

CIVILIAN SECRETARIAT FOR THE POLICE SERVICE

NO. 4073

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INVITATION FOR PUBLIC COMMENTS
SECOND-HAND GOODS ACT, 2009 (ACT NO. 06 OF 2009)
AMENDMENTS TO REGULATIONS FOR DEALERS AND RECYCLERS

In Government Notice No. R. 2801 published in Government Gazette No. 47627 dated 30 November 2022, the Minister of Trade, Industry and Competition (the "Trade Minister") published the Policy Implementation Actions on Measures to Restrict and Regulate Trade in Ferrous and Non-Ferrous Metals Waste, Scrap and Semi-Finished Ferrous and Non-Ferrous Metal Products to Limit Damage to Infrastructure and the Economy (the "Policy").

In the Policy, the Trade Minister set out various interventions which are to be implemented in what may broadly be described as a three-phased approach and proposed that the enhancement of the regulation of the scrap metal trade through amendments to the Regulations published under the Second-Hand Goods Act, (Act No. 6 of 2009) (the "SHGA").

The following changes are being considered to the Regulations published under the SHGA:

1. Enforcement of the registration regime for scrap metal sellers

While the SHGA contemplates that both buyers and sellers of scrap metal are required to be registered, this requirement is currently being enforced against buyers but not sellers.

Going forward, the Government intends to enforce the requirement that scrap metal sellers are subject to the registration regime envisaged in the SHGA. It is envisaged that a registration exemption will apply in relation to waste pickers (but not in relation to copper scrap metal).

2. Enhanced registration requirements

Registration as scrap metal buyers and sellers will only be granted to businesses that have a satisfactory Tax Compliance Status.

3. Enhanced reporting requirements

An input-output reporting system will be introduced that will be used both for purposes of compliance monitoring under the SHGA and for monitoring exports of scrap metal and semi-finished products. The reporting system will require scrap dealers to submit monthly electronic reports to ITAC, showing all purchases and sales of metal products (scrap, semi-finished and finished) by volume and value. The reports will inter alia contain the following information.

(i) Acquisition Table

Each row of the table will show a different purchase. The row will show a) the date of purchase, b) the type of metal purchased, c) the grade of metal purchased, d) the tonnage purchased, e) the total cost of the purchase, f) the business registration number of the seller, or in the case of an individual seller, the identity number of the individual, and g) any additional fields that may be required to secure the objective of input-output reporting.

(ii) Disposal table.

Each row of the table will show a different sale. The row will show a) the date of sale, b) the type of metal sold, c) the grade of metal sold, d) the tonnage sold, e) the total revenue of the sale, f) the business registration number of the buyer, g) or in the case of an export sale, the Unique Consignment Reference (UCR), and h) any additional fields that may be required to secure the objective of input-output reporting.

4. Inclusion of semi-finished metals in the registration regime

While semi-finished metal products fall within the scope of application of the SHGA, buyers (and sellers) of semi-finished metal products are not currently

registered. The Government will thus take steps to ensure that these businesses are registered.

5. Requirement for registered buyers to only purchase copper scrap and semi-finished copper products from registered sellers.

The Government is also considering imposing a requirement that registered buyers may only purchase copper scrap or semi-finished copper products from registered sellers of such products. The effect of this would be that all sales of scrap and semi-finished copper products will be prohibited other than between registered entities or persons.

In order to give effect to the Policy, the Minister of Police publishes, in the Schedule, draft regulations amending the Regulations for Dealers and Recyclers, 2012, in terms of section 41(1) of the Second-Hand Goods Act, 2009 (Act No. 6 of 2009). Interested persons can also visit the website of the Civilian Secretariat for Police Service at <http://www.policesecretariat.gov.za> for a copy of the draft Regulations.

All interested persons and organisations are invited to submit written comments on the draft regulations by no later than 8 December 2023 by—

- (i) Emailing comments to: Jacob.Setouto@csp.gov.za
- (ii) Posting comments to:
Civilian Secretariat for Police Service
Private Bag X 922
PRETORIA, 0001
for the attention of: Mr. Milton Ntwana
- (iii) Hand delivery at the Civilian Secretariat for Police Service at Fedsure Forum Building, 2nd Floor, Corner of Pretorius and Lillian Ngoyi Streets, Pretoria.
- (iv) Kindly provide the name, address, telephone and email address of the person or organization submitting the comments.