Statutory Instrument No. 119 of 2021

EXCISE DUTY ACT
(No. 34 of 2018)

EXCISE DUTY (AMENDMENT OF SCHEDULE) (NO. 19) NOTICE, 2021

(Published on 31st December, 2021)

IN EXERCISE of the power conferred on the Minister of Finance and Economic Development by sections 53 and 54 of the Excise Duty Act, the schedules to the Act are proposed to be amended to the extent set out in the Schedule below:

By the insertion of the following:

Rebate Item	Tariff Heading	Rebate Code	CD	Description	Extent of Rebate
310.01	2815.12	09.06	60	Sodium hydroxide (caustic soda), in aqueous solution, for the manufacture of semi-chemical fluting paper, in rolls or sheets, classifiable in tariff subheading 4805.11, in such quantities, at such times and under such conditions as the Permanent Secretary, Ministry of Trade, Investment and Industry may allow by specific permit.	Full duty

By the substitution of Note(s) 5 and 8 in Chapter 98 of Section XXII to Part 1 of Schedule No. 1 with the following:

5. a) Original equipment components for motor vehicles enumerated under heading 98.01 shall not include automotive components of which

i. the floor panels, body sides or roof panels are permanently attached to each other (except in the case of cabs for road tractors for semi-trailers of a vehicle mass exceeding 1 600 kg, for motor vehicles for the transport of goods of a vehicle mass exceeding 2 000 kg and a G.V.M. exceeding 3 500 kg and for chassis fitted with cabs of a mass exceeding 1 600 kg and a G.V.M. exceeding 3 500 kg in which case the cabs may be assembled and trimmed);

ii. the engine and transmission assemblies, axles, radiators, suspension components, steering mechanisms, braking or electrical equipment or instrumentation are fitted to such floor pans or chassis frames; and

iii. the bodies/cabs are fitted to floor pans or chassis frames (except in the case of vehicles of a mono-built construction of a vehicle mass exceeding 2 000 kg).

b) Original equipment components for specified motor vehicles as defined in rebate item 317.03 or 317.04 destined for assembly outside the borders of Botswana, must be in the form of kits that have untrimmed painted bodies with no parts assembled to the body.

8. For the purposes of this Chapter "automotive components" means a new article which can be identified as being suitable for use in the manufacture of motor vehicles manufactured under rebate items 317.03 or 317.04 and 317.07 or original equipment components, including carpet cut to floorpan shape, leather seat covers cut to size, unfinished articles, including blanks and rough castings, having the essential character of automotive components.

By the insertion of the following:

Rebate Item	Tariff Heading	Rebate Code	CD	Description	Extent of Rebate
317.04	INDUSTRY: SPECIFIED MOTOR VEHICLES (PHASE II) NOTES: This item and the Notes thereto provide for the implementation of the Automotive Production and Development Programme Phase II (APDP Phase II) introduced by the Permanent Secretary, Ministry of Trade, Investment and industry 1. Acronyms and definitions For the purpose of this item, the following acronyms and definitions will have the meaning assigned to them in this note: 1.1 Acronyms APDP - Automotive Production and Development Programme CSP - Company Specific Percentage MITI - Ministry of Investment, Trade and Industry OEM – Light motor vehicle manufacturer registered in terms of Note 1 to Chapter 98 of Schedule No.1 to the Customs Act PRC - Production Rebate Certificate PRCC – Production Rebate Credit Certificate SACU - Southern African Customs Botswana Unified Revenue Service VAA – Volume Assembly Allowance VALA - Volume Assembly Localisation Allowance VAT - Value-Added-Tax 1.2 Definitions "automotive tooling" means- a) dies for drawing or extruding metal, of subheading 8207.20; b) tools for pressing, stamping or punching, of subheading 8207.30; c) work holders of subheading 8466.20; d) assembly jigs and assembly lines, of subheading 8479.89; and e) 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. "imported component and imported raw materials 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 or specified motor vehicles. "guidelines" means the guidelines issued by MITI. "original equipment components" means components classifiable in Chapter 98 of Schedule No. 1. "raw materials" means materials not cut to size or shape and not made up suitable for use. "registrant" means a person registered under this item. "specified motor vehicles" means – a) road tractors or semi-trailers of subheading 8701.20 of a vehicle mass not exceeding 1 600 kg; b) 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);

c) motor cars (including station wagons) of heading 8703;

d) 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 of a G.V.M. not exceeding 3 500 kg per chassis fitted with a cab (excluding shuttle cars and low construction flame-proof vehicles for use in underground mines and off-the-road logging trucks); and

e) chassis fitted with engines of heading 87.06, of a mass not exceeding 1 600 kg or of a G.V.M. not exceeding 3 500 kg (excluding those for shuttle cars and low construction flame- proof vehicles, for use in underground mines and off-the-road logging trucks).

2. Registration

2.1 Applicants under this rebate item shall submit a letter of approval from MITI confirming qualification for participation together with the application.

3. Submission of accounts

3.1 Registrants under this rebate item shall submit accounts in the following manner:

a) A quarterly account to the BURS customs office in which area of control the premises is registered and bring any customs duty and additional VAT to account at that office within 30 days from the closing date of the accounting period, but not later than the penultimate official working day following the period of three months during which the closing date of the account occurs.

b) For the purposes of this item the accounting periods shall be for four periods of three months each commencing on 1 January each year.

c) The registrant shall not be entitled to the deferment of additional VAT, other than the 30 days provided for in (a) above.

3.2 When the registrant becomes aware of an error in the account submitted, the registrant must amend the account as soon as reasonably possible by –

a) completing a form for the quarter affected by the amendment;

b) adjusting all forms affected by the amendment;

c) (c) submitting form, adjusted forms and payment of any customs duty and additional VAT together with an explanation of the reasons for the amendment to the BURS customs office referred to in Note 3.1(a).

4. Original equipment components imported by the registrant

4.1 The registrant shall clear all original equipment components for the manufacture of specified motor vehicles, under Chapter 98 of Schedule No. 1.

4.2 All such original equipment components shall –

a) on importation be cleared under procedure code "Placement of goods under the 'Processing for Home Use' procedure"; or

b) if cleared on importation for storage and stored in a licensed customs and excise storage warehouse, be cleared before removal for use under procedure code "Processing for Home Use" of goods, previously placed under "Warehousing" procedure; and

c) when cleared as contemplated in paragraphs (a) or (b), pay VAT on the value for customs duty purposes as if a "full duty" extent of rebate applies.

4.3 The value for customs duty purposes of all original equipment components shall be included in the quarter during which such components were cleared under the procedure code 'Processing for Home Use'.

5. Original equipment components supplied to the registrant

5.1 A registrant must ensure and produce proof if required that the form completed by the supplier of original equipment components correctly declares the imported component value.

a) The imported component value on the form completed by a SACU supplier and received by the registrant during a quarter shall be recorded in the ensuing quarter irrespective of whether it has been used in production as yet or paid for; and

b) (b) The imported component value on the form shall be deducted by the registrant in the quarter when the original equipment components are –

(i) incorporated into original equipment components and exported;
(ii) used in the manufacture of specified motor vehicles and exported;
(iii) transferred to parts and accessories; or
(iv) destroyed under customs supervision.

5.2

(a) Registrants shall be liable for any customs duty and additional VAT underpaid resulting from the under declaration of the imported component value on form.
(b) If MITI reports any amendments to form, the quarterly account to which it relates must be amended as may be necessary to give effect to the amendment reported, including payment of any customs duty and additional VAT due.
(c) If the form is not obtained or duly completed, the price at which the original equipment components were purchased by the registrant shall be deemed to be the imported component value in respect of the original equipment components.
(d) Any incorrect information supplied on the form 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 component value.

6. Determination of value for duty and additional VAT

6.1 Determination of the value for the calculation of customs duty and additional VAT on original equipment components imported by the registrant:

(a) The value for customs duty purposes of original equipment components cleared under Chapter 98 during a quarter, less the value for customs duty purposes of the original equipment components-

i. in unopened containers or unit load devices, provided that the value for customs duty purposes of such components in containers or unit load devices not opened shall be carried forward as an opening balance to the ensuing quarter;
ii used in the manufacture of original equipment components and supplied to other registrants in terms of this rebate item;
iii. used in the manufacture of specified motor vehicles and exported;
iv. used in the manufacture of original equipment components and exported; returned to the overseas suppliers;
v. transferred to the parts and accessories division;
vi. destroyed under customs supervision.

(b) If the deductions specified in subparagraphs (i) to (vii) exceed the value for customs duty purposes of imported original equipment components the value must be reduced to nil.

(c) For the purposes of Notes 6.1(a)(iii) and (iv) registrants may carry forward any excess value for customs duty purposes of original equipment components imported and used in exports during a quarter to - (i) the ensuing quarter; and (ii) such further quarters as the Commissioner General may allow in exceptional circumstances.

6.2 Determination of the value for the calculation of the customs duty and additional VAT on original equipment components received by the registrant:

(a) The imported component value of original equipment components received from any person in SACU during the previous quarter less the imported component value of original equipment components-

i. used in the manufacture of original equipment components and exported during the current quarter;
ii. used in the manufacture of specified motor vehicles and exported during the current quarter;

	iii. transferred to the parts and accessories division during the current quarter; and iv. destroyed under customs supervision during the current quarter. (b) If the deductions specified in subparagraphs (i) to (iv) exceed the imported component value of original equipment components received the value must be reduced to nil. (c) For the purposes of Notes 6.2(a)(i) and (ii) registrants may carry forward any excess value for customs duty purposes of original equipment components imported and used in exports during a quarter to - (i) the ensuing quarter; and (ii) such further quarters as the Commissioner General may allow in exceptional circumstances. 7. Deductions 7.1 The value for any quarter shall be – a. in the case of specified motor vehicles manufactured for the SACU market, the recommended retail list price (including options), (exclusive of VAT, and excise duty in terms of Section B of Part 2 of Schedule No. 1) applicable to such motor vehicle(s) at the time of production thereof and ready for sale; or b. in the case of specified motor vehicles exported outside the SACU, the "price free on board" as contemplated in section 337 of the Act; c. less in respect of each of paragraphs (a) and (b), a CSP(s) on a quarterly basis d. less all imported contents. 7.2 A registrant shall not receive or be entitled to utilise VALA for the quarter for which the account is submitted, unless a CSP has been determined by MITI 7.3 The VALA of specified motor vehicles shall be declared - (a) when designated for export, but not exported at the end of a quarter, as the recommended retail list price on form for that quarter; and (b) when exported- i. as the "price free on board value" in the quarterly account during which the export took place on the form; and ii. the recommended retail list price mentioned in (a) on the form 7.4 MITI will inform the Commissioner General of any amendments to a CSP as a result of which the quarterly accounts must be amended.

By the insertion of the following:

Rebate Item	Tariff Heading	Rebate Code	CD	Description	Extent of Rebate
	7.5 The Commissioner General may, in the case of any model for which a recommended retail list price contemplated in paragraph 7.1 is not available, determine a value in terms of section 69 of the Act 7.6 The VALA in any quarter shall firstly be utilized, if applicable, to reduce the value as calculated in terms of Notes 6.1 and 6.2 7.7 "Excess VALA" shall be calculated as follows: a. The balance of any excess VALA brought forward from the previous quarter; b. less any excess VALA utilised under rebate item 460.17 for this quarter; c. plus the VALA for this quarter; d. less the VALA utilised to offset the duty liability calculated in terms of Note 8.1(d) for this quarter. 7.8 Any excess VALA may be utilised to reduce the value for customs duty purposes of specified motor vehicles imported under rebate item 460.17 in the next quarter, provided that- a. prior written approval for the utilisation of such excess VALA shall be obtained from the Commissioner General; b. the value of the excess VALA shall be reduced by 20 per cent if used on imported fully built-up motor vehicles; and c. the remaining balance of any excess VALA shall be the opening balance in the next quarter. 7.9 The VALA or any excess VALA is not tradable or transferable 7.10 A PRC may only be used- a. by the registrant or other importers in whose name the certificate is issued to apply for rebate in terms of section 71 of the Excise Act or a refund provided for in section 374 of the Customs Act. 7.11 The person in whose name a PRC is issued shall be liable for any discrepancies in the application for the PRC for whatever reason, which may result in the issue of an incorrect certificate and shall remain liable for the customs duty as if no rebate had been allowed. 8. Extent of rebate 8.1 The calculation of the value to determine the extent of rebate shall be - a. the value for customs duty purposes of imported original equipment components calculated in terms of Note 6.1; b. plus the imported component value of original equipment components received from any person in SACU calculated in terms of Note 6.2; c. plus the VALA calculated in terms of Note 7.3(b) d. less the VALA utilised in terms of Note 7.1 for this quarter; and if any liability remains 8.2 The extent of rebate provided for in this rebate item shall not exceed the customs duty payable on the entry of imported goods under Chapter 98 of Schedule No. 1. 8.3 If any liability remains after the calculation in terms of Note 8.1, the customs duty and additional VAT must be brought to account. 9. Compliance 9.1 The registrant or component supplier must, as applicable, comply with- a. this rebate item, rebate items 317.06 and 317.07 of Schedule No. 3, rebate item 460.17 of Schedule No. 4 and refund items 536.00, 537.00 and 538.00 of Schedule No. 5 and the Notes thereto; b. section 71 and any other provisions of the Excise Act;				

	c. the regulations; d. the guidelines; and e. any directives issued by the Commissioner General and MITI 10. Transitional Notes 10.1 The value for customs duty purposes of any imported original equipment components in unopened containers and unit load devices carried over from the APDP Phase I second quarter shall be declared in the third quarter of the 2021 APDP Phase II account as an opening balance on the form. 10.2 The registrant's calculation of the foreign currency usage of original equipment components and foreign currency usage in terms of the 2021 APDP Phase II of vehicles and form shall be available for inspection by the Commissioner General. 10.3 In instances where components cannot be linked to a form by means of a unique identification number or mark, the principle of "first-in-first-out" will apply in determining the foreign currency usage in terms of 2021 APDP Phase II per quarter. 10.4 Any excess VAA carried over from quarter 2 of APDP Account may be used to reduce the value for customs duty purposes of original equipment components imported and imported component value of original equipment components received from any person in SACU as an opening balance in quarter 3 of the APDP Phase 2 account on the specified form 10.5 Any excess VAA carried forward from the quarter 2 of APDP accounts used for the importation of vehicles in terms of rebate item 460.17 shall be deducted on a specified form in quarter 3 of APDP Phase 2 account. 10.6 PRCC may be used on a specified form to reduce the value for customs duty purposes of original equipment components imported and imported component value of original equipment components received from any person in SACU calculated in terms of Notes 6.1 and 6.2 respectively, after any excess VAA and VALA have been used. 10.7 MITI may publish additional transitional Notes through a Notice in the Government Gazette.

By the insertion of the following:

Rebate Item	Tariff Heading	Rebate Code	CD	Description	Extent of Rebate
317.04	98.01	01.04	40	Original equipment components, for the manufacture of road tractors for semi-trailers of subheading 8701.20, of a vehicle	Full duty less the duty mass not exceeding 1 600 kg payable on the value calculated in terms of Note 8.1
317.04	98.01	02.04	44	Original equipment components, for the manufacture of 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)	Full duty less the duty payable on the value calculated in terms of Note 8.1
314.04	98.01	03.04	49	Original equipment components, for the manufacture of motor cars (including station wagons) of heading 87.03	Full duty less the duty payable on the value calculated in terms of Note 8.1

317.04	98.01	04.04	43	Original equipment components, for the manufacture of 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 a mass not exceeding 1 600 kg or of a G.V.M. not exceeding 3 500 kg per chassis fitted with a cab (excluding shuttle cars and low construction flame-proof vehicles, for use in underground mines and off-the-road logging trucks)	Full duty less the duty payable on the value calculated in terms of Note 8.1
317.04	98.01	05.04	48	Original equipment components, for the manufacture of chassis fitted with engines of heading 87.06 of a mass not exceeding 1 600 kg or of 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).	Full duty less the duty payable on the value calculated in terms of Note 8.1
317.06	00.00	07.00	04	Automotive components for use in the manufacture of original equipment components as defined in Chapter 98 of Schedule No. 1 for supply to a specified motor vehicle manufacturer registered under rebate item 317.04 imported by component manufacturers approved by the Permanent Secretary, Ministry of Trade, Investment and Industry. Provided that – (i) such component manufacturer shall submit a quarterly return to the Controller regarding all goods entered under this rebate item together with a schedule supported by copies of bills of material reflecting the actual number of automotive components used in the manufacture of a specific original equipment component and the actual number of original equipment components manufactured as well as the quantity of each original equipment component supplied to motor vehicle manufacturers; (ii) the quarterly return shall be substantiated by statements from motor vehicle manufacturers to whom such components were supplied with specific reference to the part numbers, description and quantity received in respect of each part number during the same period; and (iii) the statements by the motor vehicle manufacturers are certified by a	Full duty

				customs and excise officer. NOTE: 1. For the purposes of this item unless the context indicates otherwise, any expression to which a meaning has been assigned in item 317.04 has the meaning so assigned:	

By the substitution of the following:

Rebate Item	Tariff Heading	Rebate Code	CD	Description	Extent of Rebate
317.06	00.00	06.00	07	Automotive components for use in the manufacture of original equipment components as defined in Chapter 98 of Schedule No. 1 for supply to a heavy vehicle manufacturer registered under rebate item 317.07, imported by component manufacturers approved by the Permanent Secretary, Ministry of Trade, Investment and Industry. Provided that- (i) such component manufacturer shall submit a quarterly return to the Controller regarding all goods entered under this rebate item together with a schedule supported by copies of bills of material reflecting the actual number of automotive components used in the manufacture of a specific original equipment component and the actual number of original equipment components manufactured as well as the quantity of each original equipment component supplied to motor vehicle manufacturers; (ii) the quarterly return shall be substantiated by statements from motor vehicle manufacturers to whom such components were supplied with specific reference to the part numbers, description and quantity received in respect of each part number during the same period; and (iii) the statements by the motor vehicle manufacturers are certified by a customs and excise officer. NOTE: 1. For the purposes of this item unless the context indicates otherwise, any expression to which a meaning has been assigned in item 317.03 for APDP I and item 317.04 for APDP II has the meaning so assigned.	Full duty

By the deletion of the following:

Refund Item	Tariff Heading	Rebate Code	CD	Description	Extent of Refund
460.17	87.00	03.02	26	Motor vehicles classifiable under subheadings 8701.20.10, 8702.10.81,8702.10.85, 8702.10.87, 8702.90.81, 8702.90.85, 8702.90.87, 8703.21.90, 8703.22.90, 8703.23.90, 8703.24.90, 8703.31.90, 8703.32.90, 8703.33.90, 8703.90.90, 8704.21.81, 8704.21.83, 8704.31.81, 8704.31.83, 8704.90.81, 8704.90.83, 8706.00.05 and 8706.00.15 entered on or before 31 December 2015 for the purposes of this item, specified by the Permanent Secretary, Ministry of Trade, Investment and Industry, by means of a certificate: Provided that the application for such certificate shall not be considered by the Permanent Secretary, Ministry of Trade, Investment and Industry, unless the applicant – (a) proves that he or she is a manufacturer of specified motor vehicles registered in terms of Chapter 98 or an automotive component manufacturer which is contracted to supply automotive components to a manufacturer of specified motor vehicles; (b) has submitted a business plan on or before 31 December 2009 in respect of a project to invest in productive assets, with a view to producing specified motor vehicles or automotive components of sufficient quality, quantity and at competitive prices to supply to the common customs area and international markets in line with the guidelines issued by the Permanent Secretary, Ministry of Trade, Investment and Industry; and (c) has proved to the satisfaction of the Permanent Secretary, Ministry of Trade, Investment and Industry that the project will contribute to the achievement of the overall objectives of the Government's Motor Industry Development Programme. NOTES: 1. Productive assets include the following: Buildings erected for the sole purpose of manufacturing specified motor vehicles or automotive components, and new or unused plant, machinery, tooling, jigs, dies and moulds, in-plant logistics, testing, design and production IT equipment and supporting software. The duty which may be rebated is calculated as follows: A total of 20 per cent of the value of the productive assets approved by the Permanent Secretary, Ministry of Trade, Investment and Industry for purposes of this rebate provision, but limited to 4 per cent per annum up to 31 December 2014, thereafter a PAA certificate issued for any remaining amount of Productive Asset Allowance value to be valid to 31 December 2015. 2. The Permanent Secretary, Ministry of Trade, Investment and Industry may impose further conditions without prior notice, and the certificate or amended certificate shall be forwarded directly to the Commissioner General for retention by him or her.	Full duty less the duty in Section B of Part 2 of Schedule No. 1

By the insertion of the following:

Rebate Item	Tariff Heading	Rebate Code	CD	Description	Extent of Rebate
460.17	00.00	04.00	06	Automotive components for specified motor vehicles, as defined in rebate item 317.04 or heavy motor vehicles as defined in Note 1 to rebate item 317.07, classifiable in tariff subheadings 4011.10, 4011.20, 4012.11, 4012.12, 4016.99.20, 5911.90.20, applicable to such goods in 6813.20.10, 6813.81.10, 7007.11, 7007.21, 7009.10, 8302.30, 84.09, 8415.20, 8418.99.40, 8421.23.30, 8421.31.50,8421.39.20, 8421.99.66, 8483.30.55, 84.84, 8507.10, 85.11, 85.12, 8536.30.20, 8536.61.20, 8536.69.30, 8536.90.20, 8537.10.20, 8539.10, 8539.21.20, 8539.29.45, 8544.30, 8544.4, 87.07, 87.08 and 9401.20	Not exceeding the duty applicable to such goods in Part 1 of Schedule No. 1 reduced to the extent of the amount reflected on the PRC
460.17	8701.20	03.06	62	Road tractors for semi-trailers	Not exceeding the duties calculated in terms of the Notes to this rebate item
460.17	87.02	03.04	43	Motor vehicles for the transport of ten or more persons	Not exceeding the duties calculated in terms of the Notes to this rebate item
460.17	87.03	05.04	49	Motor cars (including station wagons) of heading 87.03	Not exceeding the duties calculated in terms of the Notes to this rebate item
460.17	87.04	03.04	46	Motor vehicles for the transport of goods of heading 87.04 (excluding motor vehicles of subheading 8704.10)	Not exceeding the duties calculated in terms of the Notes to this rebate item
460.17	87.06	03.04	49	Chassis fitted with engines of heading 87.06 (excluding those for motor vehicles of subheading 8704.10	Not exceeding the duties calculated in terms of the Notes to this rebate item

By the substitution of the following:

Rebate Item	Tariff Heading	Rebate Code	CD	Description	Extent of Rebate
460.17	VEHICLES, AIRCRAFT, VESSELS AND ASSOCIATED TRANSPORT EQUIPMENT NOTES: 1(a) For the purposes of rebate items 460.17/00.00/03.00, 460.17/8701.20/02.06, 460.17/87.02/02.04, 460.17/ 87.03/03.04, 460.17/87.04/02.04 and 460.17/87.06/02.04 unless the context indicates otherwise, any expression to which a meaning has been assigned in item has 317.03 has the meaning so assigned. (b) For the purposes of these rebate items the extent of rebate "not exceeding the duty as calculated in terms of the Notes to this rebate item" means the customs duty payable and must be calculated on a value determined as follows: (i) The value for customs duty purposes of specified motor vehicles imported less the value of any excess volume assembly allowances as calculated in the quarterly account of a manufacturer of specified motor vehicles (as defined in rebate item 317.03) and less the value of a production rebate credit certificate. (ii) For the purposes of paragraph (i) above the value of the excess volume assembly allowance and the value of a production rebate credit certificate shall be reduced by 20 per cent if the rebate is used to import specified motor vehicles. No adjustment shall, however, be made if the production rebate credit certificate was issued in respect of specified motor vehicles produced fitted with engines and gearboxes. 2. (a) For the purposes of rebate items 460.17/00.00/04.00, 460.17/8701.20/03.06, 460.17/87.02/03.04, 460.17/87.03/05.04, 460.17/87.04/03.04 and 460.17/87.06/03.04 unless the context indicates otherwise, any expression to which a meaning has been assigned in item 317.04 has the meaning so assigned. (b) For the purposes of these rebate items the extent of rebate "not exceeding the duty as calculated in terms of the Notes to this rebate item" means the customs duty payable on a value determined as follows: (i) The value for customs duty purposes of specified motor vehicles imported less the value of any excess Volume Assembly Localisation Allowance (VALA) as calculated in the quarterly account of a manufacturer of specified motor vehicles (as defined in rebate item 317.04). (ii) For the purposes of paragraph (i) above the value of the excess VALA shall be reduced by 20 per cent if the rebate is used to import specified motor vehicles. (c) After reducing the value for customs duty purposes by utilizing the VALA calculated in terms of 2(b)(i) the customs duty may be reduced to the extent of the amount reflected on the Production Rebate Certificate. 3. These Notes are only applicable to the ordinary duty specified in Part 1 of Schedule No. 1.					

By the insertion of the following:

Refund Item	Tariff Heading	Rebate Code	CD	Description	Extent of Refund
536.00	00.00	01.00	00	Automotive components, as defined in Note 8 to Chapter 98, on which duty has been paid and which have been supplied to a motor vehicle manufacturer for use as original equipment components, as defined in Note 3 to Chapter 98, in the manufacture of specified motor vehicles as defined in rebate item 317.04 or which have been incorporated in original equipment components supplied to motor vehicle manufacturers provided: (i) such component manufacturer or supplier can produce proof by means of copies of the bills of materials reflecting the actual number of imported automotive components used in the manufacture of a specific original equipment component supplied; (ii) proof of the quantity of each original equipment component supplied to a motor vehicle manufacturer substantiated by a statement from the motor vehicle manufacturer to whom such components were supplied with specific reference to the part number, description and quantity received, is produced; (iii) the statement by the motor vehicle manufacturer is certified by a customs and excise officer; and (iv) the imported component value has been declared on a specified Form and it can be produced on request. Note: 1. For the purposes of this item unless the context indicated otherwise, any expression to which a meaning has been assigned in item 317.04 has the meaning so assigned.	Full Duty
537.04	MOTOR VEHICLES AS PROVIDED FOR UNDER THE APDP II NOTES: 1.For the purposes of item 537.04 – (a) unless the context indicates otherwise, any expression to which a meaning has been assigned in rebate item 317.04 has the meaning so assigned. (b) the amount of a Production Rebate Certificate may be utilised to claim a refund of duty on imported specified motor vehicle as defined in rebate item 317.04. 2. These items are only applicable to the ordinary duty specified in Part 1 of Schedule No. 1.				
537.04	8701.20	01.06	66	Road tractors of semi-trailers	Not exceeding the duties calculated in terms of the Notes to this rebate item
537.04	87.02	01.04	47	Motor vehicles for the transport of ten or more persons, including the driver.	Not exceeding the duties calculated in terms of the Notes to this rebate item

537.04	87.03	01.04	43	Motor cars (including station wagons) of heading 87.03	Not exceeding the duties calculated in terms of the Notes to this rebate item
537.04	87.04	01.04	46	Motor vehicles for the transport of goods of heading 87.04 (excluding motor vehicles of subheading 8704.10)	Not exceeding the duties calculated in terms of the Notes to this rebate item

By the insertion of the following:

Refund Item	Tariff Heading	Rebate Code	CD	Description	Extent of Refund
537.04	87.06	01.04	42	Chassis fitted with engines of headings 87.06 (excluding those for motor vehicles of subheading 8704.10)	Not exceeding the duties calculated in terms of the Notes to this rebate item.

By the substitution of the following:

Refund Item	Tariff Heading	Rebate Code	CD	Description	Extent of Refund
536.00	00.00	04.00	Automotive components, as defined in Note 8 to Chapter 98, on which duty has been paid and which have been supplied to a motor vehicle manufacturer for use as original equipment components, as defined in Note 3 to Chapter 98, in the manufacture of heavy vehicles as defined in rebate item 317.07 or which have been incorporated in original equipment components supplied to motor vehicle manufacturers provided:		

			i. such component manufacturer or supplier can produce proof by means of copies of the bills of materials reflecting the actual number of imported automotive components used in the manufacture of a specific original equipment component supplied; ii. proof of the quantity of each original equipment component supplied to a motor vehicle manufacturer substantiated by a statement from the motor vehicle manufacturer to whom such components were supplied with specific reference to the part number, description and quantity received, is produce iii. the statement by the motor vehicle manufacturer is certified by a customs and excise officer; and iv. the imported component value has been declared on a specified Form for APDP I and specified Form for APDP II and it can be produced on request. Note: 1. For the purposes of this item unless the context indicated otherwise, any expression to which a meaning has been assigned in items 317.03 for APDP I and item 317.04 for APDP II has the meaning so assigned.
537.00	MOTOR VEHICLES		
537.03	MOTOR VEHICLES AS PROVIDED FOR UNDER THE APDP I NOTES: 1. (a) For the purposes of item 537.03 unless the context indicates otherwise, any expression to which a meaning has been assigned in item 317.03 has the meaning so assigned. (b) For the purposes of refund items 537.03 the value of a PRCC shall be reduced by 20 per cent if used to claim a refund of duty on imported specified motor vehicles, as defined in rebate item 317.03. No adjustment shall, however, be made if the PRCC is in respect of specified motor vehicles produced fitted with engines and gearboxes.		

MADE this 15th day of December, 2021.

PEGGY O. SERAME,
Minister of Finance and Economic Development.