KUSILE POWER STATION

PLANT AND MATERIAL IMPORT POLICY AND PROCEDURE
RELATIONS

Part 3
Annexure X.7
Rev 4_0121

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1. Staged Consignment Ruling

1.1 The *Employe*r obtained authority from the South African Revenue Services ("SARS") to import all equipment destined for the Kusile Power Station, whether supplied by the *Employer* or others, into the Republic of South Africa free of Customs Duties under the tariff subheading 8406.81, covered by Ruling Ref No. H.S: 3/84.06 dated 30 September 2008 ("the SARS Ruling").

1.2 In issuing the SARS Ruling, the Commissioner exercised his discretion conferred upon him by virtue of section 3 of the Customs and Excise Act 91 of 1964 ("the Act") and has given authority for all the equipment / components destined for the construction of the Kusile Power Station to be imported as unassembled or disassembled machine parts in more than one consignment.

1.3 It is a requirement of the SARS Ruling that the reference number and date of the SARS Ruling is reflected on all shipping documentation. Accordingly, the following clause are reflected on all *Contractor* shipping documentation (including in the heading and the common sections of all packing lists, commercial invoices and bills of lading):

1. "**COMPONENTS IMPORTED IN TERMS OF RULING REF NO. H.S: 3/84.06 DATED 30 SEPTEMBER 2008, TARIFF SUB-HEADING 8406.81 IN TERMS OF ADDITIONAL NOTE 1 TO SECTION XVI OF THE HARMONISED CUSTOMS TARIFF, FOR THE CONSTRUCTION OF THE KUSILE POWER STATION**".

1.4 The equipment covered by the SARS Ruling includes all importations into the Republic of South Africa relating to the equipment / components for the construction of the Kusile Power Station. The authorisation does not extend to spare or replacement parts, but does however, allow for importation of commissioning parts. Shipments are marked to facilitate

efficient clearing. *Inter alia* spare or replacement parts are not included together on the same documentation (and preferably not on the same pallet) with equipment covered by the SARS Ruling. Commissioning spares clearly identified on all paperwork.

1.5 In accordance with the SARS Ruling, all import customs formalities are in the name of "**Eskom Holdings Limited**".

1.6 All crates and packages are clearly marked "**Eskom Holdings Limited, Kusile Power Station, Witbank, Mpumalanga Province, Republic of South Africa**" and where applicable "**Components imported in terms of Ruling Ref No. H.S: 3/84.06 dated 30 September 2008, tariff sub-heading 8406.81 for the construction of the Kusile Power Station**".

1.7 Failure on the part of the *Contractor* to comply with this Plant & Material Import Policy & Procedure (including failure to state the required consignment clause on shipping documentation) may result in customs duties being imposed by SARS, which costs are for the account of the *Contractor*.

2. Authorised Customs Controlled Points of Entry

In terms of the SARS Ruling, the following ports of entry have been approved for importations for the Kusile Power Station:

Road and Sea	Richards Bay
	Durban
	Cape Town
	Johannesburg
	Port Elizabeth
	East London
	Mossel Bay
Air	Cape Town International Airport
	O.R. Tambo International Airport, Johannesburg

Should any other port of entry be required, the *Contractor* requests the *Employer*, via the *Project Manager*, to apply for additional ports of entry. Any such application is at the discretion of the *Employer* and is subject to the approval of SARS.

Note to tenderers: Tenderers must indicate in their Tender if any additional port of entry is required, stating the reasons therefore and the benefits thereof.

3. Temporary Importations

Temporary importations are not provided for under the SARS ruling. Any duties and any penalties or other charges levied in connection therewith are solely for the account of the *Contractor*.