Statutory Instrument No. 42 of 1989

CUSTOMS AND EXCISE DUTY ACT
(Cap. 50:01)

AMENDMENT OF SCHEDULES (NO. 22) NOTICE, 1989
(Published on 5th May, 1989)

IN EXERCISE of the powers conferred on the Minister of Finance and Development Planning by sections 50 and 51 of the Customs and Excise Duty Act, the Schedules to the Act are amended to the extent set out in the Schedule below.

SCHEDULE

Schedule No. 3 to the Act

REBATE ITEM	TARIFF HEADING	REBATE CODE	C. D.	DESCRIPTION	EXTENT OF REBATE
317.00				By the substitution for the Notes to rebate item 317.00 of the following: "1. Components imported separately (for example, as a reserve supply for replacing damaged components or as components not forming part of imported unassembled, complete or incomplete vehicles) for use in terms of the provisions of item 317.03 or 317.05, shall be entered under the appropriate tariff heading of Schedule No. 1 and under the rebate provision applicable to the components as if imported as parts of the unassembled vehicles in which they are to be incorporated."	
317.03				By the substitution for rebate items 317.03 and 317.04 of the following:	
"317.03				Industry: Passenger vehicles, public transport-type passenger vehicles and other specialised passenger vehicles, road tractors for semi-trailers and vehicles for the transport of goods:	

REBATE ITEM	TARIFF HEADING	REBATE CODE	C. D.	DESCRIPTION	EXTENT OF REBATE
	00.00	01.00	44	Components for motor cars (including station wagons)	Full duty
		02.00	49	Components for public transport-type passenger vehicles and other specia-lised passenger vehicles	Full duty
		03.00	43	Components for road trac-tors for semi-trailers	Full duty
		04.00	48	Components for motor vehicles for the trans-port of goods	Full duty
		05.00	42	Components for chassis of subheading No. 8706.00	Full duty
		06.00	47	Components for cabs of tariff heading No. 87.07	Full duty

Schedule No. 4 to the Act

REBATE ITEM	TARIFF HEADING	REBATE CODE	C. D.	DESCRIPTION	EXTENT OF REBATE
410.06				By the insertion after rebate item 410.05 of the following:	
"410.06	00.00	01.00	43	Replacement parts and acce-ssories imported by motor vehicle manufacturers in such quantities, at such times and subject to such conditions as the Permanent Secretary, Ministry of Commerce and Industry may allow by specific permit	Full duty"
460.17				By the deletion of rebate code 01.00 to tariff heading No. 87.01. By the deletion of tariff headings Nos. 87.02, 87.04 and 87.06.	

Schedule No. 5 to the Act

REBATE ITEM	TARIFF HEADING	REBATE CODE	C. D.	DESCRIPTION	EXTENT OF REFUND
535.00				By the insertion after rebate item 534.00 of the following:	
"535.00				MOTOR VEHICLE PARTS AND ACCESSORIES:	
	00.00	01.00	46	Parts and accessories on which a duty of 50% in Part 1 of Schedule No. 1 has been paid, provided locally manufactured parts and accessories of the same value and which are of a kind subject to a duty of 50%, have been exported by the importer of such parts and accessories	Full duty
		02.00	40	Parts and accessories on which a duty of 50% in Part 1 of Schedule No. 1 has been paid and which are proved to the satisfaction of the Director to have been supplied to a motor vehicle manufacturer	Full duty"

Schedule No. 6 to the Act

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				By the substitution for the Notes to rebate item 609.17 of the following: "NOTES: 1. In this item and the notes thereto - (a) "motor vehicles" means vehicles specified in tariff item 117.00		

REBATE ITEM	TARIFF HEADING	REBATE CODE	C. D.	DESCRIPTION	EXTENT OF REFUND
				but excluding vehicles specified in tariff items 117.01.20 and 117.01.30	
				(b) "model" means a motor vehicle differing from another in respect of any one or more of the following features as defined in the regulations namely: body style, engine, steering, transmission or braking equipment	
				(c) "motor vehicle model-related tooling" means capital equipment used in the manufacture of a model or parts of a model as certified by the Minister of Commerce and Industry from time to time	
				(d) "net foreign currency usage" in respect of goods manufactured in a customs and excise manufacturing warehouse means - the value for customs duty purposes of - - goods imported for use in the manufacture of motor vehicles and components therefor - replacement parts and accessories imported	

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				- motor vehicle model related tooling imported __plus__ - foreign currency usage in respect of goods for use in the manufacture of motor vehicles and components therefor and replacement parts and accessories acquired from any person in the common customs area - licence fees and royalties paid to any person outside the common customs area in respect of motor vehicles and components therefor __less__ - f.o.b. value of motor vehicles and components therefor (including replacement parts and accessories) exported by such manufacturing warehouse - f.o.b. value of locally manufactured or second-hand motor vehicle model-related tooling exported by such manufacturing		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				warehouse - foreign currency earnings ceded by local component suppliers to such warehouse in respect of components exported by such suppliers, but excluding the foreign currency usage in respect of such components - licence fees and royalties received in respect of motor vehicles and components therefor (e) "foreign currency usage" in respect of component manufacturers/suppliers means - the value for customs duty purposes of - - such imported component imported by such manufacturer/supplier or acquired from any person in the common customs area - any imported goods (including raw materials) imported by such manu-		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				facturer or acquired from any person in the common customs area for the manufacture/assembly of such component - imported motor vehicle model-related tooling plus - licence fees and royalties paid to any person outside the common customs area in respect of such components, parts and accessories (f) "foreign currency earnings" in respect of component manufacturers means - - f.o.b. value of motor vehicle components exported directly by such manufacturer - licence fees and royalties earned in respect of motor vehicle components - f.o.b. value of locally manufactured or second-hand model-related motor vehicle tooling exported 2. Notwithstanding the provisions of Note 1 (e), the Minister of Commerce		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND

and Industry may in such circumstances and subject to such conditions as he may prescribe, determine and specify in a certificate the foreign currency usage of any person in respect of a subassembly or assembly not wholly manufactured by him in the common customs area

3. "Local content value" means the value for excise duty purposes of all motor vehicles removed from a customs and excise manufacturing warehouse during a quarter for excise duty purposes less the total net foreign currency usage in respect of such warehouse during the preceding quarter for excise duty purposes

4. (i) The licensee of a customs and excise manufacturing warehouse shall obtain certificates declaring the foreign currency usage in the form prescribed by regulation in respect of all goods, for use in the manufacture of motor vehicles and components therefor, and replacement parts and accessories, acquired during a quarter for excise duty purposes

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				from any person in the common customs area (ii) If such certificate is not obtained or duly completed the foreign currency usage in respect of such goods, replacement parts and accessories shall be deemed to be the price at which such goods are acquired by the licensee (iii) The Permanent Secretary, Ministry of Commerce and Industry may verify the correctness of the foreign currency usage declared on such certificate and may in his discretion determine the foreign currency usage of the goods concerned 5. The foreign currency earnings by local component manufacturers or other exporters of locally manufactured components may be ceded to a motor vehicle manufacturer for inclusion in the calculation of the net foreign currency usage by him 6. For the purpose of calculating the net foreign currency usage in respect of a quarter for		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				excise duty purposes - (i) the value for customs duty purposes of all imported goods shall be included according to the date on which such goods were entered for home consumption; (ii) the f.o.b. value of goods exported shall be included according to the date of the export bill of entry; (iii) the foreign currency usage in respect of goods for use in the manufacture of motor vehicles, and replacement parts and accessories, acquired from any person in the common customs area shall be included according to the date of the invoice in respect of such goods; (iv) licence fees and royalties shall be included according to the date when actual payment is made or received; (v) motor vehicle manufacturers shall be allowed to phase in the value for customs duty purposes of		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				motor vehicle model-related tooling over the lifetime of that particular model: Provided that such manufacturers will be allowed to phase in only 50 per cent of the value of such tooling imported during the first year ending 28th February, 1990		
				(vi) component manufacturers shall be allowed to phase in the value for customs duty purposes of motor vehicle model-related tooling over a period of 4 years; and		
				(vii) the foreign currency earnings in respect of components which are exported in an incomplete or unfinished condition shall only be allowed on production of a permit issued by the Permanent Secretary, Ministry of Commerce and Industry		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				7. To qualify for any rebate, the local content value, excluding the value of exports, shall not be less than 25 per cent of the value for excise duty purposes unless prior permission has been obtained from the Permanent Secretary, Ministry of Commerce and Industry		
				8. Any rebate of duty claimed in terms of item 609.17 in respect of a quarter for excise duty purposes, shall not exceed the total excise duty payable in terms of tariff item 117.00 (excluding duty payable in terms of tariff items 117.01.20 and 117.01.30) by such licencee in respect of that quarter"		
	117.01			By the substitution for codes 01.00, 01.01, 01.02, 01.03, 01.04 and 01.05 to tariff item 117.01 of the following:		
		"01.00	56	Road tractors for semi-trailers	50% of the local content value"	
	117.05 to 117.30			By the substitution for tariff items 117.05, 117.10, 117.15, 117.17, 117.21, 117.22, 117.24, 117.26, 117.27, 117.29 and 117.30 of the following:		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
	"117.05	01.00	55	Motor cars (including station wagons)	50% of the local content value	
	117.21	01.00	59	Public-transport type passenger motor vehicles, of a seating capacity of not less than 10 seats (including the driver's seat) and of a vehicle mass not exceeding 1 600 kg	50% of the local content value	
	117.22	01.00	56	Public-transport type passenger motor vehicles, mono-built, of a seating capacity of not less than 16 seats (including the driver's seat) and of a vehicle mass exceeding 1 600 kg	50% of the local content value	
	117.24	01.00	50	Motor vehicles for the transport of goods, mono-built, of a vehicle mass not exceeding 1 600 kg	50% of the local content value	
	117.26	01.00	55	Motor vehicles for the transport of goods, mono-built, of a vehicle mass exceeding 1 600 kg	50% of the local content value	
	117.27	01.00	52	Motor vehicles for the transport of goods (excluding mono-built), of a vehicle mass not exceeding 1 600 kg with rear body or 1 500 kg without rear body	50% of the local content value	
	117.29	01.00	57	Chassis fitted with engines and cabs, of a vehicle mass excee-	50% of the local	

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				ding 1 500 kg (excluding those for vehicles of subheading No. 8704.10)	content value	
	117.30	01.00	58	Chassis fitted with engines (excluding those for vehicles of subheading No. 8704.10)	50% of the local content value"	
609.22				By the deletion of rebate item 609.22.30.		
				By the deletion of rebate items 609.22.37, 609.22.40, 609.22.45, 609.22.50 and 609.22.80.		

NOTES:

1. The Notes to item 609.17 and certain rebate provisions are rewritten and the extent of rebate is amended.

2. The provisions for a rebate of excise duty on certain motor vehicles are withdrawn.

MADE this 14th day of March, 1989.

P.S. MMUSI,
Vice-President and Minister of
Finance and Development Planning.

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