

Dr Rob Davies, MP
Minister of Trade and Industry
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PRETORIA
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Dear Minister

MINUTE M2/2012: EXTENSION OF THE PERIOD FOR THE ISSUING OF PRODUCTIVE ASSET ALLOWANCE (PAA) CERTIFICATES IN TERMS OF REBATE ITEM 460.17/87.00/03.02.

The Commission decided to recommend an extension of the period for the issuing of Productive Asset Allowance (PAA) certificates in terms of rebate item 460.17/87.00/03.02 of Schedule No.4 to the Customs and Excise Act, from the current final date of 31 December 2014, to 31 December 2015.

The legislation makes provision for original equipment manufacturers to rebate the duty on imported completely built-up (CBU) light motor vehicles to the extent of 20 per cent of the value of the investment in productive assets approved by ITAC, limited to 4% per annum for 5 years. PAA certificates are valid for one calendar year, and, in total, five certificates are issued for each approved investment.

However, because of delays experienced due to a contractual dispute between parties involved in the adjudication process for applications, it has become necessary to extend the period for issuing PAA certificates to 31 December 2015 to accommodate the five year period for the issuing of certificates.

In the light of the foregoing, the Commission recommends an extension of the period for issuing Productive Asset Allowance certificates in terms of rebate item 460.17/87.00/03.02 by effecting the following amendments (in bold) to the provision:

- *Motor vehicles classifiable under tariff subheadings mentioned in rebate item 460.17/87.00/03.02 entered on or before **31 December 2015**; and*
- *The duty which may be rebated is calculated as follows: A total of 20 per cent of the value of the productive assets approved by ITAC for the purpose of this rebate provision, but limited to 4 per cent per annum up to **31 December 2014**, thereafter a **PAA certificate issued for any remaining amount of Productive Asset Allowance value to be valid to 31 December 2015.***

Yours sincerely


Siyabulela Tsengiwe
Chief Commissioner
Date: 01/02/2013