

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

M13/2017: AMENDMENTS TO REBATE ITEMS 460.17/87.00/04.02 AND 460.17/87.03/02.04 TO REDUCE THE PERIOD WITHIN WHICH A VEHICLE MAY NOT BE OFFERED, ADVERTISED, LENT, HIRED, LEASED, PLEDGED, GIVEN AWAY, EXCHANGED, SOLD OR OTHERWISE DISPOSED OF.

The National Council for Persons with Physical Disabilities of South Africa (NCPD) applied for an amendment of rebate items 460.17/87.00/04.02 and 460.17/87.03/02.04 to reduce the period within which a vehicle may not be offered, advertised, lent, hired, leased, pledged, given away, exchanged, sold or disposed of, from 5 years to 3 years.

The following are the reasons cited by the NCPD for the request for an amendment:

- There are limitations to the governing legislation as persons with physical disabilities are required to keep the vehicles for the period of five years prior to buying a new vehicle;
- The current provisions are not in alignment with the maximum three year warranty period, service plan and maintenance plan that most dealers offer on new vehicles; and
- It has become very expensive to maintain motor vehicles outside the maintenance plan, service plan and warranty due to increasing cost of maintenance.

The National Association of Automobile Manufacturers of South Africa (NAAMSA) objected to the application citing that the application is based on commercial self-interest by the persons with physical disabilities.

The National Association of Automotive Component and Allied Manufacturers (NAACAM) reserved its comments with regards to the imported vehicles in that the application has no effect on its members.

The Commission found that the legislation governing the period within which motor vehicles imported and produced locally may not be exchanged, sold or disposed of by the beneficiaries, is not in alignment with the maintenance plan, service plan and warranty granted by the dealers and that it has become very expensive to maintain motor vehicles outside the maintenance plan, service plan and warranty due to increasing cost of maintenance. The Commission therefore supported the request by the NCPPDSA.

RECOMMENDATION

The Commission recommends that amendments be effected to schedule 4 as follows:

Rebate item 460.17/87.00/04.02 (b):

"Motor vehicles principally designed for the transport of physically disabled persons, including station wagons (excluding racing cars), adapted or to be adapted to be used for the transport of physically disabled persons at such times and under such conditions as the International Trade Administration Commission after consultation with the National Council for Persons with Physical Disabilities In South Africa, may allow by specific permit".

Provided that:

(b) if such a motor vehicle is offered, advertised, lent, hired, leased, pledged, given away, exchanged, sold or otherwise disposed of within a period of 3 years from the date of entry under this rebate item, such foregoing acts shall render such vehicle liable to the payment of duty on a PRO RATA basis".

Rebate item 460.17/87.03/02.04 (b) and (d):

- (b) *"Such permit may not be issued within a period of 3 years of the issue of the previous permit to such disabled person";*
- (d) *if such vehicle is offered, advertised, lent, hired, leased, pledged, given away, exchanged, sold or otherwise disposed of within a period of 3 years from the date of entry in terms of this item, such foregoing acts shall render such vehicle liable to the payment of duty on a PRO RATA basis.*

Yours sincerely

Siyabulela Tsengile
Chief Commissioner
22/11/2017