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GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 2575 OF 2024

DRAFT REGULATIONS FOR THE AMENDMENT OF THE AUTOMOTIVE PRODUCTION AND DEVELOPMENT PROGRAMME PHASE 2 LEGISLATIVE FRAMEWORK FOR THE INCLUSION OF ELECTRIC VEHICLES AND ASSOCIATED COMPONENTS.

The draft Amended APDP Phase 2 Regulations are hereby published for public comments. The draft Amended APDP2 Regulations should be read with Chapter 98, rebate items 317.04 and 317.07 and 460.17 which be published on SARS website and the information documents which are published on the ITAC website.

International Trade Administration Commission (ITAC)
The DTI Campus (Building E)
77 Mentjies Street
Sunnyside
Pretoria
0002

REASONS FOR THE APPLICATION

Following the recommendations of the Electric Vehicle ("EV") White Paper, that the current APDP2 provides a good framework for supporting investments, production output, and exports of automotive vehicles and components, but this requires that the legislative framework should be amended to support the transition of the domestic industry production from Internal Combustion Engines ("ICE") vehicle to EVs.

The Minister of Trade, Industry and Competition requested the Commission to effect amendments to the APDP2 legislative framework, in line with the recommendations of the EV White Paper.

Additionally, administrative amendments have been proposed for improved efficiencies of administering the programme.

Publication Period:
Written representations must be submitted within **four (4) weeks** of the date of this notice.

Enquiries: ITAC Ref: 02/2024, Enquires Ms Nompumelelo Nkosi, Ms Mpho Mafole and Mr Tshepiso Sejamoholo. Tel: 012 394 1378/43697/41605 and/or email: NNkosi@itac.org.za/ MMfole@itac.org.za/ tsejamoholo@itac.org.za

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REPUBLIC OF SOUTH AFRICA

THE INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

AMENDED AUTOMOTIVE PRODUCTION AND DEVELOPMENT PROGRAMME PHASE 2 REGULATIONS 2024

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Part A – Definitions

1. Definitions

"Automotive tooling" means –

(i) dies for drawing or extruding metal, of subheading 8207.20;

(ii) tools for pressing, stamping or punching, of subheading 8207.30;

(iii) work holders of subheading 8466.20;

(iv) assembly jigs and assembly lines, of subheading 8479.89; and

(v) injection moulds, moulding patterns, and moulds of heading 84.80, where the principal use is for the manufacture of specified motor vehicles, heavy vehicles as defined in Note 1 to Rebate Item 317.07 and automotive components for such motor vehicles.

"Accessories" means those parts which are not fitted in a special vehicle manufacturing warehouse;

"APDP Elements" means AIS, PI, Stable tariffs and VALA;

"APDP Phase 2" means the Automotive Production and Development Programme - Phase 2;

"APDP Phase 2 Info Docs" refers to those documents that provide additional information and set forth additional rules and conditions for the APDP Phase 2, and may refer to either Info Doc A, Info Doc B and/or Info Doc C, depending on the context;

"APDP Participants" means Final manufacturers and suppliers of automotive products in the automotive value chain;

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"AIS" means the incentive designed to grow and develop the automotive industry in South Africa through investment in new or replacement models and components. The scheme aims to increase plant production volumes, sustain employment, and strengthen the automotive value chain. The AIS is open to light motor vehicle manufacturers, medium and heavy commercial vehicle manufacturers, component or deemed component manufacturers, as well as tool manufacturers. AIS is administered by **the dtic**;

"AITF" means Automotive Industry Transformation Fund;

''B-BBEE Act'' means the Broad-Based Black Economic Empowerment Act, 53 of 2003, as amended by Act No. 46 of 2013;

"Component" means a new and unused article (not second hand, reconditioned or refurbished) manufactured in the SACU region which can be identified as being suitable for use in the manufacture of:

(i) Specified motor vehicles manufactured under rebate item 317.04 of Schedule No. 3 to the Customs and Excise Act;

(ii) Specified motor vehicles manufactured abroad;

(iii) Automotive components for medium and heavy commercial vehicles manufactured under Rebate Item 317.07 of Schedule No. 3 to the Customs and Excise Act; and

(iv) Medium and heavy commercial vehicles manufactured abroad;

"Consumables" mean those goods which are used in the manufacture of motor vehicles, motorcycles and components thereof, but do not form an integral part of such motor vehicles or components, or are used in the manufacturing of automotive tooling;

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"CSP" means the Company Specific Percentage;

"Customs and Excise Act" means the Customs and Excise Act, 1964 (Act No. 91 of 1964);

"Dead quarters'' means the relaxation of the quarterly volume threshold requirement for a period of two consecutive quarters as a result of the introduction of a new model**;**

"EVs" refer to battery-electric vehicles, fuel-cell electric vehicles and alternate electric vehicles that are zero carbon emission;

"Eligible products" mean those specified motor vehicles, automotive components and automotive tooling adhering to the qualifying criteria set out in section 9 hereof;

"EPC" means the eligible production certificate in terms of section 9 hereof;

"**Environmental levy''** means a levy imposed in terms of Part 3 of Schedule 1 to the Customs and Excise Act;

"**Final manufacturer**" means the following entities based in South Africa:

(i) Registered light motor vehicle manufacturers, manufacturing specified motor vehicles in South Africa, adhering to the qualifying criteria as set out under section 9, according to the extent of assembly provided for in Note 5 to Chapter 98 of Part 1 of Schedule No.1 to the Customs and Excise Act;

(ii) Automotive component manufacturers manufacturing components in South Africa adhering to the qualifying criteria as set out under section 9;

(iii) Automotive tooling manufacturers manufacturing automotive tooling in South Africa adhering to the qualifying criteria as set out under section 9; and

(iv) Registered light motor vehicle manufacturers, manufacturing specified motor vehicles in South Africa adhering to the qualifying criteria as set out under section 9, according to the extent of assembly provided for in Note 5 to Chapter 98 of

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Part 1 of Schedule No.1 to the Customs and Excise Act recovering the cost of:

- platinum group metals which were sold to a final manufacturer of a catalytic converter and other costs relating to the manufacture thereof; and

- value adding activities applicable to products bought from a component manufacturer, noted in (ii), and exported.

"Form C2" means a certificate declaring the imported content values in respect of imported components and imported raw materials received from any person in the SACU for use in the manufacture of specified motor vehicles;

"Imported content value " means the value for customs duty purposes of any imported original equipment components and raw materials imported by the registrant or imported by or received from any person in SACU and used in the manufacture or assembly of original equipment components and/or automotive tooling or specified motor vehicles;

"Importing entity" means a South African based entity importing automotive products;

"ITAC" means the International Trade Administration Commission of South Africa established in terms of section 7 of the International Trade Administration Act, 2002, (Act No. 71 of 2002);

"Minister" means the member of the Cabinet responsible for Trade, Industry and Competition;

"NEV" refers to zero or low-emission vehicles, which include battery-electric vehicles, plug-in hybrid electric vehicles, hybrid vehicles, fuel-cell electric vehicles, and green synthetic fuel combustion engines;

"Non-standard material(s)" means any imported component, and/or raw material, and/or any material or component other than the defined standard material, used in the manufacture of any qualifying or eligible product;

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"OEM" means a registered light motor vehicle manufacturer in terms of Note 1 to Chapter 98 of Part 1 of Schedule No. 1 to the Customs and Excise Act;

"PI" means Production Incentive;

"PRC" means a Production Rebate Certificate as described in section 6 hereof;

"Qualifying entity" means an entity that is eligible to claim APDP Phase 2 benefits and has manufacturing operations for eligible products, based in South Africa, that is registered with SARS as taxpayers in good standing and is B-BBEE compliant in terms of the B-BBEE Codes of Good Practice ("Codes") issued under the B-BBEE Act, as well as compliant in terms of the B-BBEE levels outlined in Note 2.5 of Info Doc A or contributes to the Transformation Fund as stipulated in relevant Information Documents or Guidelines.

"Quarter" means a calendar quarter, unless otherwise specified in these Regulations, and refers to the period 1 January to 31 March, the period 1 April to 30 June, the period 1 July to 30 September and the period 1 October to 31 December;

"Registered light motor vehicle manufacturer" means a manufacturer of specified motor vehicles;

"SAAM 2035" refers to the South African Automotive Masterplan, published in 2018, with the ambition of increasing production output and deepening localisation across the automotive value chain;

"SACU" means the Southern African Customs Union;

"SARS" means the South African Revenue Service;

"**Semi-Knocked Down**" means specified motor vehicles manufactured in a licensed, special manufacturing warehouse in South Africa, destined for assembly outside the borders of the Republic, which must be in the minimum level of kits that have untrimmed painted bodies with no parts assembled to the body (excluding those of subheading

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8701.2 and 8706.00);

"Selling price" means the price as indicated in the tax invoice of the final manufacturer exclusive of VAT, *ad valorem* excise duty, environmental levy and any other cost which has no bearing on manufacturing, as specified in Note 4.3 to APDP Phase 2 Info Doc A;

"Special purpose vehicles" include, but are not limited to, concrete mixer lorries, crane lorries, drilling derricks, fire fighting vehicles, ambulances, hearses, cash in transit, goods vehicles that have a vehicle mass less than 600 kg, and golf carts, which are not strictly automotive in nature;

"Specified motor vehicles" means:

(i) Road tractors or semi-trailers of subheading 8701.2 of a vehicle mass not exceeding 1 600 kg;

(ii) motor vehicles for the transport of ten or more persons, including the driver, of heading 87.02, of a vehicle mass not exceeding 2 000 kg, (excluding those of subheading 8702.10.10);

(iii) motor cars (including station wagons) of heading 87.03;

(iv) motor vehicles for the transport of goods of heading 87.04 of a vehicle mass not exceeding 2 000 kg or a G.V.M. not exceeding 3 500 kg or of a mass not exceeding 1 600 kg or a G.V.M. not exceeding 3 500 kg per chassis fitted with a cab (excluding motor vehicles of subheading 8704.10, shuttle cars and low construction flame-proof vehicles for use in underground mines and off the-road logging trucks); and

(v) chassis fitted with engines or other means of propulsion, of heading 8706.00, of a mass not exceeding 1600 kg or a G.V.M. not exceeding 3 500 kg (excluding those for motor vehicles of subheading 8704.10, shuttle cars and low construction flame-proof vehicles, for use in underground mines and off-the-road logging trucks);

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"Standard materials" mean locally beneficiated raw materials originating in the SACU which have been processed to suit automotive specifications as listed in Note 4.4 of APDP Phase 2 to Info Doc A for which a duly completed SMD form has been received from a supplier;

"SVA" means standard value added, which is the portion or percentage of standard material, deemed to be local value added;

"the dtic" means the Department of Trade, Industry and Competition;

"Transformation Fund" means the fund determined by **the dtic** and managed by the AITF that aims to facilitate transformation across the sector's value chain for the purpose of APDP Phase 2;

"TWG" means Technical Working Group which assists ITAC in its eligibility assessment of automotive components and tooling and comprises of industry representatives, SARS, **the dtic** and ITAC;

"Value added" means the selling price less the value of non-qualifying material and components;

"VALA" means the volume assembly localisation allowance and is calculated as per Rebate Item 317.04 of the Customs and Excise Act;

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Part B – General Provisions

2. Objectives of APDP Phase 2

2.1 The objective of the programme is to support the vision of the SAAM of creating a "globally competitive and transformed automotive industry that actively contributes to the sustainable development of South Africa's productive economy, creating prosperity for industry stakeholders and broader society". This vision will guide the development of the South African automotive industry to 2035, with all the policy elements of Phase 2 of the APDP targeting its realization.

3. Applicability of the Regulations

3.1 The Regulations will be applicable in SACU and must be read together with relevant rebate and refund provisions to the Customs and Excise Act, all APDP Phase 2 Info Docs and the AIS guidelines. If any inconsistency exists between the APDP Phase 2 Regulations and APDP Phase 2 Info Docs/AIS guidelines, the obligations imposed by the Regulations prevail.

4. Participation under the APDP Phase 2

4.1 Participation under the APDP Phase 2 is voluntary;

4.2 By registering under and participating in the APDP Phase 2, a qualifying entity including participants unconditionally binds itself to the rules and conditions of the APDP Phase 2, as determined by ITAC, in these Regulations and the APDP Phase 2 Info Docs; and

4.3 By participating under the programme, a qualifying entity including participant binds itself to the submission of any industry data requested by ITAC or **the dtic** for monitoring purposes.

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5. Structure and elements of the APDP Phase 2

5.1 The APDP Phase 2 consists of rebates and refunds of the relevant customs duties as legislated in the Customs and Excise Act.

5.2 The relevant customs duties can be found in Chapters 87 and 98 of Part 1 of Schedule No. 1 to the Customs and Excise Act.

5.3 The relevant rebate provisions can be found in Rebate Items 317.04, 317.06, 317.07 and 460.17 of Schedules Nos. 3 and 4 respectively to the Customs and Excise Act.

5.4 The relevant refund provisions can be found in Items 536.00, 537.00 and 538.00 in Schedule No. 5 to the Customs and Excise Act.

5.5 APDP Phase 2 elements consists of Stable Tariffs; AIS; VALA; and PI.

Part C – Production Rebate Certificates (PRCs)

6. What is a PRC

6.1 A PRC is a duty credit certificate issued by ITAC indicating the amount of customs duty that can be rebated using the PI, which is an incentive available to final manufacturers of eligible products in South Africa.

7. Calculation of Production Incentives (PI)

7.1 The value of the PI is determined by local value addition. The result is adjusted by the PI factor provided for in Section 11 hereof to arrive at the value of the PI.

7.2 The value of the PI will be further adjusted downward by 20 per cent customs duty rate for components and tooling and 25 per cent customs duty rate for specified motor vehicles.

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8. Who may apply for a PRC

8.1 Qualifying entities may apply for a PRC.

8.2 Motor vehicle manufacturers registered in terms of section 17.1 of these Regulations.

9. Eligible Products under the APDP Phase 2

9.1 The following products qualify as eligible products under the APDP Phase 2:

9.1.1 Specified motor vehicles fitted with an engine and gear box manufactured in a licensed, special vehicle manufacturing warehouse in South Africa;

9.1.2 Specified motor vehicles not fitted with an engine or gear box manufactured in a licensed, special vehicle manufacturing warehouse in South Africa;

9.1.3 Specified motor vehicles fitted with a combination of an engine and electric motor or other means of propulsion manufactured in a licensed, special vehicle manufacturing warehouse in South Africa;

9.1.4 Specified motor vehicles fitted with electric motor or other means of propulsion manufactured in a licensed, special vehicle manufacturing warehouse in South Africa;

9.1.5 Automotive components applicable to specified motor vehicles;

9.1.6 Automotive tooling;

9.1.7 Automotive components applicable to medium and heavy commercial vehicles as defined in Note 1 to Rebate Item 317.07 of Schedule No.3 to the Custom and Excise Act; and

9.1.8 Specified motor vehicles manufactured in a licensed, special manufacturing warehouse in South Africa, destined for assembly outside the borders of

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the Republic, which must be in the minimum level of kits that have untrimmed painted bodies with no parts assembled to the body (excluding those of subheading 8701.2 and 8706.00).

9.2 Notwithstanding section 9.1.5, 9.1.6 and 9.1.7, for their products to qualify as eligible products, component and tooling manufacturers must -

9.2.1 apply for an EPC in the manner and form as required by ITAC;

9.2.2 achieve local/international OEM supply chain turnover, excluding tooling, of at least 25 percent of total automotive turnover; or R10m in OEM supply chain invoicing per annum;

9.2.3 manufacture components and/or tooling for which a PI is claimed that are:

(i) part of a local or international OEM supply chain; and

(ii) replacement parts manufactured by a manufacturer adhering to the requirements set out in section 9.2.1 and 9.2.2.

9.3 Notwithstanding sections 9.1 and 9.2, for components to qualify as eligible products, the following conditions must be met:

9.3.1 In the event of the final process of manufacture not taking place in South Africa, a determination as to the eligibility of the relevant product must be made by ITAC, provided that operations that consist only of packing or painting will not qualify as manufacturing; and

9.3.2 Not less than 25 per cent of the ex-factory selling price (exclusive of VAT, *ad valorem* excise duty and environmental levy) of the components, at the time of sale, is represented by the sum of –

(i) the cost of labour incurred in South Africa;

(ii) the value of material originating in the SACU; and

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(iii) the factory overhead expenses incurred in South Africa (excluding profit).

9.4. Applications for eligibility under the programme are evaluated by the TWG to determine if the component or tool meets the requirements as per section 9 above and Note 8 to Chapter 98 of the Customs and Excise Act, in line with its terms of reference.

9.5. Production of special purpose motor vehicles and accessories are excluded and do not qualify for benefits under the APDP Phase 2.

10. Standard materials

10.1 Material qualifying as standard materials, and thereby qualifying as value added, are those identified by the Minister and set forth in Note 4.4.1 to APDP Phase 2 Info Doc A. The list of standard materials as set out in the APDP Phase 2 Info Doc A may be amended on approval by the Minister.

10.2 The SVA for standard materials used in the manufacture of an eligible product will be 25 per cent of the value of the standard material.

11. Yearly PI factor percentage

11.1 The PI factor for PRC claims applicable to specified motors vehicles from 01 July 2021 will be 50 per cent; and

11.2 The PI factor for PRC claims applicable to automotive components and automotive tooling from 01 July 2021 will be 62.5 per cent.

12. Application for PRCs

12.1 To claim a PRC, an application must be lodged with ITAC in the manner and form as required in Note 5 to APDP Phase 2 Info Doc A.

12.2 An application for a PRC may be lodged only once full payment for the eligible products sold have been received by the final manufacturer or, in the case of vehicle

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capitalized by an OEM, the date of capitalisation.

12.3 The right to claim PRCs lies with the applicant who is the registered final manufacturer of an eligible product, except for a component manufacturer that supplies components for fitment on line by a registered local light motor vehicle manufacturer for assembly of specified light motor vehicles, in which case the value added on the applicable components will roll up to the standard material declaration of the registered light motor vehicle manufacturer, who may claim the PRC for the manufactured vehicle that incorporates the applicable components.

12.4 Completed applications claiming PRCs must be submitted to ITAC no later than 12 calendar months from the date of the tax invoice for the eligible products.

13. Issuing of a PRC

13.1 A PRC will be issued at duty value for the qualifying amount and based on the PI factor, applicable to the eligible product.

13.2 Where a holder of a PRC or an applicant for a PRC or a related party to the applicant is the subject of a fraud investigation or ongoing verification, ITAC will have the right to withdraw and/or refuse to issue a PRC or delay subsequent applications pending the outcome of an investigation or verification.

14. Usage of a PRC

14.1 A PRC can be used to rebate the customs duty for customs purposes of imports into South Africa of the following automotive products:

14.1.1 New right-hand drive specified motor vehicles as defined in Note 1 to Rebate Item 317.04 to the Customs and Excise Act; and

14.1.2 Automotive components as defined in Note 8 to Chapter 98 of Part 1 of Schedule No. 1 to the Customs and Excise Act for the specified motor vehicles and automotive components for which the tariff headings are listed in Rebate Item 460.17/00.00/03.00 of Schedule No. 4 to the Customs and Excise Act for specified motor vehicles.

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14.2 PRCs earned in the production of components, tooling and specified motor vehicles can be used to import any of the automotive products listed above in section 14.1.1 and 14.1.2 without adjustment on the PRC value.

14.3 When a PRC is issued for the first time, it can be issued in the name of the final manufacturer (applicant) or in the name of the beneficiary authorised by the applicant. The final manufacturer or the authorised beneficiary may use the PRC to import automotive products listed in section 14.1 above. Additionally, the final manufacturer or the authorised beneficiary to whom the original PRC was issued may apply to ITAC, in the manner and form prescribed by ITAC, for the PRC to be transferred to another South African entity importing automotive products listed in section 14.1, upon the sole discretion of ITAC. An original PRC may only be transferred once.

14.4 A PRC is valid for a period of twelve months, which period commences on the first day of the quarter in which the PRC claim was submitted to ITAC.

15. Verification and modification of a PRC

15.1 ITAC shall have the right to verify all information relating to a PRC application and may, under such conditions as it may determine, restrict the value of a PRC.

15.2 ITAC has the right to amend, suspend, adjust or withdraw any PRC issued or to be issued upon the sole discretion of ITAC and take such other action as provided for in the APDP Phase 2 Info Doc or as deemed fit by ITAC.

Part D – Calculation of the CSP for VALA purposes

16. CSP and calculation thereof

16.1 In terms of Note 7.1(c) to Rebate Item 317.04 of Schedule 3 to the Customs and Excise Act, the CSP is a percentage that is calculated by ITAC and is used by SARS in the calculation of the VALA.

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16.2 The CSP is:

16.2.1 In the case of vehicles built for the local market, the difference between the recommended retail list price ("RRLP") and the invoice price by the OEM exclusive of VAT, *ad valorem* excise duty and environmental levy, plus market related expenditure, expressed as a percentage of the RRLP; or

16.2.2 In the case of vehicles exported, the market related expenditure expressed as a percentage of the invoice price by the OEM.

16.3 In terms of Note 7.1(c) to Rebate Item 317.04 of Schedule No. 3 to the Customs and Excise Act, the CSP will be calculated by ITAC as provided for in APDP Phase 2 Info Doc B. ITAC will provide the calculated percentage to SARS, which will apply the percentage to determine the VALA for each registered light motor vehicle manufacturer.

17. Entities qualifying for CSP

17.1 Motor vehicle manufacturers with a plant capacity of 10 000 units per annum may submit applications to ITAC for registration as a specified motor vehicle manufacturer, unless otherwise determined by the Minister.

17.2 ITAC will calculate a CSP and provide the calculated percentage to SARS only where a registered light motor vehicle manufacturer achieves a minimum production level of 10 000 units measured over the most recent four quarter total in the manner and form as determined by ITAC in APDP Phase 2 Info Doc B.

17.3 A registered light motor vehicle manufacturer that introduces a new model to replace an existing model in its manufacturing plant may apply to ITAC, in the manner and form as determined by ITAC in APDP Phase 2 Info Doc B, for two "dead quarters" to lessen the effect of a possible drop in production volumes. In the event that the overall production of the registered light motor vehicle manufacturer will not be significantly affected, ITAC may decide not to allow the "dead quarters".

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17.4 Motor vehicle manufacturers that are new entrants must submit an application to ITAC in the manner and form as required in APDP Phase 2 Info Doc B and will only qualify for a VALA if they have a production capacity of 10 000 units per annum.

18. VALA Usage

In terms of Note 7 to Rebate Item 317.04 of Schedule No. 3 to the Customs and Excise Act:

18.1 The VALA shall be used by a registered light motor vehicle manufacturer to reduce the value for customs duty purposes of original equipment components imported and the imported component values of original equipment components received from any person in the SACU region.

18.2 Any surplus VALA of a registered light motor vehicle manufacturer in a specific quarter will be rolled over to the next quarter and/or may be used to rebate duties on specified light motor vehicles imported by the registered light motor vehicle manufacturer upon obtaining prior written approval from the Commissioner of SARS.

18.3 Should a registered light motor vehicle manufacturer use the excess VALA in a quarter to rebate duties on motor vehicles imported, SARS will reduce the value of the VALA by 20 per cent.

Part E – Imported Component and imported raw material Value (declaration of foreign content)

19. Form C2

19.1 Form C2 is the form that must be used by specified motor vehicle manufacturers and component manufacturers supplying goods to specified motor vehicle manufacturers to declare their imported content values for customs duty purposes.

19.2 Form C2 must also be used by specified motor vehicle manufacturers and component

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manufacturers supplying goods to specified motor vehicle manufacturers to declare their imported content values for VALA purposes.

19.3 All participants in the APDP Phase 2 must use Form C2 to declare their imported content values in respect of original equipment components and material for use in the manufacture of specified motor vehicles received from any person in the SACU.

19.4 Any incorrect information supplied on Form C2 can render the whole document null and void and may result in the purchase price of all items in such document being regarded as imported content values.

19.5 If Form C2 is not obtained and completed, the imported component and imported raw material values in respect of such goods shall be deemed to be the price at which such goods were purchased.

20. Declaration of imported content values

20.1 Specified motor vehicle manufacturers, component manufacturers and component suppliers to specified motor vehicle manufacturers must declare the imported component and material values in respect of each type of component and materials received during a quarter.

21. Calculation for imported content values

21.1 The imported component and raw material values for specified motor vehicles manufactured must be determined using the method and basis of calculation as set out by ITAC in APDP Phase 2 Info Doc C titled “Declaration of imported contents”.

21.2 ITAC has the right to verify the correctness of the imported component and material values declared by manufacturers of eligible products by, amongst others, verifying Form C2s and supporting documents. Discrepancies detected by ITAC will be dealt with as provided for in APDP Phase 2 Info Doc C.

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21.3 Values must be entered in Rand (ZAR) and may not be expressed as a percentage or as a foreign currency.

Part F- Exceptional circumstance

22. Notwithstanding anything to the contrary in these Regulations, in the event a final manufacturer participating under the programme suffers extensive damage to its production facility/(ies) and, consequently, significantly reduced production volumes as a result of an occurrence that has resulted in the declaration of a National State of Disaster by the President, it may approach ITAC to seek a limited deviation from the normal rules relating to accruing and claiming of benefits under the APDP Phase 2.

23. Prior to applying to ITAC, a final manufacturer must approach the Accounting Officer of the Department of Trade, Industry and Competition, who must confirm that exceptional circumstances exist to warrant a deviation from normal requirements related to accruing and claiming of benefits under the APDP Phase 2. Requests will be adjudicated on a case-by-case basis by ITAC and approval may be subject to conditions as determined by the ITAC, provided it is of the view that a limited deviation from the normal requirements is in the interest of promoting local manufacturing and is in line with ensuring the commercial viability of the final manufacturer under the APDP Phase 2 whose ability to manufacture has been severely affected by the aforementioned occurrence.

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