South African Institute of Taxation

INDIRECT TAX
CUSTOMS & EXCISE

MONTHLY NEWSLETTER

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PART A: AfCFTA - WHAT'S NEW?

AFRICA CONTINENTAL FREE TRADE AREA (AfCFTA)

News on AfCFTA

September 2025 activities

Unlocking Africa's Potential: A Call for Investment in Sustainable Growth

On 18 September 2025, the Secretary-General of the AfCFTA Secretariat, Mr H.E. Wamkele Mene, spoke at African Oil Week Energy 2025 in Accra, Ghana.

He highlighted Africa's need to diversify natural resources such as oil and various minerals, and maximise their utilisation to meet the continent's energy needs effectively.

He called on investors to support Africa's energy growth by efficiently harnessing sustainable green energy sources.

Online reference:
AfCFTA Secretary-General Delivers Keynote at African Oil Week Energy 2025 (18 September 2025); [https://au-afcfta.org/2025/09/afcfta-secretary-general-delivers-keynote-at-african-oil-week-energy-2025/]

SAIT customs comment

Despite Africa's rich natural resources, the continent can progress by utilising these resources to manufacture semi-finished and finished goods.

To attract foreign investment and support this growth, it is essential to create a welcoming environment for investors. This means ensuring that companies can invest with confidence, free from concerns about losing ownership through forced share distributions.

Strong protections for property rights are also vital, allowing investors to buy and invest in property securely. Additionally, labour laws should strike a balance to encourage investment while ensuring fair treatment for workers.

However, there are a few challenges to address. Political instability, corruption, and nepotism can create uncertainty, making some investors hesitant. Inadequate infrastructure, like poor transportation and energy shortages, can also hinder business operations.

By working to improve good governance, enhance infrastructure, and foster a stable business environment, Africa can become an attractive destination for foreign investment, paving the way for sustainable economic growth and a brighter future.

PART B: TRADE WITHOUT THE US

International Trade

September 2025 activities

The End of AGOA?

On 1 October 2025, the African Growth and Opportunity Act (AGOA), which allowed duty-free access for products from 32 African countries to the United States (US), expired.

The Trump administration supports extending the AGOA, however, Congress must take action to approve the extension.

AGOA, implemented in 2000, has served as a significant trade stimulant. To qualify for AGOA benefits, countries must not undermine US national security, violate human rights, or support terrorism.

Recently, President Cyril Ramaphosa and officials from Lesotho and other African nations have called for an extension of AGOA.

Online reference: AGOA has now officially expired – even while hope lingers (1 October 2025); [https://www.news24.com/business/economy/agoa-has-now-officially-expired-even-while-hope-lingers-20251001-0352].

SAIT customs comment

It is my view that if AGOA is not extended, several significant consequences are anticipated.

There likely would be a major decline in exports from various African nations, particularly in sectors like apparel and tuna, with countries such as Kenya, Tanzania, Cape Verde, Lesotho, and Eswatini facing substantial losses.

South Africa, the continent's largest economy, could experience a 17% drop in shipments, especially in metals, vehicles, and chemicals.

This decline in trade would worsen economic challenges for these countries, as AGOA has already seen diminished trade activity due to increased competition from nations like China and the imposition of US tariffs.

The termination of AGOA would also symbolise a broader US disengagement from Africa, especially South Africa, reflecting a shift in foreign policy that could undermine economic partnerships and support between, for instance, the US and South Africa.

Online reference: Lifeline for South Africa cut short by US tariffs (30 September 2025); [https://businesstech.co.za/news/government/838598/lifeline-for-south-africa-cut-short-by-us-tariffs/]

PART C – SARS CUSTOMS NEWS

General updates: Customs

September 2025 activities

Registration, Licensing and Accreditation

The table below refers to the facilities codes being updated:

Date	Theme	Description
18 September 2025	Facilities Code List	The facility codes used in Box 30 on the Customs Clearance Declaration (CCD) have been updated to include details of the following companies: • Degrouping Facility Tri Ridge Freight and Logistics (Pty) Ltd located at O. R. Tambo International Airport; and • Container Depot Safcor Freight (Pty) Ltd located in Pretoria. This addition enables Customs to transmit electronic messages communicating the status of the consignment to these facilities.

Legal Counsel – Secondary Legislation – Tariff Amendments 2025

The table below refers to amendments made to Part 1 of Schedule No.1 of the Customs and Excise Act, 1964 (the Customs Act):

Date	*GG* and Notice Numbers	Description	Implementation date
12 September 2025	*GG* 53334 R.6595	Amendment to Schedule No. 1, by the substitution of paragraph 1 of General Note O, to include Nigeria as part of the State Parties in the (AfCFTA) Agreement	With retrospective effect from 30 May 2025
	GG 53334 R.6594	Amendment to Schedule No.1, by the substitution of General Note O.8 as well as the insertion of General Note O.9 - to suspend the preferential treatment on products classifiable under tariff subheading 0902.40 imported from Kenya under the AfCFTA	12 September 2025

The table below refers to amendments made to Part 2 of Schedule No.4 of the Customs Act:

Date	*GG* and Notice Number	Description	Implementation date
12 September 2025	*GG* 53334 R.6596	Amendment to Part 2 of Schedule No. 4, by the insertion of rebate item 460.15/7306.40/01.06 to provide for a temporary rebate provision on stainless-steel tubing used in the manufacture and maintenance of state-of-the-art processing plants for the hygienic and liquid food industries (ITAC Report No. 742)	12 September 2025

SAIT customs comment

The ITAC report 742 covers, amongst other things, the following:

- Guth South Africa (Pty) Ltd applied for a rebate on importing stainless steel tubing for use in processing plants for the hygienic and liquid food industries.
- The product is classifiable under tariff subheading 7306.40.
- ITAC reviewed the application noting the lack of local manufacturers who can meet the required standards.
- ITAC found that local products in SACU do not meet the required specifications and manufacturing in the region is not viable.
- ITAC focused on the strict sanitation standards required in these industries.
- ITAC recommended creating the rebate provision to support public health standards in the food and beverage industry without harming the domestic industry.

The table below refers to amendments made to Part 2 of Schedule No.4 of the Customs Act:

Date	*GG* and Notice Number	Description	Implementation date
12 September 2025	*GG* 53334 R.6597	Amendment to Part 2 of Schedule No. 4, by the insertion of rebate item 460.06/1516.20.90/01.08 in order to provide for a temporary rebate provision on palm oil, not fractionated, partly of wholly hydrogenated, whether or not refined, but not further prepared, for use in the manufacture of soaps and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes, classifiable in tariff subheading 3401.1 (ITAC Report No. 739)	12 September 2025

SAIT customs comment

The ITAC report 739 covers, amongst other things, the following:

- Unilever South Africa (Pty) Ltd applied for the creation of a rebate facility on palm oil as above.
- ITAC reviewed the application since palm oil is a major part of the global vegetable oil market, mostly produced by Indonesia and Malaysia.
- SACU relies on imports due to poor growing conditions.
- Unilever's production and sales varied from 2019 to 2023, and investments increased for production upgrades.
- There was a rise in laundry soap imports in 2020 due to COVID-19.
- ITAC recommended creating the rebate facility for palm oil under certain conditions.

The table below refers to amendments made to Part 2 of Schedule No.4 of the Customs Act:

Date	*GG* and Notice Number	Description	Implementation date
29 August 2025	*GG* 53241 R.6550	Amendment to Part 2 of Schedule No. 4, by the insertion of rebate item 460.06/1511.90.90/01.08 in order to provide for a temporary rebate provision on palm oil, not fractioned, refined, bleached and deodorised, but not chemically modified, for use in the manufacture of soap and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes, classifiable in tariff subheading 3401.1 (ITAC Report No. 738)	29 August 2025

SAIT customs comment

The ITAC report 738 covers, amongst other things, the following:

- Unilever South Africa (Pty) Ltd applied for the creation of a rebate facility on palm oil as above.
- ITAC reviewed the application since palm oil constitutes 36% of global vegetable oil supply, but is entirely imported in the SACU region due to unsuitable growing conditions.
- Palm oil is mostly produced in Indonesia and Malaysia.
- Between 2019 and 2023, Unilever's sales increased, driven by higher prices and investments in production upgrades.
- Soap imports surged in 2020 due to COVID-19.
- Overall production costs rose significantly, prompting ITAC to recommend a rebate for palm oil, provided it's not available within the SACU region.

Legal Counsel – Preparation of Legislation

The table below refers to the rules under sections 40, 41 and 120 of the Customs Act:

Date	Theme	Description
18 September 2025	Draft Documents for Public Comment	Draft amendments to rules under sections 40, 41 and 120 • Insertion of rules under sections 40 and 41 relating to the manner in which bills of entry may be adjusted where customs value declared is affected by transfer pricing adjustments. • Due date for comment: 3 October 2025 (C&E_Legislativecomments@sars.gov.za)

SARS' Explanatory Note

- Draft rules have been inserted under sections 40 and 41 to explain how to adjust bills of entry when transfer pricing affects customs value.
- These rules outline the process for updating customs value by sending a notice to the Commissioner with amended invoices or debit/credit notes.
- They also explain what documents must be included, how to pay any duty and VAT owed after the adjustment, and how importers could apply for refunds if they overpaid due to transfer pricing changes.

Prohibited and Restricted Imports and Exports List

The table below refers to the prohibited and restricted goods list:

Date	Theme	Description
10 September 2025	Updated Prohibited and Restricted Imports and Exports list	The Prohibited and Restricted Imports and Exports list has been updated. • Tariff headings 9201, 9202, 9205, 9206, 9207, 9208, 9209 do not require an ITAC import permit.

Confirmation of access to the above customs amendments

All Customs amendments and proposed amendments were accessed from the specified web address:

Online reference: SARS: What is new at SARS (19 September 2025) [https://www.sars.gov.za/whats-new-at-sars/]

PART D – GENERAL MATTERS OF INTEREST

The Quality Shift: Navigating South Africa's Trade Future Beyond AGOA

As South Africa contemplates a future without AGOA, the urgency to pivot from exporting unfinished goods/raw materials to focusing on quality goods becomes paramount. While AGOA has provided vital access to the US market, its potential expiration underscores the need for a strategic trade evolution.

AGOA has not only benefited South Africa but has also enhanced the significance of AfCFTA by promoting intra-African trade.

The preferential terms under AGOA have enabled South African exporters to strengthen their position within the continent, encouraging investment in value-added production. However, trade with BRICS countries lacks these preferential terms, highlighting the need for South Africa to build stronger trade relationships outside of traditional raw material exports.

Shifting emphasis towards semi-finished and finished products, where higher trade value resides, will help South African exporters capture greater market share and boost profitability. This transition aligns with global trends prioritising sustainable and value-added goods, fostering economic resilience.

The big question is whether countries like China and Russia will be a suitable replacement should South Africa not be able to restore trade relations similar to the previous AGOA with the US.

In a volatile global landscape, focusing on quality over quantity will empower South Africa to thrive in international trade, ensuring a robust economic future that benefits all citizens. The time for change is now; South Africa must seize the opportunity to redefine its role in international trade.

PART E – CONCLUSION

Building Trade Bridges: South Africa's Path to Strategic Partnerships

AGOA has played an important role in US - Africa trade for over two decades. It has allowed some African countries to access the US market without tariffs, but the outcomes have been mixed. While sectors like apparel and automotive have seen growth in countries such as Kenya and South Africa in general, Africa has remained predominantly an exporter of unfinished goods.

However, despite the inability of African countries becoming developed countries, Kenya offers a useful example of how to approach international trade. The country has sought out trade partnerships in areas like clean energy, digital economy, financial services, and agriculture.

The table below illustrates the forward thinking of Kenya in its approach to international trade:

Item	Theme	Detail
1	Clean energy	US firms like Ormat Technologies (operating Kenya's Olkaria III geothermal plant with past OPIC support) and Cyrq Energy (planning the $1.3 billion Suswa geothermal project) could be candidates for expanded US – Kenya clean energy partnerships under a future bilateral framework.
2	Digital economy	Microsoft and G42's 2024 announcement of a $1 billion investment in Kenya's digital infrastructure – including a geothermal-powered data centre, offers a model of how tech, energy, and development goals align in the absence of AGOA.

Item	Theme	Detail
3	Financial Services	JPMorgan Chase's entry into Kenya in 2023 via a new representative office reflects growing US interest in the country's financial ecosystem, especially as a base for regional fintech and trade finance innovation.
4	Agriculture	Companies like Kahawa 1893, which has built direct US supply chains for Kenyan coffee, show the potential for bilateral agricultural trade that transcends preference programmes and delivers more inclusive, traceable value.

Online reference of the above table: Trading Terms: Africa's Strategy in a (Mayve) Post-AGOA World; 3 April 2025 [https://www.amcham.co.za/news/trading-terms-africas-strategy-maybe-post-agoa-world]

South Africa should take note of Kenya's approach. By bundling strategic sectors and high-impact projects into a trade structure, South Africa can create new opportunities for growth and enhance its trade relationship with the US.

This strategy could involve focusing on areas where South Africa has strengths, such as mining, tourism or agriculture, to build meaningful connections with American businesses.

By adopting this targeted approach, South Africa can establish stronger trade ties and create a framework that benefits both its economy and US interests.

In closing, the future of US–Africa trade is shifting from a one-size-fits-all approach to a more strategic approach.

South Africa must take an active role in shaping trade agreements with, for instance, the US and negotiate outcomes bearing in mind the need to trade as a friend instead of arriving at the trade table as a perceived adversary. By adopting a "friendly neighbour trading with a friendly neighbour" approach, South Africa can foster stronger partnerships and mutual benefits for growth.

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