

**Office**

Pretoria

**Enquiries**

Willy Roelofse

**Email**

wroelofse@sars.gov.za

Tel: 035 780 6544

**Date**

2022/04/14

**EXTERNAL STAKEHOLDERS**

Pretoria Head Office  
299 Bronkhorst  
Street,  
Nieuw  
Muckleneuk, 0181  
Private Bag  
X923,  
Pretoria,  
0001  
SARS online:  
www.sars.gov.za  
Telephone  
012 422 4000

**Dear Customs and Excise client**

**LICENSED WAREHOUSING FOR THE MARKING OF IMPORTED UNMARKED ALIPHATIC HYDROCARBON SOLVENTS/ILLUMINATING KEROSENE**

The South African Revenue Service (SARS) wishes to clarify the process to deal with the licensed warehousing for the marking of imported unmarked illuminating kerosene / specified aliphatic hydrocarbon solvents (AHS).

These goods, upon being marked in the customs and excise warehouse – specifically licensed for this purpose and to the required specification as per the provisions of section 37A and its rules in terms of the Customs and Excise Act, 1964, (the Act) – become free of duty. The marked goods can subsequently be sold or disposed of per the provisions of section 37A and the rules thereto.

This communication applies to entities that import unmarked specified AHS/ illuminating kerosene and outlines the process to mark the product in a special bonded warehouse (SOS). It is limited to only bills of entry for unmarked fuel levy goods into SOS warehouses that are specifically licensed for the storage of such goods and exclusively for the marking thereof as stated in section 37A and its rules to the Act.

**Policy**

Section 37A of the Act makes provision for marked goods (including marked illuminating kerosene) and certain goods that are free of duty. Section 37A(9)(a) requires that persons need to register with SARS should they import, sell, dispose of, are in possession of or have under their control any unmarked goods (including unmarked illuminating kerosene), or use:

- i) Any goods other than marked goods for which provision is made free of duty in Schedule No. 1 as contemplated in subsection (1)(a) of Section 37A; or

- ii) Any marked goods mixed with any lubricity agent.

## PROCESS TO IMPORT UNMARKED AHS/ILLUMINATING KEROSENE

- a) Any imported **unmarked** specified AHS/illuminating kerosene intended to be marked must be entered on a SAD 500 (WH) for storage in a customs and excise special storage warehouse (SOS) as prescribed in Rule 19A4.01(b)(iii) of the Act as the “special customs and excise warehouse for the storage of fuel levy goods which will be marked as contemplated in section 37A and its rules which when so marked are free of duty”.

*(Note: At present, there is no procedure/provision where SARS can allow the movement of such goods from a BELN (Botswana, Eswatini, Lesotho and Namibia) country to the RSA for purposes of the marking thereof under Customs Warehousing.)*

- b) On importation, the dutiable unmarked goods would be either unmarked illuminating kerosene or unmarked specified AHS, as the case may be:
- Article Description “Illuminating kerosene, as defined in Additional Note 1(f) to Chapter 27, unmarked” of Fuel Levy Item 195.10.15 and Tariff Heading 2710.12.26
  - Article Description “Specified aliphatic hydrocarbons solvents, as defined in Additional Note 1(ij) to Chapter 27, unmarked” of
  - Fuel Levy Item 195.10.21 and Tariff Heading 2710.12.39
- c) When the imported unmarked goods have been marked in such SOS, the SAD 500 (WH) must be amended by a Voucher of Correction to reflect the description and tariff heading or subheading and item for marked goods in respect of such quantity which, when so marked, are free of duty.
- d) After being marked, the duty-free goods would be either marked illuminating kerosene or marked specified AHS.
- Article Description “Illuminating kerosene, as defined in Additional Note 1(f) to Chapter 27, marked” of
  - Fuel Levy Item 195.10.13 and Tariff Heading 2710.12.15
  - Article Description “Specified aliphatic hydrocarbon solvents, as defined in Additional Note 1(ij) to Chapter 27, marked” of Fuel Levy Item 195.10.19 and Tariff Heading 2710.12.37
- e) The marked goods are subsequently entered for home consumption from the SOS per SAD 500 (XDP) under customs procedure code A-11-40.

## **KEEPING OF RECORDS**

- a) The SOS Licensee must keep books and records detailing stock movements of the marked specified AHS/marked illuminating kerosene and the use(s) to which stock has been applied.
- b) The licensee of a Special Bonded Warehouse (SOS) must keep records of:
  - i) Such import WH SAD 500 declarations, invoice/stock requisition or delivery note for unmarked specified AHS/unmarked illuminating kerosene and marked specified AHS/marked illuminating kerosene.
  - ii) The Voucher of Correction for the marked specified AHS/marked illuminating kerosene.
  - iii) Such SAD 500 Declaration for clearance of the products out of the SOS warehouse.
- c) A licensee may keep electronic records if they can be readily converted into hard (paper) copies and made available to the SARS when required/requested.
- d) For purposes of the Act, the retention period for all related documents (prescribed Customs and Excise documents as well as relevant trader's commercial and financial records) is five (5) years, subject to the provisions of Rule 60.08(2)(a)(i).

Please contact Willy Roelofse on 035 780 6544 or at [wroelofse@sars.gov.za](mailto:wroelofse@sars.gov.za) should you have further queries in this regard.

**Sincerely**



**Anand Khelawon**

**Executive: Excise**

**On behalf of the Commissioner of the South African Revenue Service (SARS)**