

**EXPLANATORY MEMORANDUM**

**AMENDMENTS FOR IMPLEMENTATION ON 1 JANUARY 2021**

The draft amendments of the Schedule to the Customs and Excise Act, 1964, Act No. 91 (the Act), will be implemented **with effect from 1 January 2020**.

The proposed amendments are in respect of –

- the phase-down of the rates of duty for 2021 in terms of the Economic Partnership Agreement (EPA) between the European Union (EU) and the Southern African Development Community (SADC) EPA States in Part 1 of Schedule No. 1.

**1. The phase-down of duties in terms of EPA**

In terms of the EPA which entered into force on 10 October 2016, South Africa has an obligation to amend the rates of duty on certain products listed in Part 1 of Schedule No. 1 to the Act on an annual basis, with effect from 1 January of a particular year.

The changes to the rates of customs duties in terms of EPA for 2021 relate to the following:

- 1.1 Fish classifiable in tariff subheadings 0302.13, 0302.14, 0303.14 and 0305.41, in Section A, Annex II, listed as staging category “B\*”, the remaining duties are eliminated; and
- 1.2 Fish in Chapters 3 and 16, in Section A, Annex II, listed as staging category “C\*” is reduced to a preference margin of 40 per cent of the MFN rate of duty.