act No. 71 of 2002 (the ITAC Act), which application

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was submitted to ITAC's Tariff Investigations units for tariff assistance in terms of Schedule No. 1 to the Customs Act; and

4. goods that are currently the subject of an investigation by ITAC's Trade Remedies units.

The goods referred to in paragraphs 3 and 4 above are set out in the table immediately below, together with the relevant tariff subheadings.

TARIFF INVESTIGATIONS:

TYPE	PRODUCTS	TARIFF SUBHEADINGS
Rebate	Woven fabrics for trousers and shirts	5513.11 5210.31 (a) 5210.31 (b) 5407.82 5209.32 5208.33
Rebate	Woven fabrics for dyeing and finishing	5208.11, 5208.12, 5208.19, 5208.21, 5208.22, 5408.10 and 5408.21
Temporary rebate	Men's or boy's suits, ensembles (Karate uniforms)	6103.22
Rebate	Titanium dioxide for paint	3206.11
Rebate	Warp knit fabrics for upholstered furniture	60.05
Rebate	Titanium dioxide for master batch	3206.11
Reduction	PVC capping	
Reduction	Carboxymethyl Cellulose	
Review rebate	Rebate 304.07/0404.10.06/01.06 – whey powder	0404.10
Rebate	Soap noodles for the manufacture of soaps	
Rebate	Woven fabric of cotton used for absorbent gauze	5208.21
Temporary Rebate	Hatmaker roller milk preparation	0404.90.90

TYPE	PRODUCTS	TARIFF SUBHEADINGS
Increase	Phosphoric and polyphosphoric acid	2809.20.10
Review (Increase)	Description of tariff subheading –disposable panties	6210.10.20

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TYPE	PRODUCTS	TARIFF SUBHEADINGS
Reduction	Motorcycle safety headgear	6506.10.90
Increase	Frozen vegetables	0710.90
Rebate	Sodium hydroxide for uncoated paper and paperboard	2815.12
DBRP trigger (Increase)	Wheat	1001.9 and 1101.00
AGOA annual quota	Chicken from US	0207.14.9
Increase	Bone-in and boneless poultry products, excl. mechanically deboned meat, offal and whole bird	0207.14.9 and 0207.14.1
DBRP trigger (Reduction)	Sugar	17.01
Increase	Acrylic resins	3208.20.90 and 3906.90.20
Increase	Polyethylene Terephthalate	3907.61.10, 3907.69.10, 3907.61.90 and 3907.69.90

Increase	Certain flat rolled products	7210.20, 7210.30, 7210.50, 7210.69, 7212.20, 7212.50, 7212.60, 7225.91, 7225.92.10 and 7225.92.90
Increase	Certain seamless tubes and pipes	7304.19.90, 7304.23.90, 7304.29.90 and 7304.39.35
Increase	Certain flat-rolled stainless steel	7219.11.90, 7219.12.90, 7219.13.90, 7219.14.90, 7220.12.90, 7219.21.90, 7219.22.90, 7219.23.90, 7219.24.90, 7219.31.90, 7219.32.90, 7219.33.90, 7219.34.90, 7219.35.90, 7220.20.90 and 7220.90.90
Increase	Grinding balls and similar articles for mills	7325.91
Increase	Primary cell and primary batteries	8506.10.25, and 8506.10.80
Increase	Foot operated grease gun	8479.89.90
Reduction	Certain outer rings of journal bearing	8482.99.17
Reduction	Air conditioning machines used in buildings	8415.10.50
Rebate	Radial tyres used in agricultural or forestry vehicles and machines	4011.70
Increase	Certain tubes, pipes and hollow profiles, seamless, of iron (excluding cast iron) or steel	7304.19, 7304.23 and 7304.29
Increase	Top loader washing machines not exceeding 10kg	8450.11

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Increase	Crystalline silicon photovoltaic modules or panels	8541.40.10
Increase	Side-by-side refrigerators	8418.10
Increase	Aluminium rolled products	7606.11.07, 7606.11.17, 7606.11.90, 7606.12.07, 7606.12.17, 7606.12.90, 7607.11, 7607.19.10, 7607.19.25, 7607.19.90, 7607.20.20, 7607.20.25, and 7607.20.90
Reduction	Distributors and ignition coils identifiable for use solely or principally with motor vehicles, engines	8511.30.30
Reduction	Tinplate	7210.11, 7210.12.10, 7210.12.90, and 7212.10
Reduction	Cooking hoods having a maximum horizontal side not exceeding 120cm	8414.60.20
Rebate	Certain input material used in the manufacture of optical fibre cables and optical ground wire cables	9001.10, 2712.10.20, 3916.90.90, 8544.70
Rebate	Aluminium bars, rods and profiles for use in the manufacture of stabilisation fins	7604.29.15 and 7604.29.65
Rebate	Styrene-butadiene rubbers for tyres	4002.19.90
Rebate	Review - Certain automotive air conditioning machines	8415.20
Rebate	Optical fibre cables for use in submarine optic fibre cable infrastructure	8544.70

TRADE REMEDIES:

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PRODUCT NAMES	TARIFF SUBHEADINGS	INVESTIGATION TYPE	COUNTRY OR COUNTRIES UNDER INVESTIGATION
Wire Ropes and Cables	7312.10.17 7312.10.24 7312.10.30 7312.10.90	Anti-Dumping	Germany, China, UK
Gypsum Plasterboard	6809.11	Anti-Dumping	Thailand, Indonesia
Clear Float Glass	7005.29.17 7005.29.23 7005.29.25 7005.29.35	Anti-Dumping	Egypt
PET	3907.61.90	Anti-dumping	China
Fasteners	7318.15.41 7318.15.42 7318.16.30	Safeguard	All
Potato Chips	2004.10.2	Anti-Dumping	Belgium and Netherlands
Set Screws	7318.15.39	Safeguard	Inclusion of Thailand as imports above 3%
Frozen bone-in chicken portions	0207.14.9	Anti-Dumping	Germany, Netherlands, United Kingdom
Hot Rolled Steel	72.08 7208.10 7208.2 7208.25 7208.26 7208.27 7208.3 7208.36 7208.37 7208.38 7208.39 7208.40 7208.5 7208.51 7208.52 7208.53 7208.54 7208.90 7211.1 7211.14 7211.19 7225.1 7225.30 7225.40 7225.99 7226.9 7226.91 7226.99	Safeguard	Inclusion of Russia as imports above 3%

This Certificate will be valid on the date of signature hereof, replacing the previous Certificate dated 08 April 2020, and shall remain valid until Friday, 5 June 2020.

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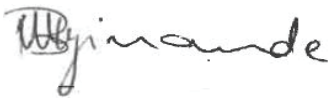
This Certificate may be amended from time to time by ITAC, including for purposes of amending the goods subject to it, and such amended Certificate shall supersede any previously issued Certificate.



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MELULEKI NZIMANDE
CHIEF COMMISSIONER: ITAC

Date: 02/06/2020