

SOUTH AFRICAN REVENUE SERVICE

NO. R. 1407

24 DECEMBER 2020

CUSTOMS AND EXCISE ACT, 1964.  
AMENDMENT OF SCHEDULE NO. 1 (NO. 1/1652)

In terms of section 48 of the Customs and Excise Act, 1964, Schedule No. 1 to the said Act is hereby amended, with effect from 1 January 2021, to the extent set out in the Schedule hereto.



DR DAVID MASEDO

DEPUTY MINISTER OF FINANCE

SCHEDULE

By the insertion of the following General Note(s) after General Note M.5 in Schedule No. 1:

N. DUTIES ON GOODS TO WHICH THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE SOUTHERN AFRICAN CUSTOMS UNION MEMBER STATES AND MOZAMBIQUE AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND RELATES

1.
  - (a) In this Note the expressions "Agreement", "relates the Economic Partnership Agreement between the Southern African Customs Union Member States and Mozambique, of the one part and the United Kingdom of Great Britain and Northern Ireland, of the other part unless otherwise specified in the General Notes in Part 1 to Schedule No. 1.
  - (b) "Annex II" means Annex II of this Agreement and the rates specified in the rate of duty column headed "EU" shall apply *mutatis mutandis* to the goods listed in Annex II imported from the UK.
2.
  - (a) This Agreement enters into force on 1 January 2021 and in terms of paragraph 10 of Section B of Part 1 of Annex II of the Agreement customs duties on goods entered in excess of the quantities listed in that Section B, although not designated as such in the SACU Schedule, shall be excluded from tariff reduction commitments as provided for in accordance with staging category "X" as described in paragraph 8 of Section A in Annex II of the Agreement and such goods shall then be liable to the rate of duty specified in the "General Rate" column.
  - (b) In terms of paragraph 11 of Section B of Part 1 of Annex II of the Agreement customs duties on goods entered in excess of the quantities listed in that Section B of Part 1 of Annex II although not designated as such in the SACU Schedule, shall be excluded from tariff reduction commitments as provided for in accordance with staging category "X" as described in paragraph 8 of Section A in Annex II of the Agreement and such goods shall then be liable to the rate of duty specified in the "General Rate" column.
3.
  - (a) Any rate of duty is subject to the staging category as specified in Annex II to the Agreement.
    - (i) Paragraph 12 of Section B of Part 1 of Annex II states the quantities, dates and other qualifying requirements in staging categories for the application of a tariff rate quota (TRQ) to goods therein specified instead of the rate specified in the EU column of Part 1 of Schedule No. 1; and
    - (ii) The table below states the tariff subheadings for the goods and the allocation for each SACU State and Mozambique respectively.
  - (b) The TRQs are required to be managed as provided in paragraph 9 of Section B of Part 1 of Annex II.
  - (c) Any TRQ made available to South Africa in terms of paragraph 9(b)(ii) of Section B shall be administered as if it was part of the original allocation.

3.1 SACU-M TRQs Allocation:

Table 1:

Table 1: SACUM-JK EPA TRQ Allocation for 2021						
HS Code	Quota (ton)	TRQ Allocation in ton				
		Botswana	Eswatini	Lesotho	Namibia	South Africa
02032200						
02032990	150	6,00	2,50	2,50	14,00	125,00
02091000	20	2	2	2	2	12,00
040510						
040590	94	7,05	7,05	7,05	7,05	65,80
04061000						
04062000						
04063000						
040640						
04069012						
04069022						
04069099	1,417	127,62	70,94	42,60	184,30	991,90
100190	30 090	1 203,60	502,50	4 000	4000	20 383,90
100300	1 003	50,15	50,15	50,15	50,15	802,40
19019040						
	796	102,44	91,71	14,88	29,76	557,20
210500	24	2,00	2,00	2,00	2,00	16,00

3.2 For the purpose of Table 1, aggregate quantity of goods specified in the subparagraphs of paragraph 12 of Section B of Part 1 of Annex II, means in each case the total quantity in metric tons of the TRQ for those goods classified under the subheadings of the HS Code in the first column of Table 1.

3.3 Paragraph 12 of Section B of Part 1 of Annex II provides as follows:

"12. The following staging categories shall apply to TRQs granted by SACU pursuant to Article 25(1)-  
 (a) [wheat and meslin] the aggregate quantity of originating goods in staging category "D"" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

30 090 metric tons

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro rata to the remaining number of days of that calendar year.

Products under this TRQ may only be imported through the ports of Walvis Bay in Namibia, and Durban and Richards Bay in South Africa. Products

imported under this TRQ and destined for final consumption in South Africa shall only be allowed to enter from 1 February to 31 October. Products

imported under this TRQ and destined for final consumption in Namibia shall only be allowed to enter from 1 March to 30 November.

(b) [barley] the aggregate quantity of originating goods in staging category "E"" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

1 003 metric tons

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro rata to the remaining number of days of that calendar year.

(c) [cheese] the aggregate quantity of originating goods in staging category "F"" that shall be permitted to enter each calendar year into SACU duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Year Quantity

2019: 1 390 metric tons

2020: 1 417 metric tons

After 2020, the quantity shall increase by 27 metric tons per annum.

If the date referred to in paragraph 1 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro-rata to the remaining number of days of that calendar year.

(d) [pig fat] the aggregate quantity of originating goods in staging category "G"" that shall be permitted to enter each calendar year duty-free, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:

Quantity

20 metric tons

If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro rata to the remaining number of days of that calendar year.

<p>(e) [cereal based food preparations] the aggregate quantity of originating goods in staging category "H" that shall be permitted to enter each calendar year at a customs duty of 25 per cent of the MFN applied rate, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:</p> <p><u>Quantity</u> 796 metric tons</p> <p>If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro rata to the remaining number of days of that calendar year.</p> <p>This TRQ is only applicable to products imported in packaging of 5 kg or more.</p> <p>Originating goods in staging category "H" shall only be sold for use in a manufacturing process. The manufacturing enterprise shall be identified on the commercial documents by the consignee or the purchaser in a SACU Member State.</p>	<p>(f) [pork] the aggregate quantity of originating goods in staging category "J" that shall be permitted to enter each calendar year, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:</p> <p><u>Quantity</u> 150 metric tons</p> <p>This aggregate quantity shall be permitted to enter each calendar year at a customs duty set in accordance with the following provisions:</p> <ul style="list-style-type: none"> <li>(i) on 1 November 2016, each customs duty shall be reduced to 87.5 per cent of the MFN applied rate;</li> <li>(ii) on 1 January 2017, each customs duty shall be further reduced to 75 per cent of the MFN applied rate;</li> <li>(iii) on 1 January 2018, each customs duty shall be further reduced to 62.5 per cent of the MFN applied rate;</li> <li>(iv) on 1 January 2019, each customs duty shall be further reduced to 50 per cent of the MFN applied rate;</li> <li>(v) on 1 January 2020, each customs duty shall be further reduced to 37.5 per cent of the MFN applied rate; and</li> <li>(vi) on 1 January 2021, each customs duty shall be further reduced to 25 per cent of the MFN applied rate.</li> </ul> <p>If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro rata to the remaining number of days of that calendar year.</p> <p>(g) [butter and other dairy fats] the aggregate quantity of originating goods in staging category "J" that shall be permitted to enter each calendar year, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:</p> <p><u>Quantity</u> 94 metric tons</p> <p>This aggregate quantity shall be permitted to enter each calendar year at a customs duty set in accordance with the following provisions:</p>
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- (i) on 1 November 2016, each customs duty shall be reduced to 87.5 per cent of the MFN applied rate;
  - (ii) on 1 January 2017, each customs duty shall be further reduced to 75 per cent of the MFN applied rate;
  - (iii) on 1 January 2018, each customs duty shall be further reduced to 62.5 per cent of the MFN applied rate;
  - (iv) on 1 January 2019, each customs duty shall be further reduced to 50 per cent of the MFN applied rate;
  - (v) on 1 January 2020, each customs duty shall be further reduced to 37.5 per cent of the MFN applied rate; and
  - (vi) on 1 January 2021, each customs duty shall be further reduced to 25 per cent of the MFN applied rate.
- If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro rata to the remaining number of days of that calendar year.
- (h) [ice cream] the aggregate quantity of originating goods in staging category "K" that shall be permitted to enter each calendar year at a customs duty of 50 per cent of the MFN applied rate, with effect from the date referred to in paragraph 2 of this ANNEX, is specified below:
- | <u>Quantity</u> |
|-----------------|
| 24 metric tons  |
- If the date referred to in paragraph 2 of this ANNEX corresponds to a date after 1 January and before 31 December of the same calendar year, the TRQ quantity, which shall be applicable for the remainder of that calendar year, shall be reduced pro rata to the remaining number of days of that calendar year."
- 3.4 Such lower rate of duty only applies in respect of the goods concerned if during the specified period -
    - (a) the goods have been imported and entered for home consumption;
    - (b) a tariff quota is available and is allocated at the time of entry for home consumption; and
    - (c) where the goods are subject to a permit issued by the National Department of Agriculture, a valid permit is produced at the time of entry for home consumption.
  - 3.5 Any tariff quota is allocated for such goods on first-come-first-served basis at the time of presentation of a valid Bill of Entry for home consumption supported by -
    - (a) all documents required to be produced in terms of section 39 including valid proof of origin documents contemplated in the Protocol;
    - (b) an application for such quota; and
    - (c) a valid permit from the National Department of Agriculture, if applicable.
  - 3.6 The procedures relating to the application for and allocation of tariff quotas are prescribed in the rules of section 49.
  - 3.7 Any balances of a tariff quota remaining at the end of any stated period is not carried over to the next period.
  - 3.8 When the tariff quota is exhausted during the stated period the duty specified in respect of the goods concerned in the EU column shall be payable.

- 4.
- (a) For the purposes of entry of any imported goods at the lower rate of duty specified in the EU column the importer shall at the time of entry for home consumption of any consignment -
    - (i) produce together with any documents required to be produced in terms of section 39 a valid proof of origin and proof of compliance with the territorial requirement in accordance with provisions of Part E of the Schedule to the General Notes to Schedule No. 1;
    - (ii) only be entitled to payment of such lower rate of duty in respect of goods subject to a TRQ, if such quota is allocated in accordance with the provisions of the rules for section 49 relating to tariff quotas.

**By the renumbering of General Note N as General Note O in Schedule No. 1 with the following:**

- O. Rates of duty specified in the five columns; General, EU, EFTA, SADC and MERCOSUR of Part 1 of Schedule No. 1.
  - (a) The general rate of duty specified in the General column in respect of any heading or subheading in Part 1 of Schedule No. 1 applies to imported goods to which such heading or subheading relates if the goods do not qualify for any preferential rate of duty specified in the EU, EFTA, SADC or MERCOSUR column.
  - (b) Where the rate of duty in the EU, EFTA, SADC or MERCOSUR column is the same as the rate in the general column no preferential rate of duty is in operation in respect of the said EU, EFTA, SADC or MERCOSUR column, as the case may be.

**By the renumbering of General Note O as General Note P in Schedule No. 1 with the following:**

- P. Any reference to the Kingdom of Swaziland and BLNS in any provision of this Schedule shall, with effect from 19 April 2018, be deemed to be a reference to the Kingdom of Eswatini and BELN, respectively, in terms of the provisions which existed before 19 April 2018.