

EXPLANATORY NOTE: PHASED APPROACH TO AMENDMENT OF RULES 75.25 AND SYSTEM ROLL-OUT

1. Background and way forward in relation to implementation process of new diesel refund scheme

Rules 75.25 which regulate registration and claiming under the diesel refund scheme were published on 18 March 2022 in GG 46056 R.1892. These rules, although issued, **have not been made effective yet**. At the time of issuing, the rules prescribed the use of the Registration, Licensing and Accreditation (RLA) system on eFiling for diesel refund registrations.

SARS has however since the issuing of those rules decided **not to use the RLA system**. Instead, the diesel refund scheme will be administered as a separate tax product on eFiling. This **decision necessitated certain amendments** to the rules published on 18 March 2022 in GG 46056 R.1892. The first batch of these amendments is **currently published** for public comment.

Importantly, **Note 6 to Part 3 of Schedule No. 6** as published on 18 March 2022 in GG 46056 R 1893, is not impacted by any substantive amendments necessitated by the decision relating to the system to be used. There are however **small consequential changes** which are also currently published for comment.

2. Proposed amendments currently published for public comment

The **first batch** of rule amendments currently published for public comment relates to –

- the **application process**, the **registration profile** of the diesel refund user and **relationship management**; and
- a **transitional arrangement** to prepare for implementation of the new diesel refund scheme.

Due to the significant amount of time required to consider the large number of applications expected, a transitional provision is included in this batch of amendments to **facilitate the submission of applications** (in accordance with the amended procedures), **before the effective date** of rules 75.25.

- Applicants will in terms of this transitional provision be able to submit applications **as from a date to be determined** by the Commissioner and **published on the website**.
- The transitional provision will **come into effect before the effective date of rules 75.25**.
- Applications submitted “early” in terms of the transitional provision **may be considered and dispensed with** by the Commissioner **before the effective date of rules 75.25**, but **participation** in the new diesel refund scheme may only start **as from the effective date**, which means that no claims will be accepted before the effective date. The effective date of those registrations will be the effective date of rules 75.25.

3. Second batch of amendments to be published for public comment to relate to claims submission

Amendments relating to claims submissions will be published for comment in 2026.

4. Publication of amendments in the Government Gazette when rules are finalised

The **finalised rules** will in its **entirety** be made effective on one future date as envisaged in the 2022 rules. Only the transitional arrangement referred to in paragraph 2 will become effective before this date.

5. Roll-out of the electronic system

The **roll-out of the eFiling system** (not to be confused with the implementation of the rules in general) will take place in at least 3 stages, namely –

- registration process;
- user profile and relationship management; and
- claims procedures (which may be broken up in further releases depending on systems development).