

Mr Parks Tau
Minister of Trade, Industry and Competition
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Dear Minister Tau

ADDENDUM TO REPORT NO. 692: AMENDMENT OF REBATE ITEM 316.01 AND REBATE ITEM 316.09 TO ALLOW FOR THE INCLUSION OF ADDITIONAL COMPONENTS FOR COOKING AND COOLING APPLIANCES

INTRODUCTION

1. Defy Appliances (Pty) Ltd applied for an amendment of Rebate Items 316.01 and 316.09 to allow for the inclusion of additional components for cooking and cooling appliances. These rebate provisions allow for the importation of various components such as hinges of base metal, electric hearing resistors and other parts classifiable under tariff subheadings 8302.10, 8418.91, 8418.99, 8516.80, 8516.90 and 8536.90. The components are used in the manufacture of various domestic appliances.
2. The subject products attract a customs duty ranging from 5% *ad valorem* to 20% *ad valorem*, depending on the nature of the component and country of origin, as outlined in Table 1 of ITAC Report No. 692. The current rebate structure of Rebate Items 316.01 and 316.09 was outlined in Table 2 and Table 3 of ITAC Report No. 692.
3. The Commission recommended that Rebate Items 316.01 and 316.09 be amended to allow for the inclusion of additional components for cooking and cooling appliances as outlined in paragraph 1 above.
4. ITAC Report No. 692, containing the Commission's recommendation, was forwarded to the Minister of Trade, Industry and Competition ("the Minister") and subsequently, the Minister approved the Commission's recommendation on 22 August 2022.
5. ITAC Report No. 692 was forwarded to the Minister of Finance for consideration and implementation through SARS.

6. However, whilst processing the Commission's recommendation for implementation, SARS established that the descriptive amendments to the rebate provisions contained in the report were no longer aligned with the descriptions that it had initially provided. This is because, due to the complex nature of the amendments that were sought, Defy had drafted an annexure with an intention of simplifying the amendments. The unintended result of the Defy annexure was that the proposed descriptions were no longer harmonised with the proposals from SARS, rendering them unimplementable.
7. In addition, SARS also sought clarity on the need to introduce a permit system to the provisions, given that these were not subject to an ITAC permit.
8. In its engagements with SARS, ITAC clarified that the intention of the Commission in recommending the introduction of a permit system was to allow the Commission to immediately stop the issuance of these permits if local manufacturing of the subject products begins. This is due to the fact that, during the course of the investigation, it was established that there is potential for the localisation of some of the components subject to these rebate provisions.
9. After several engagements between ITAC, SARS and Defy, a resolution was reached on 02 September 2025 to proceed with the implementation of the requested amendments under Schedule 3 of the Customs and Excise Act, as outlined in paragraph 12 below.

FINDINGS

10. During its meeting of 15 December 2025, the Commission considered the updated rebate descriptions following engagements between ITAC, SARS and Defy in light of the developments regarding the implementation of its recommendation contained in Report No. 692.
11. The Commission found that -
 - The recommendations in paragraph 23 and 24 of ITAC Report No. 692, in their current form, are not implementable;

- The updated rebate descriptions fully cover the Commission's initial intention to provide relief to the domestic appliances manufacturing industry through these suggested amendments;
- Implementing the Commission's recommendation for the amendment of Rebate Items 316.01 and 316.09 to allow for the inclusion of additional components for cooking and cooling appliances based on the updated rebate descriptions will be done without necessitating the reopening of the investigation.

12. The Commission therefore decided to amend Report No. 692, in terms of Section 48(a) of ITA Act, which provides that inter alia "the Commission may vary or rescind a recommendation or decision in which there is an obvious error or omission, but only to the extent of correcting that error or omission" and supported the amendment to the Schedule 3 rebate structure in order to allow for the inclusion of additional components for the manufacture of cooking and cooling appliances, as follows:

- New Rebate Item 316.01/8302.10/01.06,

Hinges of base metal, classifiable under tariff subheading 8302.10, for use in the manufacture of household refrigerators and freezers of heading 84.18, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit" "

- New rebate item 315.15 for:

Hinges of base metal, classifiable under tariff subheading 8302.10, for use in the manufacture of non-electric domestic ovens classifiable in heading 73.21 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit"

- New rebate item 316.01/8418.99.20/01.08 for:

Other parts, for household fridges and freezers, classifiable under tariff subheading 8418.99.20, for use in the manufacture of refrigerators and freezers of heading

84.18, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit “

- New Rebate Item 316.01/8418.99.40/01.08 for:

Evaporators and condensers, classifiable under tariff heading 8418.99.40, for use in the manufacture of refrigerators and freezers of heading 84.18, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit”

- New rebate item 315.15/8516.80/01.06 for:

Electric heating resistors, of tariff subheading 8516.80, for the manufacture of non-electric domestic ovens of tariff subheading headings 73.21, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit

- New Rebate Item 316.09/8516.90/04.06 for:

Parts, classifiable in tariff subheading 8516.90, for use in the manufacture of electric domestic stoves, hobs and tabletop cookers (excluding glass top stoves and hobs), classifiable under tariff heading 85.16, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit

- New Rebate item 315.15/8516.90/01.06 for:

Parts, classifiable under tariff subheading 8516.90, for use in the manufacture of non-electric domestic hobs and stoves (excluding glass top stoves and hobs), classifiable under tariff heading 73.21, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit

13. The recommendation contained in Report No. 692 is being varied through an addendum to the report.

PROPOSAL

14. In light of the foregoing, it is recommended that the Minister amend Report No. 692 approves amendment to Report No. 692 to correct a technical error, which varies the Commission's initial recommendation.



Mr. Ayabonga Cawe
Chief Commissioner
Date: 18 March 2026