



SUPREME COURT OF APPEAL OF SOUTH AFRICA

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

FROM The Registrar, Supreme Court of Appeal

DATE 25 May 2018

STATUS Immediate

CSARS v Daikin Air Conditioning (185/2017) [2018] ZASCA 66 (25 May 2018)

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal.

Daikin Air Conditioning South Africa (Pty) Limited (Daikin) imported indoor units for ‘split-system’ air conditioning machines (the products). The products are specifically manufactured and structured for mounting in or under a ceiling in a building. The Commissioner for the South African Revenue Services (the Commissioner) classified the products for customs duty purposes under tariff subheading 8415.90.05 of Part 1 of Schedule 1 of the Customs and Excise Act 91 of 1964, being parts for air conditioning machines that are ‘window or wall types, self-contained “split-system”’. Daikin contended that the products are parts for ceiling type air conditioning machines not falling under the said tariff subheading and appealed against the classification to the Gauteng Division of the High Court, Pretoria. That court upheld the appeal, as a result of which the Commissioner appealed to the Supreme Court of Appeal (SCA). Today the SCA upheld the appeal by majority decision and found that the Commissioner’s classification of the products was correct.