



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

INFORMATION CIRCULAR ON “COUNTRY OF ORIGIN” NOTICE NO1831 OF 2006 (Government Gazette No. 29480) in terms of the MERCHANDISE MARKS ACT 17 OF 1941.

PURPOSE: This information circular is intended to inform the media and business about the application of the Notice on “Country of Origin”.

Introduction

The Merchandise Marks Act aims to prevent false trade descriptions on goods and their sales and enables the Minister of Trade and Industry to prohibit the use of certain marks.

Under the Act the Minister may also, subsequent to any investigation he deems necessary, to publish a notice in the Government Gazette that certain classes of goods must carry an indication of its origins.

After an investigation into the influx of imported goods into South Africa, Notice 1831 on the “Country of Origin” was published in Government Gazette No 29480 of 14 December 2006. It became effective on 14 April 2007 and the South African Revenue Services (SARS) and the Department of Trade and Industry (**the dti**) are responsible for its enforcement.

The Country of Origin labelling was introduced to make it possible for consumers to make an informed decision when buying textiles, clothing, leather goods and foot wear. Any person who contravenes these prohibitions is guilty of committing an offence.

Notice 1831 of 2007

Under this Notice the Minister of Trade and Industry prohibits the importation into or the sale in the Republic of South Africa of goods specified in the Schedule of the Harmonised Systems, irrespective of whether such goods were made or produced in the Republic or elsewhere,

1. Unless the following information is attached permanently and prominently: -

- the country they were produced or made in;
- where a South African textile manufacturer has used imported griegge fabric to produce dyed, printed or finished fabric, it should be indicated that such fabric has been dyed, printed or finished in South Africa from imported fabric;
- that a locally manufactured product using imported material must state “made in South Africa from imported material”.

- that a locally manufactured product using imported material must state “made in South Africa from imported material”.
2. The goods must conform to the South African national standards for fibre content and care labeling as prescribed in Notice No. 2410 of 2000, published in Government Gazette of 30 June 2000.
 3. If the goods are reconditioned, rebuilt or remade, within the Republic of South Africa or outside the country, this information should be applied to the goods in eligible wording.
 4. The label should state clearly “ made in South Africa” if the product is wholly assembled in the RSA, otherwise the product do not qualify for such a label.

Compliance guidelines

The Notice compels business when importing into or selling the scheduled goods in the Republic of South Africa to ensure that:

- the merchandise or goods have sewn on, printed on, securely attached on to them a label indicating the country of origin;
- the label indicates one of the following: made in, produced in, manufactured in or just the name of the country of origin;
- the required information is on a tag attached to the roll or on a sticker stuck to the roll of the fabric is baled; and
- all the pieces of the garment should have a label with the required information attached if it has two or more pieces.

Detention of goods

SARS will randomly detain consignments to conduct inspections. Goods that do not comply with the origin-labelling requirement will be seized by the enforcement agencies, and **the dti** shall be informed immediately. **the dti** should respond within 24 hours on whether the goods should be seized or released to the importer. Goods that have been seized for disposal would then be taken to the State Warehouse for further instructions.

What should the Consumer look out for?

When buying items that have been listed in the schedule i.e. textiles, articles of textile, clothing, shoes and leather goods merchandise, whether from the manufacturer or retailer, consumers should ensure that such goods bear a label indicating their country of origin, fibre content as well as care labelling.

Penalties and fines

Section 3 of the Merchandise Marks Act makes provision for the Minister to appoint such officers to carry out the provisions of the Act. These officers shall be referred to as inspectors.

In terms of section 5, any person who,

- obstructs or hinders an inspector in the performance of his/ her duties,
- wilfully furnishes false information to an inspector,
- fails or refuses without a valid reason to furnish information to an inspector,

is committing an offence, and if convicted, they shall be liable to a fine or to imprisonment for a period not exceeding six months.

Non-compliance with the Notice is a criminal offence and any person found guilty of an offence in terms of the Act, except section 5, shall be liable to:

- in the case of a first conviction, to a fine not exceeding R 5 000, for each article to which the offence relates or imprisonment for a period not exceeding three years or to both a fine and imprisonment;
- in the case of repeat offenders, to a fine not exceeding R10 000, for each article to which the offence relates, or to imprisonment for a period not exceeding five years or to both the fine and imprisonment.

The court may in addition to any penalty that it may impose, order the confiscation of all or any part of the goods of which the offence was committed, and such goods shall be disposed of in a manner prescribed by the Minister.

Contact details:

Non-compliance with the Notice must be reported to the dti for investigation, at Tel No. 012-394 1422, Fax No. 012-394 4422 or e-mailed to Siphon Tleane at: siphon@thedti.gov.za

Enquiries from manufacturers and retailers on how to comply can be forwarded to the Compliance Unit at Tel No. 012-394 3873, Fax No. 012-394 4873, or emailed to Bulelwa Hewu at: Bhewu@thedti.gov.za or write to:

The dti

Consumer Complaints
Consumer and Corporate Regulation Division
Private Bag X84
PRETORIA
0001

SARS can be contacted at: Tel. No 012-422 6905/6862, Fax No. 012-422 6910 or emailed to: nroopnarain@sars.gov.za.

Copies of the legislation are contained in the Government Gazette available from the Government Printers as well as on line at: www.gov.za

Services offered

The Education and Compliance directorate issues this information as part of an overall education service to business and consumers. The directorate also offers the following services:

- Presentations
- Workshops
- Meetings
- Advisory Opinions
- Clarifications