

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

AMENDMENT OF SCHEDULES (NO. 1) NOTICE, 1990
(Published on 5th January, 1990)

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

Part 2 Section A of Schedule No. 1 to the Act

TARIFF ITEM	TARIFF HEADING	DESCRIPTION	RATE OF DUTY	
			EXCISE	CUSTOMS
117.00, 117.01, 117.05, 117.21, 117.22, 117.24, 117.26, 117.27, 117.29 and 117.30		By the substitution for tariff items 117.00, 117.01, 117.05, 117.21, 117.22, 117.24, 117.26, 117.27, 117.29 and 117.30 of the following:		
*117.00		VEHICLES		

NOTES:

1. The following motor vehicles are deemed not to be excisable:
 - (i) motor vehicles which are manufactured by the conversion of excisable or non-excisable motor vehicles; and
 - (ii) motor vehicles manufactured solely from second-hand parts or from second-hand and new parts, as the Director may decide.
2. When calculating the excise duty in tariff items 117.22, 117.29 and 117.30 the value of any body (excluding cab) fitted in the manufacturing warehouse shall not be taken into account.
3. For the purpose of determining the seating capacity of any passenger motor

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			EXCISE	CUSTOMS
		vehicle, the minimum continuous seat length per person shall be taken to be 38 cm in the case of bench type seats.		
117.01	87.01	TRACTORS INCORPORATING INTERNAL COMBUSTION PISTON ENGINES WITH A CYLINDER CAPACITY OF 2 000 cm ³ OR MORE (EXCLUDING TRACK-LAYING TRACTORS):		
		.10 Road tractors for semi-trailers	30%	-
		.20 Tractors incorporating internal combustion piston engines with a cylinder capacity of 2 000 cm ³ or more, with a rear-axle width, measured between the wheel hubs outside mounting faces, not exceeding 1 250 mm	20%	20%
		.30 Other	40%	40%
117.05	87.03	MOTOR CARS (INCLUDING STATION WAGONS)	30%	-
117.21	87.02	PUBLIC-TRANSPORT TYPE PASSENGER MOTOR VEHICLES, OF A SEATING CAPACITY OF 10 SEATS OR MORE BUT NOT EXCEEDING 15 SEATS (INCLUDING THE DRIVER'S SEAT)	30%	-
117.22	87.02	PUBLIC-TRANSPORT TYPE PASSENGER MOTOR VEHICLES, MONO-BUILT, OF A SEATING CAPACITY OF NOT LESS THAN 16 SEATS (INCLUDING THE DRIVER'S SEAT)	30%	-
117.24	87.04	MOTOR VEHICLES FOR THE TRANSPORT OF GOODS, MONO-BUILT, OF A VEHICLE MASS NOT EXCEEDING 2 000 KG	30%	-
117.26	87.04	MOTOR VEHICLES FOR THE TRANSPORT OF GOODS, MONO-BUILT, OF A VEHICLE MASS EXCEEDING 2 000 KG	30%	-
117.27	87.04	MOTOR VEHICLES FOR THE TRANSPORT OF GOODS (EXCLUDING MONO-BUILT) OF A VEHICLE MASS NOT EXCEEDING 2 000 KG WITH REAR BODY OR 1 900 KG WITHOUT REAR BODY	30%	-

TARIFF ITEM	TARIFF HEADING	DESCRIPTION	RATE OF DUTY	
			EXCISE	CUSTOMS
117.29	87.02 87.04	CHASSIS FITTED WITH ENGINES AND CABS, OF A VEHICLE MASS EXCEEDING 1 900 KG (EXCLUDING THOSE FOR VEHICLES OF SUBHEADING NO. 8704.10)	30%	-
117.30	87.06	CHASSIS FITTED WITH ENGINES, OF A MASS EXCEEDING 1 900 KG (EXCLUDING THOSE FOR VEHICLES OF SUBHEADING NO. 8704.10)	30%	-"

Part 2 Section B of Schedule No. 1 to the Act

ITEM	HEADING	SUB- HEAD- ING	ARTICLE DESCRIPTION	RATE OF DUTY	
				EXCISE	CUSTOMS
126.05			By the insertion after item 124.75 of the following:		
*126.05	87.03		MOTOR CARS (INCLUDING STATION WAGONS)	9,5 per cent of the total excise value of all such motor vehicles removed less 2100UA/ vehicle	-"

Schedule No. 6 to the Act

REBATE ITEM	TARIFF ITEM	C. CODE	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 but excluding vehicles specified in tariff items 117.01.20 and 117.01.30 (b) "tooling" means:		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				- dies for drawing or extruding metal, of subheading No. 8207.20;		
				- tools for pressing, stamping or punching, of subheading No. 8207.30;		
				- work holders of subheading No. 8466.20;		
				- assembly jigs of subheadings Nos. 8477.80 and 8479.89; and		
				- injection moulds, moulding patterns and moulds of heading No. 84.80,		
				for use for the manufacture of motor vehicles and components therefor		
				(c) "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 (excluding consumables, petrol, distillate fuels, lubricating grease and prepared engine, gear-box, steering case and drive-axle lubricating oils) imported		
				for use in the manufacture of motor vehicles and components therefor		
				- tooling imported		
				plus		
				- foreign currency usage in respect of goods for use in the manufacture of motor vehicles and components therefore acquired from any person in the common customs area		
				- licence fees and royalties paid to any person outside the		

609.17

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				common customs area in respect of motor vehicles and components therefor		
				<u>less</u>		
				- f.o.b. value of motor vehicles and components therefor, including replacement parts and accessories but excluding the foreign currency		
609.17				usage of such replacement parts and accessories, exported by such manufacturing warehouse		
				- f.o.b. value of locally manu- factured or second-hand tooling exported by such manufacturing warehouse		
				- foreign currency earning as defined in Note 1(e), ceded by local component manufacturers/ suppliers or other exporters in the common customs area to such manufacturing warehouse in respect of motor vehicle components or tooling exported by such suppliers or exporters, but excluding the foreign currency usage in respect of such components or tooling		
609.17				- foreign currency usage in respect of components manu- factured in such manufacturing warehouse and supplied to other customs and excise manufactur- ing warehouses		
				- licence fees and royalties received in respect of motor vehicles and components therefor		
				(d) "foreign currency usage" in respect of component manu- facturers/suppliers means -		
				the value for customs duty purposes of -		
				- such imported components imported by such manu- facturer/supplier or acquired		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				from any person in the common customs area		
609.17				<ul style="list-style-type: none"> - any imported goods (excluding consumables, petrol, distillate fuels, lubricating grease and prepared engine, gear-box, steering case and drive-axle lubricating oils) imported by such manufacturer or acquired from any person in the common customs area for the manufacture/assembly of such components - tooling imported <p>plus</p> <ul style="list-style-type: none"> - licence fees and royalties paid to any person outside the common customs area in respect of such components, parts and accessories <p>(e) "foreign currency earnings" in respect of component manufacturers/suppliers means -</p>		
609.17				<ul style="list-style-type: none"> - f.o.b. value of motor vehicle components exported directly by such manufacturer/supplier - licence fees and royalties earned in respect of motor vehicle components - f.o.b. value of locally manufactured or second-hand tooling exported <p>(f) "consumables" mean those goods which are used in the manufacture of motor vehicles and components therefor but do not form part of such motor vehicles or components</p> <p>(g) the expression "licence fees and royalties" shall include payments made in respect of technical drawings, design costs, specification and documentation, magnetic data tapes, planning/development charges, technical</p>		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				<p>advisory costs, warranty costs and advertising expenses</p> <p>2. Notwithstanding the provisions of Notes 1 (c) and 1(d), the Permanent Secretary, Ministry of Commerce 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 (a) in respect of any goods imported and used in the manufacture of motor vehicles or components therefor, and (b) of any person in respect of a subassembly or assembly not wholly manufactured by him in the common customs area</p> <p>3. "Local content value" means the value for excise duty purposes of all motor vehicles (excluding those entered under rebate of duty in terms of any other rebate item of this Schedule) 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</p> <p>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 including tooling, for use in the manufacture of motor vehicles and components therefor, acquired during a quarter for excise purposes from any person in the common customs area.</p>		
609.17				<p>Only one certificate may be obtained in respect of the total quantity of each component received</p>		

REBATE ITEM	TARIFF ITEM	C. CODE	D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				during a quarter for excise duty purposes		
				(i) If such certificates are not obtained or duly completed, the foreign currency usage in respect of such goods, shall be deemed to be the price at which such goods were acquired by the licensee		
				(iii) The Permanent Secretary, Ministry of Commerce and Industry may prescribe the method and basis of cal- culation and verify the correctness of the foreign currency usage declared on such certificates and may determine the foreign currency		
609.17				usage of the goods concerned		
				5. The foreign currency earnings by local component manu- facturers/suppliers or other exporters of locally manu- factured components may be ceded to a motor vehicle manu- facturer for inclusion in the calculation of the net foreign currency usage by him		
				6. For the purpose of cal culating the net foreign currency usage in respect of a quarter for 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;		
609.17				(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		

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				<p>acquired from any person in the common customs area, shall be included according to the date of receipt in respect of such goods;</p> <p>(iv) licence fees and royalties shall be included according to the date when actual payment is made or received;</p> <p>(v) motor vehicle manufacturers shall be allowed to phase in the value for customs duty purposes of tooling over the period of</p> <p>use of such tooling by him: 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;</p> <p>(vi) component manufacturers shall be allowed to phase in the value for customs duty purposes of tooling over a period of 4 years; and</p> <p>(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</p>		
609.17				<p>7. To qualify for any rebate in terms of this item -</p> <p>(a) the local content value shall not be less than 45 per cent of the value for excise duty purposes; and</p> <p>(b) the local content value (excluding exports) shall not be less than 25 per cent of the value for excise duty purposes,</p> <p>unless prior permission has been obtained from the Permanent Secretary, Ministry of Commerce and Industry</p>		
609.17						

REBATE ITEM	TARIFF ITEM	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				8. If the amount rebated in terms of rebate item 609.17 exceeds the duty due in terms of tariff item 117.00 (excluding tariff items 117.01.20 and 117.01.30) in respect of a quarter for excise duty purposes, 75 per cent of such excess amount shall be carried forward and allocated in three equal parts to the three subsequent quarters for excise duty purposes"		

NOTES: The Notes to rebate item 609.17 are restated.

MADE this 11th day of December, 1989.

F. G. MOGAE,
*Minister of Finance and Development
Planning.*

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