

NOTE: Comments on these draft guidelines must be submitted to ITAC within four (4) weeks of the Government Gazette Notice 1168 of 2015 (no. 39433) – Published on 20 November 2015, at the following address:

ITAC
DTI Campus – Block E, 1st Floor
77 Meintjies Street
Sunnyside
Pretoria
0001

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INTERNATIONAL TRADE ADMINISTRATION COMMISSION

GUIDELINES, RULES AND CONDITIONS PERTAINING TO REBATE ITEMS 311.40/5513.21 FOR REBATE OF DUTY ON WOVEN FABRICS USED FOR THE MANUFACTURE OF SCHOOL SHIRTS CLASSIFIABLE UNDER TARIFF HEADINGS 62.05 AND 62.06

1. Applicants must register with South African Revenue Service (SARS) as users of rebate provision 311.40/5513.21; for rebate of duty on woven fabrics used for the manufacture of school shirts and they must acquaint themselves with the requirements of SARS.
2. 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.
3. 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.

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 (14) working days should be allowed for the processing of applications and the issue of permits, provided that all necessary information has been submitted to ITAC.
6. Each rebate permit issued defines the period during which the goods concerned can be cleared under the rebate. The period shall 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 5, this must be clearly indicated in a new application. The application must be submitted to ITAC at least one month prior to the expiry date of the previous permit as permits cannot be issued with retrospective effect.
8. Rebate permits may not be transferred in any manner by the holder thereof to any other person, or be used for the benefit of any person, not named in the permits.
9. 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.

10. 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 was 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.
11. Extension of the period (one calendar year or less, as provided for in paragraph 6) 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.
12. Rebate permits issued will be subject to the following conditions and reciprocities:
 - 12.1 There should be an intention by the applicant(s) to manufacture school shirts 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; as such, the rebate provision is exclusively applicable to manufacturers of school shirts.
 - 12.2 The applicant(s) must be able to prove that they have sufficient manufacturing capacity to process the volume of fabric internally. If deemed necessary, ITAC will physically inspect the equipment and manufacturing process prior to the issue of a rebate permit.
 - 12.3 The applicant must comply with labour laws and agreements gazetted by the Minister of Labour.
 - 12.4 An applicant must, together with the application, submit proof of registration and a Certificate of Compliance obtainable from the National Bargaining Council for the Clothing Manufacturing Industry.

- 12.5 The applicant must submit a valid Tax Clearance Certificate - Good Standing as set out in Section 256(3) of the Tax Administration Act and a VAT Certificate.
- 12.6 The applicant must commit to the creation employment and provide in each permit application the number of jobs it expects to create annually as a result of the rebate provision. The applicant must submit to ITAC a quarterly report on its job creation performance.
- 12.7 Applications must be accompanied by a sample of fabric to be imported which will then be sent to the Textile Federation (Texfed) and known local manufacturers, for confirmation of the local availability of the fabrics to be imported under rebate.
- 12.8 The applicant should request local manufacturers and/or Texfed to respond within 14 days of their request for comment. Should the local manufacturers of school shirting fabrics 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.
- 12.9 If the manufacturer unreasonably refuses to provide such a confirmation letter, ITAC will write a letter to the manufacturer informing it of the application and requesting it to confirm its 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.
- 12.10 Should, after receipt of the manufacturer's 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, ITAC will be able to issue a permit without, or despite, the required letter of confirmation by the manufacturer.

12.11 ITAC reserves the right to conduct an audit on the usage (meters/kg of fabric imported under rebate against units of school shirts produced) of the rebate facility by rebate holders.

Non-compliance to the conditions of the permits:

13. If it is suspected that any condition of this permit is not complied with, the consignment in terms of which the rebate permit was used can be seized by ITAC and rebate permit will be temporarily suspended while ITAC conducts an investigation. If it is established that non-compliance took place, appropriate steps will be taken. These steps will be taken in terms of the International Trade Administration Act and can include, criminal charges, withdrawal of the permit or permits concerned and/or the rejection of future applications for permits.

DRAFT

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF
SOUTH AFRICA
APPLICATION FOR A PERMIT IN TERMS OF REBATE
ITEMS**

311.40/5513.21

**FOR REBATE OF DUTY ON FABRIC USED FOR THE MANUFACTURE
OF SCHOOL SHIRTS**

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 311.40/5513.21 for rebate of duty on fabrics used for the manufacture of school shirts

NB: ALL INFORMATION REQUESTED SHOULD BE FURNISHED

| | |
|--|--|
| <p>1 (a). Applicant's name and postal address:</p> <p>Contact Person:..... Position:..... Address:..... Tel No.:..... Fax No:.....</p> | <p>1(b). Physical address where manufacturing will take place:</p> |
|--|--|

| | |
|--|--|
| Date completed:..... Email add:..... VAT Registration No:..... SARS Importer Registration No:..... (No application for this rebate provision will be considered for applicants utilising the “unallocated importers reference number i.e, 70707070) | |
|--|--|

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 3(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(b)?

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(b):

| Year | Imported fabric (in meters and Kg) | School shirts manufactured (units) | HS Tariff code - school shirts (8 – digits) | Total Sales (in SACU) | Total export sales |
|------|------------------------------------|------------------------------------|---|-----------------------|--------------------|
| | | | | | |
| | | | | | |
| | | | | | |

8(a) Are the goods/materials/components to be imported (as mentioned in 2(a)) manufactured locally?

| | |
|-----|----|
| YES | NO |
|-----|----|

8(b) Why do you have to import the goods/materials/components? (This information is for record purposes only). *(Please submit letters from manufacturers and Textfed 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 a quarterly report on job creation performance)*

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

DECLARATION IN RESPECT OF AN APPLICATION FOR A PERMIT IN TERMS OF REBATE PROVISIONS 311.40/5513.21 FOR REBATE OF DUTY ON FABRICS USED FOR THE MANUFACTURE OF SCHOOL SHIRTS

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 a rebate in terms of the above-mentioned rebate provision;
- b) 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;
- c) 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;
- d) The information furnished in this application is true and correct; and
- e) 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:

DRAFT