



# World of Customs

SAIT Webinar  
30 June 2022

*YOUR KEY TO THE TAX COMMUNITY*



WITH YOU TODAY



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# Administrative Updates

## SAIT Customs and Excise Technical Work Group

- A comprehensive list of scheduled Customs and Excise Technical Work Group (WG) meetings can be accessed [here](#), and the list of Work Group members can be accessed [here](#).
- The next WG meeting is scheduled for 20 July 2022.
- The Customs and Excise Stakeholder Forum was held on 24 June 2022. Representatives from the SAIT WG were scheduled to present on the topic of 'Customs duty refunds due to transfer pricing adjustments'.

## SARS Information

- 31 May 2022 SARS release trade statistics for April 2022 recording a preliminary trade balance surplus of R15.49 billion attributable to exports of R151.79 billion and imports of R136.30 billion. [Trade Statistics](#)
- 03 June 2022 Discontinuation of General Codes”, SARS will make the following codes available for use in respect of Charter Cargo not transported under a Master Air Waybill (MAWB) or Master Bill of Lading (MBL), as well as for Passenger Carried Cargo. [discontinuation of general codes](#)
- 15 June 2022 Excise Guide for Small businesses is now available in all official languages. [Excise-Traders](#)
- 21 June 2022 SARS Updated the [Registration Licensing and Designation – External Policy](#) to insert the (2) facilities licensed: V5 – Senator International Logistics (Pty) Ltd and AF – Trans-Med Shipping (Pty) Ltd.  
SARS updated also the [Customs Weekly List of Unentered Goods](#)

# Legislative Updates

## Tariff Amendments

Publication Date	Summary	Effective Date
01/06/2022	Amendment to Part 5A of Schedule No. 1, to extend the date of the reduction of R1.50 per litre of the general fuel levy for petrol from R3.85/l to R2.35/l and for diesel from R3.70/l to R2.20/l, as announced by the Minister of Finance on 31 March 2022. <a href="#">Notice R.2124</a>	With effect from 6 April 2022 up to and including 5 July 2022
01/06/2022	Amendment to Part 3 of Schedule No. 6, as a consequence to the extension of the date of the reduction of the general fuel levy, as announced by the Minister of Finance on 31 March 2022; the diesel refund provisions are adjusted accordingly. <a href="#">Notice R.2125</a>	With effect from 6 April 2022 up to and including 5 July 2022
06/06/2022	Amendment to Part 1 of Schedule No. 1, by the substitution of tariff subheadings 1701.12, 1701.13, 1701.14, 1701.91, and 1701.99, to reduce the rate of customs duty on sugar from 414,85c/kg to 299.46c/kg in terms of the existing variable tariff formula – ITAC Minute 07/2021. <a href="#">Notice R.2137</a>	6 June 2022



# Legislative Updates

## Tariff Amendments

Publication Date	Summary	Effective Date
10/06/2022	Amendment to Part 1 of Schedule No. 2, by the deletion of item 205.01/2523.29/02.06 and substitution of items 205.01/2523.29/01.06 and 205.01/2523.29/05.06, in order to impose anti-dumping duty on Portland cement originating in or imported from Pakistan – ITAC Report 673 <a href="#">Notice R.2143</a>	10 June 2022
10/06/2022	Amendment to Part 3 of Schedule No. 6, as a consequence to the increase in the rate of the general fuel levy; the diesel refund provisions are adjusted accordingly <a href="#">Notice R.2144</a>	With effect from 3 August 2022
10/06/2022	Amendment to Part 5A of Schedule No. 1, by the increase in the rate of the general fuel levy from R3.10/l to R3.85/l for petrol and for diesel from R2.95/l to R3.70/l, respectively <a href="#">Notice R.2146</a>	With effect from 3 August 2022

# Legislative Updates

## Tariff Amendments

Publication Date	Summary	Effective Date
10/06/2022	Amendment to Part 3 of Schedule No. 6, as a consequence to the increase in the rate of the general fuel levy; the diesel refund provisions are adjusted accordingly. <a href="#">Notice R.2145</a>	With effect from 6 July 2022 up to and including 2 August 2022
10/06/2022	Amendment to Part 5A of Schedule No. 1, by the increase of 75 cents per litre in the rate of the general fuel from R2.35/l to R3.10/l levy for petrol and from R2.20/l to R2.95/l for diesel, respectively. <a href="#">Notice R.2147</a>	With effect from 6 July 2022 up to and including 2 August 2022
17/06/2022	Amendment to Part 3 of Schedule No. 6, in order to correct typographical errors to the Diesel Refund Notes published in the <i>Government Gazette</i> on 18 March 2022 <a href="#">Notice R.2170</a>	17 June 2022

# Legislative Updates

## Tariff Amendments

Publication Date	Summary	Effective Date
17/06/2022	Amendment to Part 1C of Schedule No. 6, by the substitution of the wording “under customs supervision” wherever it appears with “under the supervision of an officer” <a href="#">Notice R.2168</a>	17 June 2022
17/06/2022	Amendment to Part 1B of Schedule No. 6, by the substitution of the wording “under customs supervision” wherever it appears with “under the supervision of an officer” <a href="#">Notice R.2169</a>	17 June 2022
17/06/2022	Amendment to Schedule No. 5 by the substitution of Note 13, in order to delete the reference to “refund of the customs duty specified in refund item 533.00”, as refund item 533.00 has been deleted and the reference to this item has become redundant <a href="#">Notice R.2171</a>	17 June 2022



# Legislative Updates

## Tariff Amendments

Publication Date	Summary	Effective Date
17/06/2022	Amendment to Part 1 of Schedule No. 3, by the insertion and deletion of rebate item 320.04/5512.19.90/01.08 and 320.04/5512.19/01.06, respectively <a href="#">Notice R.2167</a>	17 June 2022
17/06/2022	Amendment to Part 3E of Schedule No. 1, by the deletion of environmental levy item 153.01.09/8701.30 and substitution of several items. <a href="#">Notice R.2166</a>	17 June 2022
17/06/2022	Amendment to Part 2B of Schedule No. 1, by the substitution of the descriptions of item number 124.05/8415.10, to align the header description with the header description of subheading 8415.10 as it appears in Schedule No. 1 Part 1 <a href="#">Notice R.2165</a>	17 June 2022

# Legislative Updates

## Tariff Amendments

Publication Date	Summary	Effective Date
17/06/2022	Amendment to Part 1 of Schedule No. 1, by the substitution of certain Notes and insertions of new 8-digit tariff subheadings under several Chapters in Part 1 of Schedule No. 1, to implement technical and other miscellaneous amendments <a href="#">Notice R.2164</a>	17 June 2022
17/06/2022	Amendment to Part 1 of Schedule No. 1, to correct some minor errors that occurred during HS 2022 implementation <a href="#">Notice R.2163</a>	With effect from 1 January 2021
24/06/2022	Amendment to Part 2 of Schedule No. 6, by the substitution of rebate item 631.00 000.00.00 01.00 to allow diplomats and other foreign representatives to purchase new motor vehicles from a customs and excise manufacturing warehouse <a href="#">Notice R.2186</a>	24 June 2022

# Legislative Updates

## Tariff Amendments

Publication Date	Summary	Effective Date
24/06/2022	Amendment to Part 1 of Schedule No. 4, by the substitution of rebate items 406.02, 406.02/00.00/01.00, 406.03, 406.03/00.00/01.00, 406.04, 406.04/00.00/01.00, 406.05, 406.05/00.00/01.00, 406.07 and 406.07/00.00/01.00, to allow diplomats and other foreign representatives to purchase imported new motor vehicles from a customs and excise storage warehouse <a href="#">Notice R.2187</a>	24 June 2022

# Legislative Updates

ITAC Call for Comment

Due date for comment	Summary	Comments to
27/07/2022	<p>In accordance with the provisions in the Anti-Dumping Regulations (ADR) of ITAC (the Commission), any definitive anti-dumping duty shall be terminated on a date not later than five years from the date of imposition, unless the authorities determine, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, that the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury.</p> <p>The Commission hereby notifies all interested parties that, unless a duly substantiated request is made by or on behalf of the Southern African Customs Union (SACU) industry, indicating that the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury. <a href="#">ITAC Anti-dumping duties that will expire during 2023</a></p>	<p>Ms Carina Janse van Vuuren, at <a href="mailto:cvanvuuren@itac.org.za">cvanvuuren@itac.org.za</a> or <a href="mailto:zntsangani@itac.org.za">zntsangani@itac.org.za</a>.</p>
N/A	<p>10 June 2020 – ITAC”) imposed anti-dumping duties on Portland Cement, cleared under tariff code 2523.29, imported from or originating in Pakistan.</p> <p>This concludes the sunset review of the anti-dumping duties which ITAC initiated on 11 December 2020. <a href="#">Sunset Review Investigation</a></p>	



# Legislative Interpretation

SARS publications and court decision

Date of delivery	Case Reference	Summary
07/06/2022	<u><i>The Commissioner of South African Revenue Services and Others v Dragon Freight (Pty) Ltd and Others</i></u>	<p>The Supreme Court of Appeal (“the SCA”) made an unanimous judgment which has affirmed SARS procedure and right to seize goods which have been under-declared when crossing South Africa’s borders.</p> <p><a href="#">SARS sews victory protecting the textile industry press statement</a></p>

# Legislative Updates

SAIT Comments on the instertion of additional notes 5 and 6 to Chapter 87 of Section XVII to Part 1 of Schedule No. 1

Date for comment	Summary	Comme
27/07/2022	<p>SAIT’S view is that the proposal creates the impression that problems have previously been experienced by Customs officials, specifically with regards to the General Rules of Interpretation and in specific GIR 2, as far as the imports of bicycles are concerned.</p> <p>SAIT also noted that parts / spare parts for bicycles attract ordinary customs duty rates, whilst bicycles of TH 8712.00.10 attract ordinary customs duty at a rate of 15%. As such, the insertion of Additional Notes 5 and 6 is to circumvent the avoidance or potential avoidance of the duty imposed on the importation of bicycles (whether complete or incomplete).</p> <p>Additionally, SAIT submitted that the interpretation of GIR 2 in determining when an incomplete article has the essential characteristics of the completed article, may result in misunderstanding, specifically in the instance of incomplete bicycles. Therefore this may potentially necessitate the need to provide additional guidance. On the basis that the General Rules of Interpretation are applicable to Schedule 1 in its entirety (inclusive of GIR 2), which deals with incomplete articles for classification, we are therefore of the view that the insertion of Additional Note 5 is not required because the General Rules of Interpretation already address the treatment of incomplete and unfinished articles which have the essential character of the complete or finished product.</p>	

# Legislative Updates

SAIT Comments on the insertion of additional notes 5 and 6 to Chapter 87 of Section XVII to Part 1 of Schedule No. 1

## Date for comment

## Summary

27/07/2022

Moreover, it was noted that Additional Note 6 stipulates that the required components that assist with classifying an incomplete bicycle as having the essential character of the complete bicycle.

Paragraph (a) indicates that both the frame and fork must be present as well as any two other major components as indicated in paragraph (b) sub-paragraphs (i) to (iv). We set out below our specific comments relating thereto:

- The frame of a bicycle is regarded as the central structure of the bicycle and further consists of a variety of components. By stipulating that an incomplete bicycle having the essential character of a complete bicycle must first and foremost consist of the frame and fork before other major components are added, in our view, creates a set requirement and once deviated from, the requirement will nullify the classification of incomplete bicycles having the essential character of the complete bicycle. By way of example, if a bicycle frame is imported together with major components listed in (b)(i) to (b)(iv) but without the fork the provisions of Additional Notes 5 and 6 will not apply and the classification will be done as parts and not as an incomplete bicycle having the essential character of a complete bicycle.

We are of the view that the wording “is to comprise of at least the following components” and then the use of the conjunction of frame and fork may potentially pave the way for importers to avoid classification as a bicycle by simply omitting the fork.

# Legislative Updates

SAIT Comments on the insertion of additional notes 5 and 6 to Chapter 87 of Section XVII to Part 1 of Schedule No. 1

## Date for comment

## Summary

27/07/2022

We propose that the frame and at least three major components must be presented together in order to be classified under TH87.12. Please see the proposed wording below:

5. Tariff subheading 87.12 includes incomplete bicycles, having the essential character of the complete bicycle.

6. For the purposes of Additional Note 5 an incomplete bicycle, whether or not assembled, is to comprise of at least the following components –

- (a) Both the frame and fork; plus
- (b) Any two of the following major components:
  - (i) One or both wheels;
  - (ii) The steering unit;
  - (iii) The brake set;
  - (iv) The drivetrain.

Insofar as the components listed under (b) is incomplete and/or unassembled, GIR 2 will find application.



# Changes in Operating Times

Port / Branch / Office	Reported by SARS	Date and time of event & description
SARS Industrial Action	24 May 2022	SARS wage negotiations dispute and declared industrial action. The high impact for traders and travellers will likely be felt at the following ports, Beit Bridge, Groblers Bridge, Lebombo, Oshoek, Maseru, Vioolsdrift, Kopfontein and Golela.
Paarl Branch Office	15 June 2022	The Paarl branch reopened today, 15 June 2022.



**Thank you**