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TradeSmart

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Indirect Tax

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This edition of TradeSmart highlights the implementation of Environmental Levy on

Tyres, amendment of customs duty on sugar, a Discussion Document on the Review of the Diesel Fuel Tax Refund System, a sunset review on Anti-dumping duties on Indonesian unframed glass mirrors, a rebate application for collector's or vintage vehicles and an application for the reduction in customs duty on rack and pinion steering assemblies.

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Issue 2

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Implementation of Environmental Levy on Tyres

An environmental levy on tyres announced by the Minister of Finance of South Africa in his 2016 budget speech came into effect on 1 February 2017.

The environmental levy is not a new tax but merely a change in the collection strategy whereby collection of the tyre levy is now conducted by the South African Revenue Service (SARS), implemented through the Customs & Excise Act No, 91 of 1964 (the Customs Act).

This levy applies in addition to any other customs duties currently applicable to all imported or locally manufactured, new or retreaded, pneumatic tyres.

Amendment of rate of customs duty on sugar



Customs duty on sugar classifiable under tariff subheadings 1701.12, 1701.13, 1701.14, 1701.91, and 1701.99 has been reduced from 31.89c/kg to free of duty in terms of the existing variable tariff formula.

Discussion document on Diesel Fuel Refund system

National Treasury published a Discussion Document on the Review of the Diesel Fuel Tax Refund System for public comment and further consultation in order to address anomalies related to the administration of the system. The discussion paper seeks to simplify the system and extend it to more beneficiaries whilst ensuring the spirit of the system is not compromised.

Comments may be submitted to dieselrefundcomments@treasury.gov.za or [C&E legislativecomments@sars.gov.za](mailto:C&E_legislativecomments@sars.gov.za) by **15 May 2017**.

ITAC Notices

Sunset review on Anti-dumping duties on Indonesian unframed glass mirrors

The International Trade Administration Commission of South Africa (ITAC) has published the initiation of an investigation as part of a sunset review on anti-dumping duties on unframed glass mirrors of a thickness between 2mm and 6mm classifiable under tariff subheading 7009.91 originating or imported from Indonesia.

Anti-dumping duties of 6.61% on unframed glass mirrors originating or imported from Indonesia were first imposed on 20 April 2012 and set for 5 years. ITAC informed interested parties of the impending expiration of the anti-dumping duties and requested that representations be made before 19 October 2016.

A submission was made in this regard and a *prima facie* case justifying an investigation was identified. The Commission has therefore initiated an investigation and invited interested/affected parties to provide input on the investigation no later than **19 March 2017**.

Tariff Application – Rebate Provision for collector’s vehicles



ITAC has received an application for the creation of a rebate item for “ Motor cars and other motor vehicles principally designed for the transport of persons (excluding commercial vehicles or buses) including station wagons and racing cars”, classifiable in tariff heading 87.03, which:

- Were manufactured 40 years prior to the date of importation; or
- Are motor cars of any age determined by ITAC to be an International collector’s vehicle and subject to the issuing of an ITAC import permit.

Interested parties should comment by **17 March 2017**.

Tariff Application – Reduction in customs duty on rack and pinion steering assemblies

ITAC has received an application for a reduction in the customs duty on “Rack and pinion steering assemblies (excluding power-assisted types and those of subheading 8708.94.10)” classifiable under tariff subheading 8708.94.20 from a 20% rate of customs duty to a free rate of duty.

The applicant cites that there is no SACU manufacturer of the said commodity and that the current duty therefore does not protect a local industry. **Interested parties should comment by 17 March 2017.**



Deloitte Contacts

Should you require further clarification or assistance regarding any Customs and Excise matters in general, please contact any of us at the numbers and or email addresses below.

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