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DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION**NOTICE 3579 OF 2025****Amended Export Control Guidelines on the Exportation of Ferrous and Non-Ferrous Waste and Scrap****Review of the Price Preference System Guidelines
("Guidelines")**

The International Trade Administration Commission of South Africa ("the Commission") hereby notifies interested parties that revised Guidelines for the Price Preference System ("PPS") have been drafted. The PPS follows from a trade policy directive issued on 10 May 2013 by the then Minister of Economic Development directing ITAC to exercise its powers under the International Trade Administration Act, 2002 (Act No. 71 of 2002) to regulate the exportation of ferrous and non-ferrous waste and scrap metal. The Guidelines set out the framework for the implementation and administration of the PPS in relation to the exportation of ferrous and non-ferrous waste and scrap metal. Interested parties are hereby invited to submit comments on the revised Guidelines.

In addition, interested parties are requested to provide comments on the draft terms of reference for the Technical Working Group established under the PPS, which are also attached to this notice.

Submissions should be forwarded electronically within two (2) weeks from the date of this notice to the following Commission official:

Mrs. Dudu Mogale, Manager: Import and Export Control

Email: dmogale@itac.org.za

Confidential information: If the submission contains confidential information, it should be clearly indicated (submission should be marked "Confidential"). Additionally, a non-confidential version of the submission, omitting all confidential information, must also be provided to the Commission.

International Trade Administration Commission of South Africa
Amended Export Control Guidelines on the Exportation of
Ferrous and Non-Ferrous Waste and Scrap

1. Definitions

- 1.1 **"circulation period"** means the first 5 working days following circulation of a scrap metal distribution list;
- 1.2 **"domestic consuming industry"** means the domestic consumers of scrap metal, which are foundries, mills, mini-mills and secondary scrap metal smelters;
- 1.3 **"Guidelines"** means these Export Control Guidelines on the Exportation of Ferrous and Non-Ferrous Waste and Scrap metal establishing a price preference system as described in paragraph 2;
- 1.4 **"the Act"** means the International Trade Administration Act, 2002 (Act No. 71 of 2002);
- 1.5 **"ITAC"** means the International Trade Administration Commission of South Africa established under section 7 of the Act;
- 1.6 **"new entrant applicant"** means a party that is not already registered with ITAC as an exporter of scrap metal.
- 1.7 **"Scrap metal"** means ferrous and non-ferrous waste and scrap metal, whether generated within South Africa or imported into South Africa, of a kind listed in paragraph 3;
- 1.8 **"Valid offer"** means a written offer to purchase at or above the price preference level calculated by ITAC.

2. Price Preference System

On 10 May 2013 the then Minister of Economic Development issued a trade policy directive (the Directive) in terms of Section 5 of the Act, that ITAC exercise its powers under the Act to regulate the exportation of scrap metal. ITAC established a price preference system (PPS) pursuant to which it would not allow the exportation of scrap metal unless it had first been offered for sale for local beneficiation, to the domestic consuming industry, for a period and at a price discount or other formula determined by ITAC.¹ The particulars of the PPS are set forth in paragraphs 3-8 below and are divided into subject headings for ease of reference.

3. Subject Merchandise

In accordance with the Directive, the scrap metal categories subject to the PPS are listed in the Export Control Regulations, published in Government Gazette Notice No. R 92 of 10 February 2012 in terms of section 6 of the Act:

<u>Description of goods</u>	<u>Tariff heading</u>
Ferrous waste and scrap, re-melting scrap ingots of iron or steel	7204
Copper waste and scrap	7404.00
Nickel waste and scrap	7503.00
Aluminium waste and scrap	7602.00
Lead waste and scrap	7802.00
Zinc waste and scrap	7902.00
Tin waste and scrap	8002.00
Tungsten (Wolfram) waste and scrap	8101.97
Molybdenum waste and scrap	8102.97
Tantalum waste and scrap	8103.30
Magnesium waste and scrap	8104.20
Cadmium waste and scrap	8107.30
Antimony waste and scrap	8110.20
Manganese waste and scrap	8111.00
Beryllium, chromium, germanium, vanadium, gallium, hafnium, indium, niobium (columbium), rhenium and thallium waste and scrap	81.12

¹ Notice No. 470 published in Government Gazette No. 36451 of 10 May 2013

4. Price Preference Calculation

4.1 The price preference at which scrap metal must be offered for sale to the domestic scrap consuming industry will be calculated as described below.

4.2 Price preference calculations for scrap metal will be done by ITAC for all the different types of scrap metal listed in paragraph 3 (and the various grades thereof as the case may be) using, in general but not exclusively, ScrapIndex.com as an international benchmark price. From the average price achieved during the previous day, week, two weeks, month, or quarter, where applicable, for the different types and grades of scrap metal, an amount of 25% will be deducted to reflect the price at which ferrous scrap metal must be offered for sale to the domestic consuming industry, an amount of 25% will be deducted to reflect the price at which aluminium scrap metal must be offered for sale to the domestic consuming industry, and an amount of 20% will be deducted to reflect the price at which all other scrap metal must be offered for sale to the domestic consuming industry. Scrap metal ISRI grades that are non-specific as to scrap metal content specification and where it is recommended in the ISRI Specifications, for example, that scrap metal be sold by analysis, sample, recovery basis like, and where a particular reference to minimum percentage content (for example copper scrap ISRI: Druid: Insulated Copper Wire Scrap) is not specified in the ISRI Specifications, a valid offer can be made at a minimum of 3% of the content of the material in question (i.e. 3% copper content in the above-mentioned example). Should the content of the metal in question of a specific ISRI grade be more than 3%, a valid offer can be made on an analysis, sample or recovery basis less the relevant PPS percentage discount for the type of scrap metal in question.

4.3 The price preference price for red metal waste and scrap including copper, brass and bronze waste and scrap as listed here-under, will be calculated by using the London Metal Exchange index price (LME full price) as an international benchmark average price. From the average price achieved and based on the average exchange rate during the previous day, week, two weeks, month or quarter, where applicable, for the different types and grades of red metal waste and scrap, an amount of 10% will be deducted to reflect the price at which the different grades of red metal waste and scrap must be offered for sale to the domestic consuming industry. The method of calculation of the above-mentioned price preference prices for the different ISRI grades to be applied by ITAC as the formula is the calculation of the

Rand value and 10% PPS discount against the percentage of the red scrap metal content as reflected in the column here-under.

Formula: LME convert to Rand x (percentage content-[less] 10%)

E.g. LME to Rand x 86% (Barley 96%-10%=86%)

E.g. R100 000x 86%= R86 000

COPPER ISRI grades	Percentage of Copper LME full price	BRASS / BRONZE ISRI grades	Percentage of Brass, Bronze LME full price
BARLEY	96.0	DRINK	55.0
BERRY	93.0	EBONY	80.0
BERYLLIUM	70.0	ENERV	60.0
BIRCH	87.0	GRAPE	65.0
CANDY	93.0	HONEY	60.0
CLIFF	84.0	LABLE	70.0
CLOVE	96.0	MALIC	82.0
COBRA	87.0	MIXED BRASS & BRONZE	60.0
COCOA	85.0	NIECE	54.0
COPPER TURNINGS	75.0	NOMAD & NOBLE	45.0
DREAM	75.0	OCEAN	50.0
DRUID	3.0	PARCH (BRONZE)	65.0
SOUDRONIC COPPER	92.0	NIGHT/BRASS SHAVINGS	59.0
		NOBLE 60/40 Solids	61.0

Red metal Table 2

4.4 The price preference price for all ISRI grades of aluminum waste and scrap as listed here-under, will be calculated by using the London Metal Exchange high grade aluminum official cash price index as an international benchmark average price. From the average price achieved and based on the average exchange rate during the previous day, week, month or quarter, where applicable, for the percentages of different types and grades of aluminium waste and scrap, an amount of 25% will be deducted to reflect the price at which the different grades of aluminium waste and scrap must be offered for sale to the domestic consuming industry. The method of calculation of the above-mentioned price preference prices for the different ISRI grades to be applied by ITAC as the formula is the calculation of the Rand value and 25% PPS discount against the percentage of the aluminum scrap metal content as reflected in the column here-under.

Formula: LME convert to Rand x 45% (percentage content [less] 25%)

E.g. LME to Rand x 45% (Taint Tabor 70% - 25%=45%)

E.g. R20 000 x 45%= R9 000

Aluminium ISRI Grades	Percentage of Aluminium LME full price
Taint Tabor	70%
Toto/Tutu/Tara/Tread	90%
Telic/Teens	60%
Taboo/Tough/Tooth	72%
Tabloid/Tablet	93%
Tense/Trump/Twist	72%
Tale	49.50%
Tally	59.50%
Tall	92%
Talc	43.50%
Talcred	58.50%
Taldon	63.50%
Taldork/Taldack	63.50%
Take	73.50%
Tarry A	74.50%
Tarry B	73.50%
Tarry C	65%
Tepid	Analysis/sample/recovery basis
Tooth	80%
Twitch	72%
Tweak/Twire	Analysis/sample/recovery basis
Troma	82%
Talon /Tase /Tann /Tassel	86%
Twang	Analysis/sample/recovery basis
Trill	Analysis/sample/recovery basis
Thigh	Analysis/sample/recovery basis
Thirl	Analysis/sample/recovery basis
Thorn	Analysis/sample/recovery basis
Twirl	Analysis/sample/recovery basis
Terse /Tetra / Tesla	54.50%
Zorba	Analysis/sample/recovery basis
Throb	60.50%

4.6 With regard to the calculation of the price preference at which the following grades of ferrous waste and scrap metal (excluding stainless steel) must be offered for sale to the domestic consuming industry –

No1 heavy melting steel: ISRI code 200; No 1 heavy melting steel: ISRI code 201; No 1 heavy melting steel: ISRI code 202; No 2 heavy melting steel: ISRI code 303; No 2 heavy melting steel: ISRI code 204; No 2 heavy melting steel: ISRI code 205; No 2 heavy melting steel: ISRI code 206; No 1 Busheling: ISRI code 207; No 1 Bundles: ISRI code 208; No 2 bundles: ISRI code 209; Shredded Scrap: ISRI code 210; Shredded Scrap: ISRI code 211; Steel can bundles: ISRI code 213; No 3 bundles: ISRI code 214; Machine Shop Turnings: ISRI code 219; Machine Shop Turnings including iron borings: ISRI code 220; Electric furnace bundles: ISRI code 235; Cut structural and plate scrap: ISRI code 236; Cut structural and plate scrap: ISRI code 237; Cut structural and plate scrap: ISRI code 238; Foundry Steel: ISRI code 242; Foundry Steel: ISRI code 243; Chargeable slab crabs: ISRI code 249; Pulled bead wire: ISRI code 273; Processed tyre wire: ISRI code 278; Processed tyre wire: ISRI code 282; Mixed cast scrap: ISRI code 257; Rail Steel No 2. : Cropped Rail Ends: ISRI code 28C; No 1 heavy melting steel to No 2 heavy melting steel: ISRI code 201-206;

the daily, weekly, monthly or quarterly average **Metal Bulletin, FOB Rotterdam price of heavy melting steel, HMS1&2 (80:20)**, will be used as a starting point for calculating the price preference for the ferrous grades referred to above. Where the price of the grades referred to above is higher or lower than the HMS1&2 (80:20) grade price, the price preference applicable to those grades will correspondingly be **adjusted upwards or downwards, respectively, by ITAC**.

- 4.6 For the calculation of the price preference at which stainless steel waste and scrap metal must be offered to the domestic consuming industry, ScrapIndex.com will not be used as the price index. Instead, a combination of the prices as quoted on the London Metal Exchange, Nickel trading prices; the Ferro-chrome lumpy Cr charge, basis 52% Cr quarterly major European destinations USD per lb. Cr; the Metal Bulletin Ferrous Scrap Index HMS 1&2 (80:20 mix) USD per tonne FOB Rotterdam; and Platt's publication or Metal Bulletin Molybdenum Drummed molybdic oxide free market \$ per lb. Mo in warehouse will be used.
- 4.7 The rate of exchange used will be the average daily, weekly, monthly or quarterly rate as provided by the SA Reserve Bank.
- 4.8 Price preference calculations will be published daily, weekly, bi-weekly, monthly or quarterly on ITAC's website. The published price

preferences will indicate the price at which the specific type and grade of scrap metal is to be offered to the domestic consuming industry for the period as indicated above following the period in which the price preference prices were published.

4.9 When a valid offer is submitted in terms of the PPS and the scrap metal as reflected in the application is purchased in terms of the PPS by a local consumer, **it must be transported and delivered to the consumer's scrap metal processing premises, for the seller's account.** Should the seller fail to arrange the transportation of the scrap metal in question, then the transport may be arranged by the buyer for the seller's account. Parties may also agree to suitable transportation and delivery costs.

4.10 ITAC reserves the right to determine from time to time the appropriate ISRI codes or grades for the scrap metal categories listed under paragraph 3 herein-above which are not referred to or listed in these Guidelines, and to publish ITAC PPS prices for such ISRI codes or grades in accordance with the approved method of calculation of prices for that particular type or class of scrap metal.

5. Administration

5.1 **A Technical Working Group will be established whose primary role will be to assist ITAC,** in particular the Scrap Metal Adjudication Panel and the Senior Manager: Import and Export Control, in the effective discharge of their duties and responsibilities regarding the administration of the PPS. The terms of reference for the Technical Working Group have been developed.

5.2 The membership of the Technical Working Group will be determined by ITAC and may consist of, where available, one representative of the **Metal Recyclers Association**, the South African Iron and Steel Institute, the Institute of Foundrymen, the Aluminium Federation of SA, The Copper Development Association Africa, the Nonferrous Metal Association, the International Zinc Association of Southern Africa, the Recyclers Association of SA, any other applicable industry representative organization, which may meet as and when requested by ITAC to discuss issues pertaining to the administration of the PPS.

5.3 Duly completed applications for export permits as provided for in paragraph 7 must be submitted to ITAC twice weekly to enable ITAC to compile the provided information into a circular for circulation on Wednesdays and Fridays to the industry representative organisations

referred to in subparagraph 1 above, who in turn, will forward the information to their respective members (other industry representative organisations with a direct interest in scrap metal exports may request ITAC to include them in the circular).

5.4 Applications referred to in subparagraph 2 above that reach ITAC by 12h00 on a Tuesday may be included in the immediately following Wednesday circulation and applications that reach ITAC by 12h00 on Thursday may be included in the immediately following Friday circulation. Applications received after the cut off-date and time will be held over until the next circulation date.

6. Agreement

6.1 If a member of the domestic consuming industry wishes to purchase scrap metal listed in a circular, it must, before the end of a circulation period, submit a valid offer to purchase and all the communication pertaining thereto between it and an applicant to ITAC. Interested buyers must be allowed access to available scrap metal, as applied for and circulated by ITAC, for inspection purposes before an offer is made. Subsequent to the end of a circulation period, **there will a 10 working day period during which the buyer may also view the scrap metal and the buyer and seller may negotiate a final purchase agreement for the scrap metal at issue.** Should the parties fail to reach an agreement, ITAC may direct the parties to continue negotiations or make a decision in terms of paragraph 6.7 below.

6.2 Upon receipt of the scrap metal at the buyer/consumer's premises, the buyer/consumer is allowed to weigh and inspect the materials to ascertain that the delivered material is the same as agreed when the offer was made and the transaction concluded. **Should the scrap material not meet the agreed criteria it may be returned to the seller at the seller's expense.**

6.3 To assist ITAC with the resolution of any disagreement between a buyer and a seller as to whether scrap metal that was delivered meets the relevant ISRI specifications, **sellers should take videos of the scrap metal being sold at the time of loading and buyer/consumers at the time of unloading.** Additionally, regarding the composition of Heavy Melting Steel scrap, for purposes of the PPS, this scrap metal must be traded as a premium blend of HMS 1 (80% iron) and HMS 2 (no more than 20% different grades of ferrous metal in line with the ISRI specifications for HMS 2).

6.4 Where an agreement has been reached between a buyer and a seller,

the details thereof such as the circulation number and any other relevant information must be communicated to ITAC, thus enabling ITAC to link the agreement to the originally circulated application.

6.5 The volume in the original permit application will be reduced by ITAC in line with the volume (kg) purchased by a member of the domestic consuming industry pursuant to an agreement. Evidence of such an agreement must be provided to ITAC.

6.6 As indicated in paragraph 2 above, only members of the domestic consuming industry (as defined) are eligible to buy the scrap metal reflected in the circulars and the scrap metal bought must be for local consumption only by the purchaser.

6.7 If at the end of the period provided for in paragraph 6.1, and after reasonable engagement between the applicant and a prospective buyer, no agreement for the purchase of scrap metal is reached, ITAC will adjudicate the export permit application/s taking all relevant information into consideration.

7. The Application

7.1. ITAC must satisfy itself that the type, quality and quantity of scrap metal intended for export is accurately reflected on applications for export permits and that all permit applications are accompanied by a sworn affidavit deposed to by a duly authorised and suitably qualified person confirming that the material has been physically inspected by him/her and confirming the type, grade and quantity of scrap metal available for export, as well as information where such scrap metal may be inspected by prospective buyers (who are members of the domestic consuming industry, as defined herein).

7.2. Form IE363 (application for an export permit to export scrap metal) ("the application form") must be duly completed by any party wishing to export scrap metal.

7.3. The application form must contain the full description and customs tariff heading of the scrap metal to be exported, including the Institute of Scrap Recycling Industries (ISRI) number applicable to the scrap metal to be exported.

7.4. The volume of scrap metal to be exported and indicated in the application form must, at the time the application is submitted to ITAC, be stored on the scrap yard, owned and operated or leased and operated by the applicant, and the address of the premises where the scrap metal may be inspected by ITAC or a prospective buyer must

be provided when submitting the application form.

- 7.5. New entrant applicants must complete the application form as well as form IE230 (registration as an exporter).
- 7.6. Proof of registration in terms of the Second-Hand Goods Act, 2009 (Act No. 6 of 2009) as well as a valid Tax Clearance Certificate must accompany all applications by new entrant applicants or any application where such registration has expired.

8. Miscellaneous

- 8.1. Any member of the domestic consuming industry making an offer to purchase scrap metal must immediately notify ITAC thereof in writing.
- 8.2. All new entrant applicants will be subject to a verification inspection by ITAC before an application for an export permit is circulated. The inspection may delay the circulation of the application.
- 8.3. If an applicant for an export permit provides incorrect or false information in an application, ITAC will reject such application. If incorrect or false information is provided to ITAC, ITAC may also take any action available to it under the prevailing legislation, including but not limited to criminal prosecution of the individual and/or company which provided the incorrect or false information. ITAC may impose additional conditions to safeguard the integrity of the PPS including, but not limited to, additional verification measures for future applications by such applicant. Notwithstanding any of the timeframes stipulated in these Guidelines, such additional verification measures may delay the adjudication of such permit applications by ITAC.
- 8.4. Scrap metal listed in an application must be available for inspection during normal office hours as specified in paragraph 8.15 below by ITAC and by members of the domestic consuming industry during the period that such application is circulated to allow consumers to make offers. To allow for inspection, the scrap metal must not be placed in any container or otherwise, that would prevent the inspection of any portion of the scrap metal.
- 8.5. To illustrate the above, the storage of scrap metal in an ocean freight container will not be permissible during the circulation period because only the portion of scrap metal at the very front of the container (i.e. near the door) can be readily inspected. In instances where scrap metal is containerised during the 5-day

circulation period, making it impossible for ITAC or prospective buyers to inspect, an export permit will not be issued.

- 8.6. ITAC may decline an export permit application on sufficient evidence if a particular quantity of scrap metal as applied for and circulated by ITAC does not meet the declared quantity, grade or specification. **Photographic and other documentary evidence may be considered by ITAC.**
- 8.7. **An applicant will not be permitted to make offers and purchase a particular grade of scrap metal at a price preference level, while its subsidiary/holding company receives export permits for the same grade of scrap metal. This would be against the objectives as outlined in paragraph 2 above.**
- 8.8. **The foreign purchaser/user's details must be provided to ITAC.** If it is not possible for the applicant to provide full details of the foreign purchaser/user on the export permit application form, this must be done once an export permit is approved. Specifically, in the event of a permit application being approved, the exporter will be advised of the decision, the ITAC reference number, grade of the material, quantity and value. **On receipt of confirmation as indicated here-in above, the exporter must submit full details of the foreign purchaser/user, including the name, physical address and country of destination to ITAC, only after which an export permit will be issued for supply/exportation to that particular consignee.** Scrap metal to be exported shall not be supplied or exported to any buyer or country/place of destination other than as declared to ITAC.
- 8.9. An export permit may not be transferred in any manner by the holder thereof to any other person, or be used for the benefit of any person not named in the permit.
- 8.10. **Export documentation may be requested by ITAC after exportation of the scrap metal. This may include documentation such as the Second-hand Goods Act register entries for disposal, buyer's purchase invoice, Bill of Lading, Bill of Entry for Export, SA Reserve Bank confirmation of payment received, and any other related export documentation.**
- 8.11. The ISRI specification or grade of the scrap metal as declared to ITAC and reflected on the export permit must be declared on all export documentation including the sales invoice, container packing list, Bill of Lading and the Bill of Entry for Export, etc. Export container numbers must be declared on the original SARS Customs Bill of Entry for export before exportation of scrap metal as

authorised in the permit. An ITAC export permit for the exportation of scrap metal is valid for a period of three months only.

- 8.12. Scrap metal authorised for export by way of an ITAC export permit must be containerised and sealed on the exporter's registered and licenced premises as declared to ITAC, after receipt of a valid ITAC export permit in which the scrap metal is clearly described, and scrap metal destined for export may not be containerised on any other premises not declared to ITAC in the application. Loaded and sealed containers for export must be conveyed from the exporter's registered and licenced premises as declared to ITAC, directly to the port of export mentioned on the export permit.
- 8.13. A valid calibration certificate for each weighbridge and each scale used in the procurement and disposal of waste or scrap metal in terms of the PPS must be submitted to ITAC to ensure that correct quantities are declared.
- 8.14. It is accepted that applicants who apply for export permits to supply foreign buyers are fully equipped to supply local consumers. Applicants applying for export permits must therefore be in possession of adequate supply facilities including access to scrap metal for suitable trucks and heavy vehicles such as Tri-axle or super-link trucks to yards where scrap metal is located and must have adequate loading and weighing facilities. Shipping containers are not regarded as suitable for loading and transportation of scrap supplied to domestic consumers. Failure to provide adequate access, loading and weighing facilities shall be deemed a material impediment to the objectives of the PPS which may constitute grounds of refusal of an export permit.
- 8.15. If a consumer makes arrangements to inspect and/or physically inspect scrap metal on offer, and after such arrangements and or inspection with the seller/applicant, a valid offer is not accepted for an invalid reason as envisaged by the PPS guidelines, the seller/ applicant must compensate the consumer for reasonable costs incurred as a result of the inspection/ arrangements to inspect.
- 8.16. All PPS-related transactions must be concluded during normal office hours, being 8.00 am to 5.00 pm weekly, and 8.00 am to 1.00 pm on Saturdays or public holidays (excluding religious holidays), unless otherwise agreed upon by all parties involved in that particular transaction.
- 8.17. All export permit applicants must be in possession of an approved

radiation detector capable of detecting radioactive sources and material prior to off-loading of scrap metal which may contain such radioactive sources or material. A sworn affidavit from the applicant must be submitted to ITAC to confirm possession of such a detector in full working condition.

- 8.18. Payment for scrap metal purchased in terms of the PPS must be by means of bank transfer, electronic transfer or other payment methods but may not include payment in cash. Payment shall be made on delivery or at the latest by the next business day after delivery.
- 8.19. In order to assist ITAC with the sound administration of the PPS and proper adjudication of export permit applications, ITAC may from time to time, and where circumstances warrant, require additional documentation in order to make, *inter alia*, an informed decision.
- 8.20. Where a valid offer has been withdrawn by a buyer/consumer on the basis of a future supply agreement with the applicant, ITAC will issue the applicant with a permit in an amount equal to the volume of scrap metal delivered to the buyer up to the volume set forth in the application that was the subject of the valid offer.

9. Final provisions

- 9.1 The Guidelines published in Government Gazette number 43765, Notice No. R. 532 on 02 October 2020 and all subsequent amendments thereto are substituted with these guidelines.
- 9.2 These Guidelines will come into effect on the date of publication thereof in the Government Gazette. All matters that have not been finalised prior to such date will be adjudicated based on the guidelines in effect prior to such date.

TERMS OF REFERENCE

Price Preference System (PPS) on the Exportation of Ferrous and Non-Ferrous Waste and Scrap Metal

TECHNICAL WORKING GROUP

ESTABLISHMENT OF THE GROUP

This document establishes the authority and responsibility of the PPS Technical Working Group (TWG) so that the system may be administered effectively.

BACKGROUND

On 10 May 2013, the then Minister of Economic Development issued a trade policy directive (the Directive), in terms of Section 5 of the International Trade Administration Act, 2002 (Act No. 71 of 2002) (the Act), that the Commission exercise its powers under the Act to regulate the exportation of ferrous and non-ferrous waste and scrap metal (scrap metal).

The objectives of the Directive are, *inter alia*, to regulate scrap metal exports so as to ensure an affordable domestic supply of quality scrap metal, an essential material to the domestic processing industry, to safeguard employment and to maintain and increase industrial capacity.

In response to the Directive, ITAC established the PPS. The administrative aspects of the PPS are set out in the Guidelines, initially published in Notice No. R.1012, in Government Gazette No. 41940 of 28 September 2018.

The Guidelines have been amended from time to time to address issues arising from the administration of the PPS. The current version of the Guidelines was published in Notice No. 532, in Government Gazette No. 43765 of 2 October 2020. These Guidelines are in the process of being reviewed.

The Guidelines provide, *inter alia*, that ITAC will not permit the exportation of specified scrap metal unless it has first been offered for sale to the domestic consuming industry, for domestic beneficiation, at a price discount and on additional terms as set out in the Guidelines.

OBJECTIVES

The objective of the PPS TWG is to support the effective administration of the PPS by providing a structured platform for dialogue between ITAC, other government departments and industry stakeholders on matters relating to the administration of the PPS.

ROLE AND RESPONSIBILITIES

The primary role of the PPS TWG is to assist ITAC, and more specifically the Scrap Metal Adjudication Panel as well as the Senior Manager: Import and Export Control, in the effective discharge of their duties and responsibilities regarding the administration of the PPS.

The roles and responsibilities of the PPS TWG, when called upon by ITAC, shall be to:

1. Support the objectives of the PPS by way of providing insight and input on issues that may arise from time to time pertaining to the administration of the PPS;
2. Participate in discussions about and make objective recommendations related to the Guidelines and any disputes that may arise from provisions contained therein;
3. Assist ITAC with available information regarding non-compliance and illegal activity in the industry;
4. Assist ITAC to ensure fairness, objectivity and consistency in the administration of the PPS.

This is not an exhaustive list. As envisaged by the Guidelines, ITAC may convene a meeting of the TWG to discuss issues specific to the administration of the PPS, and ITAC will do so as and when the need arises.

COMPOSITION

The members of the TWG will be nominated by their respective organisations/ associations but will be appointed by the Chief Commissioner of ITAC, in line with section 23(1)(a) of the Act, empowering the Chief Commissioner to 'appoint staff or enter into contracts with other persons to assist the Commission in carrying out its functions'.

The TWG will consist of South Africans with expertise and knowledge of the scrap metal industry, with an understanding of South Africa's industrial strategy and the role of ITAC. **The members of the TWG will be required to accept and sign an appointment letter to serve as a member of the TWG. Members will also be required to sign a Non-Disclosure Agreement.**

Members of the TWG will serve the Commission on a voluntarily basis until 31 July 2027. Should a member not be willing or able to complete the aforementioned term of service, he/she shall inform the Commission in writing of the early termination of service thirty (30) days prior to the effective date of termination. Likewise, should the Commission require the early termination of service by a member it shall inform the member thereof thirty (30) days prior to the effective date of termination.

The TWG will be composed of representatives from Government and industry as follows:

The International Trade Administration Commission of South Africa (ITAC);
The Department of Trade, Industry and Competition (thedtic);
South African Revenue Service (SARS);
Metal Recyclers Association (MRA);

The South African Iron and Steel Institute (SAISI);
The Institute of Foundrymen;
The Aluminium Federation of SA;
The Copper Development Association Africa;
The Nonferrous Metal Association;
The International Zinc Association of Southern Africa;
The Recyclers Association of SA.

This is not an exhaustive list, and ITAC may make amendments to the above composition where necessary or desirable. ITAC may also convene a meeting comprising a smaller group of TWG members, depending on the agenda and nature of discussions.

PROCEEDINGS

Chairperson

The Chairperson of the PPS TWG will be the Senior Manager: Import and Export Control at ITAC. In his or her absence, a Manager from the Import and Export Control unit at ITAC shall preside at meetings of the TWG.

Secretariat

An Administrative Assistant from the Import and Export Control unit of ITAC shall execute the responsibilities relating to administrative support for arranging the meetings, circulating the agenda and supporting documentation. In addition, they will be responsible for keeping proper records relating to the proceedings of the PPS TWG.

Venue and Hosting

ITAC will be responsible for arranging the venue and hosting of the PPS TWG which may be in-person or virtual, at the discretion of ITAC.

Meeting Schedule Plan

Meetings of the PPS TWG will be scheduled by the Chairperson.

Minutes

The Minutes shall be approved at the following meeting unless decided otherwise.

Agenda

The agenda of meetings will include the following standard items:

1. Minutes of the previous meetings;
2. Matters arising from the previous meeting;
3. New matters for discussion; and
4. Way forward / Summary.

CONFIDENTIALITY

Discussions at the TWG meetings and all documentation distributed before, during or after a meeting are strictly confidential. The Non-Disclosure Agreement, which members will be required to sign, will elaborate further on the issue of confidentiality and should be read together with these Terms of Reference.

Public communication, if any, from the TWG shall be agreed on by the decision of the Chairperson and shall be communicated to the public solely via the office of the Chief Commissioner of ITAC.

APPROVAL AND IMPLEMENTATION

The above Terms of Reference have been **ACCEPTED** by the PPS TWG members.

SIGNED:

Chairperson:

Representative: thedtic:

Representative: SARS:

Representative:

Representative:

Representative:

Representative:

Representative:

Representative: