

Dr Rob Davies, MP
Minister of Trade and Industry
Private Bag X84
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Dear Minister

M4/2010: AMENDMENT OF REBATE ITEMS 460.11/00.00/07.00 AND 460.11/00.00/08.00 FOR THE INTERIM TEXTILE AND CLOTHING INDUSTRY DEVELOPMENT PROGRAMME

On 06 July 2010, ITAC received a request from SARS to amend the existing Note 6 (a) pertaining to the above mentioned rebate provision for the interim TCIDP Programme. [Attached hereto as Annexure "A"].

The existing Note 6(a) of rebate item 460.11/00.00/07.00, with 31 July 2008 as the effective date of implementation, and rebate item 460.11/00.00/08.00 with 30 April 2010 as the effective date of implementation, refer to instances where the amount of duty leviable exceeds the amount stated on the Duty Credit Certificate (DCC). The current description could potentially be interpreted as paying duty on duty (double counting) to SARS, and not paying only the excess amount of duty outstanding to SARS, as intended.

In order to prevent any misinterpretation, ITAC recommends that the current description of Note 6(a) be amended as follows:

Note 6 (a)

"Where the amount of duty leviable in respect of any goods rebated on any bill of entry exceeds the amount on the DCC, the excess duty shall be paid to the Controller where such bill of entry is processed".

The above amendment to the respective rebate provisions will enable SARS to administer the rebate items more effectively.

Yours sincerely



Siyabulela Tsengiwe
Chief Commissioner

Date: 21/07 /2010