

## **GUIDELINES RULES AND CONDITIONS PERTAINING TO PERMITS ISSUED UNDER REBATE ITEM 460.11/52.01/01.04 FOR COTTON, NOT CARDED OR COMBED**

1. Applicants must register with South African Revenue Service (SARS) as users of rebate provision 460.11/52.01/01.04, and they must acquaint themselves with the requirements of SARS.
2. Applications for permits must be addressed to the International Trade Administration Commission of South Africa (ITAC), Private Bag X 753, Pretoria or delivered by hand to the DTI Campus, (Block E), 77 Meintjies Street, Sunnyside, Pretoria.
3. Applications for permits must be submitted according to the requirements of the application form concerned. If the space provided in the application form is insufficient, please use the format of the application form to submit the requested information.
4. 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.
5. At least fourteen working (14) days should be allowed for the processing of applications and the issue of permits.
6. Each rebate permit issued in terms of these Guidelines will define the period during which the product concerned can be cleared with rebate of duty, and the period shall be for a calendar year starting from the date on which the permit was issued or a shorter period as requested by the Applicant and granted by ITAC, or shorter period as decided upon by ITAC. ITAC shall bear sole discretion in this regard.
7. 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 not named in the permit.
8. Applications submitted in terms of this rebate provision will be subject to the following requirements:
  - 8.1 Permits are issued to spinners equal to 15% of each spinner's annual cotton consumption during the past marketing year which runs from April of one year to March of the next year;
  - 8.2 There is no commitment on cotton spinners to take up the South African crop;
  - 8.3 Spinners will pay Cotton SA the levy applicable to locally produced cotton. (20 cents/kg cotton lint excluding VAT) on all cotton lint imports from outside SADC which is imported under rebate of the duty;
  - 8.4 A copy of the clearance documents must be submitted to Cotton SA together with the levy payable, within 20 days after the clearance of the cotton lint imported;

- 8.5 Arrangements will be valid for one marketing year after which it will be annually reviewed by all parties for possible continuation;
  - 8.6 Arrangements will be subject to approval by the authorities and will be monitored by Cotton SA and the South African Cotton Textile Manufacturers Association (SACTMA);
  - 8.7 Applications must be supported by letters by SACTMA as well as Cotton SA; and
  - 8.8 Provision will be made for new entrants based on 15% of their estimated consumption for year one.
9. The applicant must comply with labour laws, regulations and agreements gazetted by the Minister of Labour.
  10. The applicant must provide, in each permit application, the number of jobs it expects to create annually as a result of the rebate. The applicant must submit to ITAC an annual report on the number of jobs it has created.
  11. The applicant must submit a Tax Clearance Certificate and VAT Certificate.
  12. Any request for an amendment to a rebate permit must be forwarded to ITAC for consideration. Amendments will only be considered in the following instances:
    - a) Error by ITAC on permit;
    - b) Error by applicant regarding the product description or tariff subheading. This will only be processed if the request is accompanied by a confirmation from SARS in this regard.
  13. Should any party misplace a permit, the applicant should submit an affidavit on a company letterhead, endorsed by a Commissioner of Oaths, stating that the permit is lost and the circumstances surrounding loss of such permit. ITAC may, on the facts furnished, exercise its discretion to issue a new permit. Should the lost permit be found the applicant must return such permit to ITAC.
  14. Extension of the one year period from which the permit is valid may be granted. Extensions will only be granted where the relevant permit has not expired, and in the view of ITAC, good cause warrants extension of such permit. Such discretion shall lie solely with ITAC. Extensions will only be permitted for a period up to 3 months and the party applying for the extension must submit a letter and supporting documents to ITAC, furnishing reasons and good cause for the extension.
  15. Non-compliance to the conditions of permits:

Where there is reason to believe that any condition of a permit issued, in terms of this rebate provision is not complied with, the consignment in terms of which the rebate was used can be seized by ITAC. If such non-compliance is established, appropriate steps in terms of the International Trade Administration Act and the Customs and Excise Act will be taken and that may include, criminal charges, withdrawal of the permit or permits concerned and/or the rejection of future applications for permits.