

Customs Flash

Rebate Provision – Stainless Steel Fasteners

Introduction

The International Trade Administration Commission of South Africa (ITAC) has received an application for the creation of a rebate provision for *“Screws, bolts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of stainless steel, classifiable in tariff heading 73.18”* in such quantities, at such times, and subject to such conditions as the Commission may allow by specific permit, provided the Commission is satisfied that the subject goods are not available in the Southern Africa Customs Union (SACU) region.

The applicant cites that there is no manufacturer of stainless steel fasteners in the SACU and, as such, no industry to protect.

What does this mean for you?

Based on the description of the rebate, an estimated 18 tariff subheadings (TSH) are being considered for the rebate provision. Of the 18 TSH:

- 18 TSH attract a free rate of duty if originating from the EU;
- 13 TSH attract a free rate of duty if originating from the European Free Trade Association (EFTA) (5 TSH attract a 10% rate of duty).

The appropriate proof of origin must be submitted in order for preferential rates of duty to be levied. Failure to provide the appropriate proof of origin will result in customs duty on the goods being levied based on the

general rates of duty, which range between free and a 30% rate of duty.

The rebate provision would rebate a portion or the full duties applicable to goods that meet the conditions of the rebate provision, i.e. are not available in the SACU.

Next steps

We suggest that EU suppliers of the said goods make proof of origin available to their South African customers and notify their South African counterparts and/or related parties.

Please contact us if you have any questions on this matter. We are happy to assist you.

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