

3 October 2024

To: The South African Revenue Service

Lehae La SARS,
299 Bronkhorst Street
PRETORIA
0181

Via email: **SARS:** (technicaltariff@sars.gov.za)

RE: DRAFT AMENDMENTS TO SCHEDULES: PART 1 OF SCHEDULE NO. 1

We refer to the call for commentary that was issued by SARS, Part 1 of Schedule No. 1 regarding the:

- insertion of Additional Notes 2 and 3; and
- insertion of tariff subheadings 3004.90.20 and 3004.90.30.

Background

We understand that the amendment is intended to provide clarity on the scope of medicinal preparations consisting of supplements, herbal or homeopathic preparations under heading 30.04.

Discussion

For some time, the clearance process and requirements for herbal and homeopathic preparations have been ambiguous and subject to varying interpretations. We are therefore of the view that the introduction and clarification of the specific Additional Notes, as well as the insertion of the two new tariff headings and clarification of heading 3004.50 is a positive approach that will assist in clarifying and assisting traders in their ordinary course of business.

We are aware of certain instances where cargo was delayed due to the insistence on SAHPRA involvement and approval, often without the importers being aware of the requirement. This highlights the challenges posed by the lack of clear guidance in the clearance process.

Specific commentary

We, however, wish to provide the following specific commentary regarding the draft amendments:

1. The duplication of South African Health Products Regulatory Authority of South Africa (SAHPRA) in the composition of Additional note 3

This requirement is contained in (a) and (c) that the mentioned document is from SAHPRA while in the case of (b) a license is required which can be verified with SAHPRA. Thus, we require clarification if this is a SAHPRA license or a license from another institution. If it is a case of the former and the license is from SAHPRA, we do not believe that it be required to indicate that it must be verifiable with SAHPRA, too.

2. Tariff publication and involvement of other government agencies (OGA's)

SARS publishes the list of prohibited and restricted imports and exports, these tariff headings and the accurate requirements, restrictions, must be contained in that list. Over the years SARS has reached out to many OGA's requesting assistance in keeping the list updated so that traders are in a position to accurately determine upfront requirements for imports and exports.

Due to a lack of cooperation from OGAs many shipments are unnecessarily delayed. The precedent of implementing import control requirements in tariff may complicate and/or create opposing information between Schedule 1 Part 1 and the P&R list.

Conclusion

We value the opportunity to participate in the legislative process and would welcome further engagement where appropriate. Please do not hesitate to contact us should you need further information.

Yours sincerely

SAIT Tax Technical

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