

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

GENERAL NOTICE 401 OF 2021

INTERNATIONAL TRADE ADMINISTRATION  
COMMISSION

**GUIDELINES, RULES AND CONDITIONS PERTAINING TO REBATE ITEM 306.02/5208.21/01.06 FOR REBATE OF THE FULL DUTY ON WOVEN FABRICS OF COTTON, CONTAINING 85 PER CENT OR MORE BY MASS OF COTTON, OF A MASS NOT EXCEEDING 100 G/M<sup>2</sup> BLEACHED, IN A PLAIN WEAVE, USED FOR THE MANUFACTURE OF WADDING, GAUZE, BANDAGES AND SIMILAR ARTICLES (FOR EXAMPLE, DRESSINGS, ADHESIVE PLASTERS, POULTICES), IMPREGNATED OR COATED WITH PHARMACEUTICAL SUBSTANCES OR PUT UP IN FORMS OR PACKINGS FOR RETAIL SALE, FOR MEDICAL, SURGICAL, DENTAL OR VETERINARY PURPOSES CLASSIFIABLE UNDER TARIFF SUBHEADING 5208.21.**

**Note:** In terms of section 26 (4) of the International Trade Administration Act, 2002, the Commission may, *inter alia*, require an applicant to provide additional information in respect of the application. The conditions attached to and the information requested below reflects the minimum requirements, which ITAC would apply to evaluate an application under this rebate provision.

1. An applicant must register with South African Revenue Service (SARS) as an importer before applying for a rebate permit under rebate item 306.02/5208.21/01.06 for rebate of duty on woven fabrics of cotton used for the manufacture of wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale, for medical, surgical, dental or veterinary purposes and they must acquaint themselves with the requirements of SARS.
2. Applications for permits must be addressed to the International Trade Administration Commission (ITAC), Private Bag X 753, Pretoria or delivered by hand to the DTI Campus, (Block E), 77 Meintjies Street, Sunnyside, Pretoria, 0002.
3. Applications for permits must be submitted according to the requirements of the attached application form. If the space provided in the application form is insufficient, please use the format of the application form to submit the requested information.

4. If all the information requested in the application form is not submitted, the application will be deemed as deficient and the application will not be considered.
5. At least fourteen (14) working days should be allowed for the processing of applications and the issue of permits, provided that all necessary information, which renders the application duly completed, has been submitted to ITAC.
6. Each rebate permit issued defines the period during which the goods concerned can be cleared under the rebate. The period shall be for a calendar year, and commences on the date on which the permit was issued. The permit may be issued for a shorter period as requested by the applicant, or as decided upon by ITAC.
7. If an applicant intends to apply for a subsequent permit for which the period of validity should commence on the day after the expiry date of the previous permit issued, this must be clearly indicated in a new application. The application must be submitted to ITAC at least fourteen (14) working days prior to the expiry date of the previous permit as permits cannot be issued with retrospective effect.
8. Rebate permits may not be transferred in any manner by the holder thereof to any other person, or be used for the benefit of any person or entity, not named in the permit.
9. Any request for an amendment to a rebate permit must be forwarded to ITAC for consideration. Amendments will only be considered in the following instances:
  - a) Error by ITAC on permit;
  - b) Error by applicant regarding the product description or tariff subheading.  
This will only be processed if the request is accompanied by a confirmation from SARS in this regard.

10. Should any party misplace a permit, the applicant should submit an affidavit on a company letterhead endorsed by a Commissioner of Oath, stating that the permit was lost and the circumstances surrounding the loss of such permit. ITAC may, on the facts furnished, exercise its discretion to issue a new permit that replaces the lost permit. Should the lost permit be found the applicant must return such permit to ITAC.
11. Extension of the period (one calendar year or less, as provided for in paragraph 6 above) from which the permit is valid may be granted. Extensions will only be granted where the relevant permit has not expired, and in the view of ITAC, good cause warrants extension of such permit. Such discretion shall lie solely with ITAC. Extensions will only be permitted for a period up to 3 months and the party applying for the extension must submit a letter and supporting documents to ITAC, furnishing reasons and good cause for the extension.
12. Rebate permits issued will be subject to the following conditions and reciprocities:
  - 12.1 There should be an intention by the applicant(s) to import woven fabrics of cotton, containing 85 per cent or more by mass of cotton, of a mass not exceeding 100 g/m<sup>2</sup> bleached, in a plain weave for the manufacture of wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale, for medical, surgical, dental or veterinary purposes as described in the rebate provision to such an extent that there is a visible permanent change in the fabrics, and a change in tariff heading.
  - 12.2 The applicant(s) must be able to prove that they have sufficient manufacturing capacity to process the volume of fabric internally for which it has applied for. If deemed necessary, ITAC will physically inspect the equipment and manufacturing process prior to the issue of a rebate permit.

- 12.3 The applicant must provide a formal letter on the applicant's business letter head confirming that the applicant complies with labour laws, regulations and agreements gazetted by the Minister of Labour.
- 12.4 An applicant must, together with the application, submit proof of registration and a Certificate of Compliance obtainable from the relevant National Bargaining Council. ITAC may consult with the South African Clothing and Textiles Worker's Union (SACTWU) regarding compliance.
- 12.5 The applicant must provide ITAC with its current SARS electronic access PIN, in order to enable ITAC to verify full tax compliance status.
- 12.6 The applicant must submit a SARS letter of approval for registration as a rebate user in terms of Schedule 3 to import and use the material under the provisions of rebate item 306.02/5208.21/01.06. This letter must reflect the physical address that the applicant is currently operating from.
- 12.7 The applicant must submit a letter of consent agreeing to transparency of information in that the following information may be shared with industry stakeholders [i.e. Textfed, Sustainable Cotton Cluster, Southern African Clothing and Textile Workers' Union (SACTWU) etc.]:
- 12.7.1 Name of applicant;
  - 12.7.2 Contact details of applicant;
  - 12.7.3 Technical description of fabric (i.e. weave type, width, weight, thread count, yarn density and finish);
  - 12.7.4 Volume applied for;
  - 12.7.5 Quantities to be manufactured from imported subject woven fabric of cotton.
- 12.8 Applicants must approach the Textile Federation (Textfed) and known local manufacturers, for confirmation of the local availability of the fabrics to be imported under rebate. This must be accompanied by a sample of the fabric to be imported, which must also be attached to the application to ITAC.

- 12.9 The applicant must commit, *inter alia*, to the creation of employment and provide in each permit application the number of jobs it expects to create annually as a result of the rebate provision. The applicant must submit to ITAC an annual report on its job creation performance.
- 12.10 Applicants are required to keep verifiable records of wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale, for medical, surgical, dental or veterinary purposes manufactured under rebate and sold by type, size and volume of each category.
13. ITAC reserves the right to conduct an audit on the usage of the rebate facility by rebate holders.

**Non-compliance to the conditions of the permits:**

14. If a *prima facie* case is established that any condition of this permit is not complied with, the consignment in terms of which the rebate permit was used can be seized by ITAC and the rebate permit will be temporarily suspended while ITAC conducts an investigation. If it is established that non-compliance took place, appropriate steps will be taken. These steps will be taken in terms of the International Trade Administration Act and the Customs and Excise Act, and can include, criminal charges, withdrawal of the permit or permits concerned and/or the rejection of future applications for permits.