**INTERNATIONAL TRADE ADMINISTRATION COMMISSION**

**GUIDELINES, RULES AND CONDITIONS PERTAINING TO REBATE ITEM 306.02/5208.21/01.06**

**GUIDELINES, RULES AND CONDITIONS PERTAINING TO WOVEN FABRICS OF COTTON, CONTAINING 85 PER CENT OR MORE BY MASS OF COTTON, OF A MASS NOT EXCEEDING 100 G/M² BLEACHED, IN A PLAIN WEAVE, IN TERMS OF REBATE ITEM 306.02/5208.21/01.06 FOR THE MANUFACTURE OF WADDING, GAUZE, BANDAGES AND SIMILAR ARTICLES (FOR EXAMPLE, DRESSINGS, ADHESIVE PLASTERS, POULTICES), IMPREGNATED OR COATED WITH PHARMACEUTICAL SUBSTANCES OR PUT UP IN FORMS OR PACKINGS FOR RETAIL SALE, FOR MEDICAL, SURGICAL, DENTAL OR VETERINARY PURPOSES CLASSIFIABLE UNDER TARIFF SUBHEADING 5208.21.**

**Note:** In terms of section 26 (4) of the International Trade Administration Act, 2002, the Commission may, inter alia, require an applicant to provide additional information in respect of the application. The conditions attached to and the information requested below reflects the minimum requirements, which ITAC would apply to evaluate an application under this rebate provision.

1. An applicant must register with South African Revenue Service (SARS) as an importer before applying for a rebate permit under rebate item 306.02/5208.21/01.06 for rebate of duty on woven fabrics of cotton used for the manufacture of wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale, for medical, surgical, dental or veterinary purposes 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 be deemed as deficient and the application will not be considered.
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, which renders the application duly completed, 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.

1. 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 previous permit issued, this must be clearly indicated in a new application. The application must be submitted to ITAC at least fourteen (14) working days prior to the expiry date of the previous permit as permits cannot be issued with retrospective effect.
2. 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 or entity, not named in the permit.
3. 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:

1. Error by ITAC on permit;
2. 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.
3. Should any party misplace a permit, the applicant should submit an affidavit on a company letterhead endorsed by a Commissioner of Oath, stating that the permit was lost and the circumstances surrounding the loss of such permit. ITAC may, on the facts furnished, exercise its discretion to issue a new permit that replaces the lost permit. Should the lost permit be found the applicant must return such permit to ITAC.
4. Extension of the period (one calendar year or less, as provided for in paragraph 6) 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.
5. Rebate permits issued will be subject to the following conditions and reciprocities:
	1. There should be an intention by the applicant(s) to import woven fabrics of cotton, containing 85 per cent or more by mass of cotton, of a mass not exceeding 100 g/m² bleached, in a plain weave for the manufacture of wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale, for medical, surgical, dental or veterinary purposes 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.
	2. The applicant(s) must be able to prove that they have sufficient manufacturing capacity to process the volume of fabric internally for which it has applied for. If deemed necessary, ITAC will physically inspect the equipment and manufacturing process prior to the issue of a rebate permit.
	3. The applicant must provide a formal letter on the applicant’s business letter head confirming that the applicant complies with labour laws, regulations and agreements gazetted by the Minister of Labour.
	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. ITAC may consult with the South African Clothing and Textiles Worker’s Union (SACTWU) regarding compliance.
	5. The applicant must provide ITAC with its current SARS electronic access PIN, in order to enable ITAC to verify full tax compliance status.
	6. The applicant must submit a SARS letter of approval for registration as a rebate user in terms of Schedule 3 to import and use the material under the provisions of rebate item 306.02/5208.21/01.06. This letter must reflect the physical address that the applicant is currently operating from.
	7. The applicant must submit a letter of consent agreeing to transparency of information in that the following information may be shared with industry stakeholders [i.e. Texfed, Sustainable Cotton Cluster, Apparel Manufacturers Association of South Africa (AMSA) Southern African Clothing and Textile Workers’ Union (SACTWU) etc.]:
		1. Name of applicant;
		2. Contact details of applicant;
		3. Technical description of fabric (i.e. weave type, width, weight, thread count, yarn density and finish);
		4. Volume applied for;
		5. Quantities to be manufactured from imported subject woven fabric of cotton.
	8. Applicants must approach the Textile Federation (Texfed) and known local manufacturers, for confirmation of the local availability of the fabrics to be imported under rebate. This must be accompanied by a sample of the fabric to be imported, which must also be attached to the application to ITAC.
	9. ITAC will request Texfed, local manufacturers and/or any other relevant institution to respond within 14 working days on the applicant’s import requirement. Should the local manufacturer(s) of woven fabric concerned not be able to supply the subject product in accordance with the required specifications, the applicant(s) need to obtain a confirmation letter from the manufacturer(s) stating that they are not able to supply. The original letter needs to be submitted with the application form.
	10. 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.
	11. 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. The applicant must commit, inter alia, to the creation of 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 an annual report on its job creation performance.
	13. Applicants are required to keep verifiable records of wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale, for medical, surgical, dental or veterinary purposes manufactured under rebate and sold by type, size and volume of each category.
6. ITAC reserves the right to conduct an audit on the usage of the rebate facility by rebate holders.

**Non-compliance to the conditions of the permits:**

1. If a *prima facie* case is established 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 the 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 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 ITEM**

**306.02/5208.21/01.06**

**FOR REBATE OF DUTY ON WOVEN FABRIC OF COTTON USED FOR MANUFACTURE OF WADDING, GAUZE, BANDAGES AND SIMILAR ARTICLES (FOR EXAMPLE, DRESSINGS, ADHESIVE PLASTERS, POULTICES), IMPREGNATED OR COATED WITH PHARMACEUTICAL SUBSTANCES OR PUT UP IN FORMS OR PACKINGS FOR RETAIL SALE, FOR MEDICAL, SURGICAL, DENTAL OR VETERINARY PURPOSES**

 **APPLICATION FORM**

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

**Application for a permit in terms of rebate items 306.02/5208.21/01.06 for rebate of duty on woven fabrics of cotton used for the manufacture of wadding, gauze, bandages and similar articles**

**NB: ALL INFORMATION REQUESTED SHOULD BE FURNISHED**

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

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

1. .............................................................................
2. ..............................................................................
3. ...............................................................................
4. ................................................................................

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Product | IHS Tariff code (8-digits) | 2Duty payable | 3Estimated quantity | 4Customs(f.o.b)Value | 5Country of origin | 6Planned date of importation |
| 1.2.3.4. |  |  |  |  |  |  |

3 (a) Description of the products that will be manufactured from the fabrics described in 2(a)

1. .................................................................
2. ...................................................................
3. ....................................................................
4. ....................................................................

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

|  |  |  |  |
| --- | --- | --- | --- |
| Product | 1HS Tariff code8- digits | 2Quantity of school shirts to be processed | 3Estimated sales value (ex-factory) |
| 1.2.3.4. |  |  |  |

1. Furnish the following information in respect of the yield/formula of manufacture:
2. What quantities of each of the fabrics listed in 2(a) will be needed to produce a UNIT quantity of the product listed in 3(b)?
3. Provide the conversion ratio from fabric to end product in terms of 1 employee per amount of units of school shirts manufactured.
4. Describe the method of manufacturing of products mentioned in 3(a).
5. 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 3(b):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | Imported fabric (in meters and Kg) | Wadding, gauze, bandages and similar articles manufactured (units) | HS Tariff code - school shirts(8 – digits) | Total Sales(in SACU) | Total export sales |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

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

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

7(b) Why do you have to import the goods/materials/components? (This information is for record purposes only). (*Please submit letters from local manufacturers and Texfed as proof of efforts made to obtain the fabrics locally*)

8. State the increased economic benefits that can be realised subsequent to being granted tariff relief, by completing the table below:

Reciprocity commitments

 

1. 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?
2. 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?

11. Submit with the application a letter signed by the Chief Executive Officer to provide an annual report on reciprocity commitments made in paragraph 8.

12. Name of Chief Executive Officer: ............................................................

 Tel No: .................................Fax No: .......................................................

**AFFIDAVIT IN RESPECT OF AN APPLICATION FOR A PERMIT IN TERMS OF REBATE PROVISION 306.02/5208.21/01.06 FOR WOVEN FABRICS OF COTTON, CONTAINING 85 PER CENT OR MORE BY MASS OF COTTON, OF A MASS NOT EXCEEDING 100 G/M² BLEACHED, IN A PLAIN WEAVE CLASSIFIABLE UNDER TARIFF SUBHEADING 5208.21, USED IN THE MANUFACTURE OF WADDING, GAUZE, BANDAGES AND SIMILAR ARTICLES.**

**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 –

1. the applicant complies with prescribed requirements in order to qualify for a rebate in terms of the above-mentioned rebate provision;
2. 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;
3. 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;
4. The information furnished in this application is true and correct; and
5. 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: ……………………………………**