

EXECUTIVE SUMMARY

In this eFile we focus on recent updates in the world of international trade, customs and excise as well as our expert service offerings in this field. Our previous eFiles on this subject, namely numbers 56 (February 2023) and 60 (February 2024) are also relevant.

International Trade, Customs and Excise

Harty Rushmere has for many years supported clients in various sectors, including transport, technology, travel and tourism, mining, electronics, agriculture and manufacturing. While carrying out corporate governance, compliance, risk management and other services for our clients, we additionally provide specialised technical support to our

clients in related fields of international trade, customs and excise.

HOT OFF THE PRESS !!

10% duty on solar panels

Import duties on solar panels rose sharply from duty-free to 10% Ad Valorem, to bolster and shield the local market. Local businesses can still import raw materials and locally assemble solar panels under rebate.

Rebate for aircon in heavy vehicles

The International Trade Administration Commission (ITAC) found no local manufacturers of heavy motor vehicle machines in the SACU region, prompting a full duty rebate for their production. This relief cuts production costs and opens the door for local assembly competitiveness.

ITAC permits

ITAC permits are vital for businesses seeking temporary protection or customs duty relief on specific imports in time of need. Currently, ITAC is assessing the domestic poultry industry's recovery post avian flu-outbreak to decide on issuing rebate permits for another quarter.

Grapes special US deal

Prosper Africa, a US trade initiative, secured its first \$56M deal through the US-Africa Trade Desk (USATD) for 700 containers of South African table grapes to the US. USATD will facilitate the transaction, connecting US retailers with African producers. This deal is expected to pave the way for future trade and investment partnerships.

Safeguards for importers

Safeguard instruments should be carefully applied by government and industries given the impact on local manufacturers. For example, the current 9% provisional safeguard duty on hot rolled steel will hike input costs, endangering downstream steel manufacturers' sustainability, whether raw materials are imported or sourced locally.

NB CONSIDERATIONS FOR TRADERS

AEO Programme

Becoming an Authorised Economic Operator (AEO) with SARS offers traders streamlined customs procedures and faster service. AEO status signals compliance with customs regulations, ensuring reliability and quicker access at border posts. This reduces delays and costs, opening doors to more business opportunities and growth. Professional assistance with applications of this nature increases prospects for success.

Rules of origin queries raised by Free Trade Agreement (FTA) members

These queries typically seek clarification on the specific criteria and documentation required to qualify for tariff reductions or exemptions. Clear and consistent rules are essential to ensure compliance and facilitate smooth trade relations among FTA participants. However, it remains the trader's responsibility to ensure the correctness of any certification. In other words, compliance with the rules for origin in participating in FTAs is essential for efficient economical trading and to avoid such queries.

Through stringent compliance measures, SARS continues to intensify its efforts to bridge the tax collection gap, crucial for fiscal sustainability. In light of this, Harty Rushmere supports clients with comprehensive services, including DTI/ITAC activities, compliance reviews for imports, exports, and excisable goods, litigation and dispute resolution with SARS (customs), specialist tariff classification and valuation advice, DTI/ITAC trade remedies, and representation during SARS indirect tax audits.

SARS commissioner and re-elected World Customs Organisation (WCO) Chairperson Edward Kieswetter continues to reiterate WCO's relevance amid tech advances, eCommerce growth, and global uncertainties. As both SARS and WCO move towards digitalisation, now is the ideal time to integrate software into your import/export operations for reduced risk and optimised trade processes. To assist our clients, we have an ongoing partnership with developers of a top-tier global trade software solution, offering a single platform to streamline export supply chains, enhance agility, and ensure compliance.

If you require our services or would simply like to know more, we would be happy to arrange a call, meeting, or webinar to discuss. Please feel free to contact us at mail@harty.law or on +27 (11) 8840792.

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