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DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 2937 OF 2025

INTERNATIONAL TRADE ADMINISTRATION OF SOUTH AFRICA

GUIDELINES, RULES AND CONDITIONS

GUIDELINES, RULES AND CONDITIONS PERTAINING TO PERMITS ISSUED UNDER REBATE ITEM 460.11/00.00/01.00 FOR USED OVERCOATS, CAR-COATS, RAINCOATS, ANORAKS, SKI-JACKETS, DUFFLE COATS, MANTLES, THREE-QUARTER COATS, GREATCOATS, HOODED CAPS, TRENCH COATS, GABARDINES, PADDED WAISTCOATS AND PARKAS (BUT NO OTHER CLOTHING ARTICLES) CLASSIFIABLE UNDER TARIFF HEADINGS 61.01, 61.02, 62.01, 62.02 AND 6309.00.13 IN SUCH QUANTITIES, AT SUCH TIMES AND SUBJECT TO SUCH CONDITIONS AS THE INTERNATIONAL TRADE ADMINISTRATION COMMISSION MAY ALLOW BY SPECIFIC PERMIT.

NOTE: These guidelines, rules and conditions will be applicable during the phase out period of the rebate item, effective from the date of implementation by SARS in the Customs and Excise Act, No.91 of 1964 through a publication in the Government Gazette. No New importers will be allowed during the phase-out period.

1. Applications for rebate permits must be addressed to the International Trade Administration Commission of South Africa (ITAC), Private Bag X 753, Pretoria or delivered by hand to the DTI Campus, (Block E), 77 C/o Meintjies street and Robert Sobukwe Street, Sunnyside, Pretoria, 0002.

2. Applications for permits must be submitted according to the requirements laid down in the 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.

3. 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, and it will be returned to the applicant.

4. At least fourteen (14) working days should be allowed for the processing of applications and the issuing of permits.

5. Used overcoats are subject to Import Control conditions and an import permit will only be issued in instances where a rebate permit has already been obtained.

6. Each rebate permit issued defines the period during which the goods concerned can be cleared under rebate. The period shall be from the date when the permit is issued in the prevailing year until 31 July of the same year. This period shall apply to existing importers and shall be for a shorter period if so requested by the applicant or so decided by ITAC. Permits for the next period may be issued with effect from 01 January every year until 31 July, unless otherwise determined by ITAC. Where applications are not received in time for issuing from 01 January to 31 July, permits will be issued for the remainder of the year until 31 July.

7. Rebate and Import Control permits may not be transferred in any manner by the holder thereof to any other person or entity, or be used to the benefit of any person or entity not named in the permits.

8. Permit holders are not allowed to import used overcoats and then sell the imported coats directly to a person or entity which is owned by or who is owned by any related party, person or entity set out in Section 2 of the Companies Act.

9. Applications submitted in terms of this rebate provision will be subject to the following requirements:

9.1 The applicant must provide a formal letter on business letterhead confirming that the applicant complies with labour laws, regulations and agreements gazetted by the Minister of Labour.

9.2. The applicant must provide, in each permit application, the number of jobs it expects to create annually as a result of the rebate. The applicant must submit to ITAC an annual report on its job creation performance.

9.3. Proof of UIF registration must be provided by submitting a certified copy of UIF registration. Furthermore, proof need to be provided that all the permanent workers employed as registered for UIF and that the UIF payments are made to SARS.

9.4 Proof must be provided that salaries are being paid (permanent as well as temporary workers) as well as certified copies of ID documents must be submitted. In this regard certified copies of salary slips need to be provided as well as certified proof of payment of these salaries.

9.5. Certified copies of bank statements need to be provided as proof of payment of UIF and salaries. Bank accounts must be in the name of the applicant.

9.6 Certified copies of employment contracts need to be provided as proof of employment of permanent employees.

9.7 The applicant must provide their Companies and Intellectual Property Commission (CIPC) registration document as proof of registration.

9.8 The applicant must submit a valid Tax Clearance and VAT Certificate (NB: VAT certificate (NB: VAT certificate only applicable based on annual turnover). In line with the VAT Act, applicants must be registered for VAT if the income earned in any consecutive twelve month period exceeded or is likely to exceed R1 million. In addition, an enterprise which has not made R50 000 in taxable supplies must register for VAT, if there is a reasonable expectation to exceed R50 000 in taxable supplies within the 12 month period from date of registration.

9.9. Certified invoices as proof of sales must be provided.

9.10. Importer's business premises will be visited by inspectors of the Inspectorate: Import and Export Control prior to the consideration of the application. Existing importer's business premises will be visited should it be deemed necessary.

9.11. Applicants must provide municipal proof of its registered address as listed in the business CIPC documents.

9.12. Applicants must provide proof of country of import and proof that they have secured supply from abroad;

9.13. Where an entity is owned or partly owned by a person or persons who are non-citizens or non-residents of RSA, or these persons own any shareholding in such entity, applications should be accompanied by certified copies of the following documentation:

9.13.1 South African Identity issued document and passport;
9.13.2 Valid Business Visa and a letter of recommendation from the Department of Trade, Industry and Competition (thedtic);
9.13.3 Proof of extension of permanent residence, and
9.13.4. Any other information as ITAC may require.

Applicants shall not be related to any existing importers or current permit holders in any way. Note that the definition of related parties in terms of Section 2 of the Companies Act 70 of 2008 and Section 66 (2) of the Customs and Excise Act 91 of 1964 (as amended) apply to these applications and ITAC reserves the right to request whatever appropriate and relevant information it deems necessary to properly evaluate each of the applications submitted. Also for Tax purposes, the Customs and Excise Act, Section 66 (2) (i) – (viii)'s objective is to ensure that no two people use the Act to derive the same benefit on a multiple scale.

10. Please note that in terms of Section 66 (2)(a) of the Customs and Excise Act, two persons shall be deemed to be related, *inter alia*, when:

(i) they are officers or directors of one another's businesses;
(ii) they are legally recognized partners in business;
(iii) the one is employed by the other;
(iv) any person directly or indirectly owns, controls or holds five per cent or more of the equity share capital of both of them;
(v) one of them directly or indirectly controls the other;
(vi) both of them are directly or indirectly controlled by a third person;
(vii) together they directly or indirectly control a third person; or
(viii) they are members of the same family.

11. The take-over or sale of a business as a going concern, which deals, in among others, with worn overcoats subject to such rebate permit; shall warrant the permit holder first to notify ITAC of such sale as rebate permits or the allocated quota issued under such permit are not transferrable without the prior approval of ITAC on application made in terms of Section 26 showing demonstrable good cause why such permit should be transferred or re-allocated to the new entity or its management.

12. Permit holders shall not operate or conduct business from or store their goods cleared in terms of the permit on the same premises. All importers that are companies or closed corporations must submit their company or close corporation registration documents, and ITAC reserves the right to verify the shareholding or membership of the companies or close corporations with the Companies and Intellectual Property Commission (CIPC).

12.1 "Premises" include a warehouse, office, establishment, store, shop, quarters and dwelling".

13. An entity that has previously utilised a permit under this rebate provision but has not applied for another permit under this rebate provision for a period of one year following the issue of

the aforementioned permit. (**In respect of this category, importers will be limited to 5 with a quota of 20 000kg based on a first-come first-served basis**).

14. The quantity of overcoats to be imported by each importer will be limited and the criteria that will be used for the allocation of the quantity of overcoats that each importer may import under this rebate item will be as follows:
Existing Importers

- The quantity imported during the validity of the rebate permit period will be subject to a reduction in quota allocation of 10% per year over the next 3 years with no quota increase, effective from the date of implementation by SARS in the Customs and Excise Act, No.91 of 1964 through a publication in the Government Gazette.
- Existing importers with quota allocations of 20 000kg per year will not be subject to the reduction rate of 10% per year during the next 3 years of the phase-out of the rebate item with no quota increase.

15. All applicants for rebate permits under this rebate item must also apply for an import permit, for the same period, to import the used or second hand overcoats and no rebate permits will be released without the import permit. The rebate permit issued will also be subject to the conditions contained in the import permit issued.

16. It is a condition of permits issued in terms of the rebate provision that the holder of this permit must notify the Manager of the Directorate Import and Export Control, Mr Vuyo Ntambam: Email VNtambam@itac.org.za in writing of the date of shipment, the place of arrival and the expected date of arrival of all consignments at least 7 days prior. Furthermore, imported bales may be subject to the following conditions:

a) Consignments may be subject to compulsory stop for physical inspection and or audits.

17. All users of rebate permits under this rebate item must inform ITAC without delay if any consignment imported by the permit holder under this rebate item contains clothing items not defined in this rebate item. These clothing items must be kept separate from the rest of the clothing items imported under this rebate item or any other clothing items in possession of the permit holder and may not be removed until officials of ITAC had an opportunity to inspect these items. ITAC in consultation with the importer and SARS will decide how to dispose of the clothing items incorrectly imported under this rebate item.

18. If a *prima facie* case is established that any condition of this permit has not been complied with, the consignment in terms of which the rebate permit was issued may be seized by ITAC. If it is established that there was non-compliance, 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.

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