

**NOTES REGARDING AMENDMENTS TO THE SCHEDULES
TO THE CUSTOMS AND EXCISE ACT, 1964**

27 AUGUST 2001

These notes are issued merely as a guide and both the old and new provisions should be studied in order to determine what the amendment actually entails. These notes have no legal status.

Provision	Explanatory Note
640.03/195.00/01.05	The effect of this amendment is that provision for a refund on distillate fuel used for farming, mining, fishing and forestry was created with effect from 4 July 2001 .
640.10	The effect of this amendment is that the provisions in respect of distillate fuel are withdrawn.

No. R. 799)

(2001-08-27

CUSTOMS AND EXCISE ACT, 1964.-
AMENDMENT OF SCHEDULE NO. 6 (NO. 6/95)

Under section 75 of the Customs and Excise Act, 1964, Schedule No. 6 to the said Act is hereby amended, *with retrospective effect to 4 July 2001*, to the extent set out in the Schedule hereto.

MINISTER OF FINANCE

SCHEDULE

Rebate Item	Tariff Item	Code	C D	Description	Extent of Rebate	Extent of Refund	Anno=tations
640.03				By the insertion after item 640.02 of the following:			
"640.03	195.00	01.05	59	<p>Distillate fuel (diesel) purchased for use and used for the purposes specified in, and subject to compliance with, the Notes hereto</p> <p>Notes for the purposes of item 640.03</p> <p>Refund of fuel levy and Road Accident Fund levy on distillate fuel (diesel) in accordance with the provisions of section 75(1A) and (4A) of the Customs and Excise Act, 1964 (Act No. 91 of 1964).</p> <p>1. Extent of refund</p> <p>ON LAND</p> <p>(a) Eligible purchases for farming, forestry or mining on land:</p> <p>25,6 cents per litre fuel levy on 80 per cent of eligible purposes, plus</p> <p>16,5 cents per litre Road Accident Fund levy on 80 per cent of eligible purposes</p> <p>42,1 cents per litre on 80 per cent of the total eligible purchases</p>		As specified in the Notes to the item	

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				<p>Mode of calculation of refund</p> <p>(i) 1 000 litres eligible purchases - 1 000 times 80 per cent equals 800 litres on which a refund of 42,1 cents per litre may be claimed;</p> <p>(ii) 1 000 litres purchased of which 300 litres represent non-eligible purchases, for example, carriage of goods for reward - 1 000 less 300 equals 700 litres eligible purchases times 80 per cent equals 560 litres on which a refund of 42,1 cents per litre may be claimed</p> <p>OFFSHORE</p> <p>(b) Eligible purchases for commercial fishing vessels, coasting vessels, offshore mining or vessels owned by the National Sea Rescue Institute: 81,0 cents per litre fuel levy, plus 16,5 cents per litre Road Accident Fund levy 97,5 cents per litre</p> <p>RAIL</p> <p>(c) Eligible purchases for locomotives used for rail freight other than those used in farming, forestry or mining as provided in these Notes: 16,5 cents per litre Road Accident Fund levy</p> <p>(d) Any claim for a refund of levies provided for in paragraph (a), (b) or (c) must be reduced by any non-eligible purchases.</p> <p>2. Definitions</p> <p>For the purposes of these Notes, except if the context otherwise indicates-</p> <p>“distillate fuel” or “diesel” as referred to in section 75(1C)(b)-</p> <p>(a) (i) means distillate fuel in respect of which a fuel levy is prescribed in Part 5 of Schedule No. 1 and which has been duly entered for home consumption or which is deemed to have been duly entered for home consumption for the purposes of payment of duty, including such fuel levy, under the provisions of this Act; and</p> <p>(ii) includes diesel on which a levy is paid as contemplated in section 5 of the Road Accident Fund Act, 1996 (Act No. 5 of 1996);</p>			

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				<p>(b) excludes -</p> <ul style="list-style-type: none"> (i) “smokeless diesel”, a mixture of kerosene and lubricity agent, normally used in underground mines; (ii) any mixture of distillate fuel with kerosene or any other substance; (iii) any distillate fuel entered for export or ships stores or in terms of any other procedure except for home consumption or on which the levies are not paid as contemplated in paragraph (a)(i) and (a)(ii), respectively; or (iv) bio-diesel; <p>“dry”, or “contracted or hired on a dry basis” means that any vehicle, vessel, machine or any other equipment whatsoever using distillate fuel is hired or a person using such vehicle, vessel, machine or other equipment is contracted by a user for the purpose of performing any qualifying activity and the user supplies the distillate fuel from eligible purchases;</p> <p>“eligible purchases” means, as prescribed in these Notes, purchases of distillate fuel by a user for use and used as fuel for own primary production activities in farming, forestry or mining on land or in commercial fishing vessels, coasting vessels, offshore mining or in vessels owned by the National Sea Rescue Institute or locomotives;</p> <p>“hire” includes lease or charter;</p> <p>“non-eligible purchases” means purchases of distillate fuel by a user not for use and not used as prescribed in these Notes as fuel for own primary production activities in farming, forestry or mining on land or in commercial fishing vessels, coasting vessels, offshore mining or vessels owned by the National Sea Rescue Institute or locomotives and includes such fuel used in transport for reward or if resold;</p> <p>“section”, unless otherwise specified, refers to the relevant section of the Customs and Excise Act, 1964 (Act No. 91 of 1964);</p> <p>“user”, as defined in section 75(1C)(b)(i) means according to the context and subject to any Note to this item, a person registered for value-added tax purposes under the provisions of the Value-Added Tax Act, 1991 (Act No. 89 of 1991), and for diesel refund purposes as contemplated in section 75(1A) and as a user under the provisions of this Act as provided in section 75(4A);</p> <p>“vessel” means, subject to these Notes, any ship or boat;</p> <p>“wet”, or “contracted or hired on a wet basis” means distillate fuel is supplied with the vehicle, vessel, machine or other equipment contracted or hired as contemplated in the definition of “dry”.</p>			

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				<p>3. Application for registration and claiming of refunds</p> <p>(a) Application for registration of diesel refund must be made on form VAT 101D obtainable from the office of any Receiver of Revenue or on the SARS website (www.sars.gov.za).</p> <p>(b) No return for a refund of levies on distillate fuel in terms of this item as referred to in section 75(4A)(b) shall be considered unless the applicant is so registered.</p> <p>(c) The diesel refund part of the return form is incorporated in the VAT return form (VAT 201D).</p> <p>(d) (i) A refund may only be applied for in respect of distillate fuel purchased in and for use in the Republic and for which a duly completed tax invoice is issued as contemplated in Note 4.</p> <p>(ii) When distillate fuel is purchased for refund purposes, no other goods may be reflected on the tax invoice.</p> <p>(e) No person may claim any refund of fuel levy in respect of distillate fuel obtained under rebate of duty in terms of item 640.10 for use in commercial fishing vessels or coasting vessels.</p> <p>4. The tax invoice</p> <p>For the purposes of section 75(4A)(c), the invoice must be a tax invoice containing the following information:</p> <p>(a) The word "Tax Invoice".</p> <p>(b) The name, address and VAT number (a 10-digit number starting with 4) of the supplier.</p> <p>(c) The name and address of the purchaser (if the invoice is over R500,00).</p> <p>(d) A serial number of the invoice.</p> <p>(e) Date of transaction.</p> <p>(f) Description of the goods (being diesel or distillate fuel).</p> <p>(g) Quantity delivered or purchased.</p> <p>(h) Value of the supply.</p> <p>(i) The amount of VAT, which must be shown as 0% since VAT is not levied on diesel or distillate fuel.</p>			

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				<p>5. General conditions and procedures relating to purchases and refunds</p> <p>(a) (i) Distillate fuel purchased in the Republic and used in a neighbouring territory for any activity to which this item relates does not qualify for a refund.</p> <p>(ii) (aa) Any person whose services are contracted by a user, is not entitled to a refund in respect of distillate fuel used in any vehicle, vessel, machine or other equipment to render such services.</p> <p>(bb) Where the contract for such services is on a dry basis, the user who supplies the distillate fuel to the contractor may apply for a refund in respect of the fuel actually used in rendering the services. Such services may include harvesting by a contractor using his/her own harvester and transport of the harvested crop to the market or any first point of delivery.</p> <p>(cc) Any person who includes in any purchase of fuel, fuel for eligible and non-eligible purchases, shall deduct the non-eligible purchases from the quantities for which a refund is claimed.</p> <p>(b) Where vessels which are engaged in operations qualifying for eligible use are refuelled offshore, a tax invoice must be issued by the supplier to the user.</p> <p>(c) (i) (aa) Where a user sells eligible purchases of distillate fuel, such user must issue a tax invoice to the buyer, whether or not the buyer is a user or any other person.</p> <p>(bb) The user who sells such fuel may not claim a refund of levies thereon and the fuel sold must be shown as a non-eligible purchase on the return for a refund.</p> <p>(ii) Where a user disposes of any such distillate fuel by barter or by donation, the fuel so disposed of does not qualify for a refund and must be indicated as a non-eligible purchase on the return for a refund.</p>			

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				<p>(iii) (aa) Any distillate fuel obtained under rebate of duty under any item of any Schedule must be shown as a non-eligible purchase on the diesel return for refund.</p> <p>(bb) No distillate fuel may be brought into the Republic in any container for consumption in the Republic from any other country in the common customs area unless such fuel is duly entered for home consumption on importation as contemplated in section 52, and all levies to which this item relates have been paid. If any such fuel is thereafter sold to a user, a tax invoice must be issued by the seller in the Republic.</p> <p>6. Mining on Land: Refund of levies on eligible purchases of distillate fuel for mining as specified in Note 1(b)</p> <p>(a) (i) In accordance with the definition of "eligible purchases", the distillate fuel must be purchased by the user for use and used as fuel for own primary production activities in mining as provided in paragraphs (b) and (c).</p> <p>(ii) Definition "Minerals" means minerals in any form, whether solid, liquid or gaseous, occurring naturally in or on the earth, in or under water or in the tailings and whether organic or inorganic and having been formed by or subject to a geological process, excluding water, but including sand, stone, rock, soil (other than topsoil), clay, gravel and limestone.</p> <p>(b) The mining activities which qualify for a refund of levies must be carried on -</p> <p>(i) for own primary production by the user or by a contractor of the user who is contracted on a dry basis;</p> <p>(ii) unless otherwise specified, at the place where the mining operation is carried on; and</p> <p>(iii) by a person who is in possession of the necessary authorisation granted in terms of the Minerals Act, 1991 (Act No. 50 of 1991).</p>			

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				<p>(c) Own primary production activities in mining include the following:</p> <ul style="list-style-type: none"> (i) The exploration or prospecting for minerals. (ii) The removal of over burden and other activities undertaken in the preparation of a site to enable the commencement of mining for minerals. (iii) Operations for the recovery of minerals being mining for those minerals including the recovery of salts. (iv) Searching for ground water solely for use in a mining operation or the construction or maintenance of facilities for the extraction of such water. (v) The pumping of water solely for use in a mining operation if the pumping occurs at the place where the mining operation is carried on or at a place adjacent to that place. (vi) The supply of water solely to the place where the mining operation is carried on, from such place or a place adjacent to that place. (vii) The construction or maintenance of private access roads at the place where the mining operation is carried on. (viii) The construction or maintenance of: <ul style="list-style-type: none"> (aa) tailings dams for use in a mining operation; (bb) dams, or other works, to store or contain water that has been used in, or obtained in the course of carrying on a mining operation. (ix) The construction or maintenance of dams, at the place where the mining operation is carried on, for the storage of uncontaminated water for use in a mining operation. (x) The construction or maintenance of buildings, plant or equipment for use in a mining operation. (xi) The construction or maintenance of power stations or power lines solely for use in a mining operation. (xii) Coal stockpiling for the prevention of the spontaneous combustion of coal as part of primary mining operations. 			

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				<p>(xiii) The reactivation of carbon for use in the processing of ores containing gold if the reactivation occurs at the place where mining for gold is carried on.</p> <p>(xiv) The removal of waste products of a mining operation and the disposal thereof, from the place where the mining operation is carried on.</p> <p>(xv) The transporting by vehicle, locomotive or other equipment on the mining site of ores or other substances containing minerals for processing in operations for recovery of minerals.</p> <p>(xvi) The service, maintenance or repair of vehicles, plant or equipment by the person who carries on the mining operation solely for use in a mining operation, at the place where the mining operation is carried on.</p> <p>(xvii) The service, maintenance or repair of transport networks for use in a mining operation, to the extent that the service, maintenance or repair is performed at the place where a mining operation is carried on.</p> <p>(xviii) Quarrying.</p> <p>(xix) The transport of ores or other substances containing minerals from the mining site to the nearest railway siding.</p> <p>(xx) The following equipment and vehicles are regarded as forming an integral part of the mining process:</p> <p>(aa) Agitators.</p> <p>(bb) Drilling rigs.</p> <p>(cc) Hammer mills.</p> <p>(dd) Smelters.</p> <p>(ee) Tunnelling machines.</p> <p>(ff) Specially manufactured underground equipment.</p> <p>(gg) Front-end loaders.</p> <p>(hh) Excavators.</p> <p>(ii) Locomotives for carriage by rail of minerals or equipment.</p>			

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				<p>(d) The following are not regarded as mining activities:</p> <ul style="list-style-type: none"> (i) Dredging for materials for use in: <ul style="list-style-type: none"> (aa) Building. (bb) Road making. (cc) Landscaping. (dd) Construction and similar activities. (ii) Mobile crushing operations such as the crushing of stone for road building and dam walls. <p>7. Forestry: Refund of levies on eligible purchases of distillate fuel for forestry as specified in Note 1(a)</p> <ul style="list-style-type: none"> (a) In accordance with the definition of "eligible purchases", the distillate fuel must be purchased by the user for use and used as fuel for own primary production activities in forestry as provided in paragraphs (b) and (c). (b) Own primary production activities in forestry include the following : <ul style="list-style-type: none"> (i) Land preparation: <ul style="list-style-type: none"> (aa) Clearing of land. (bb) Ploughing, discing, hoeing. (cc) Making of initial access roads. (ii) Planting of land: <ul style="list-style-type: none"> (aa) Transport of seedlings from nursery to plantations. (bb) Making of planting pits, line seeding and similar activities. (cc) Application of herbicides and fertilisation. (dd) Follow up activities replacing dead seedlings with new seedlings (blanking). (iii) Maintenance of plantations: <ul style="list-style-type: none"> (aa) Weeding in plantation (manual, chemical, mechanical). (bb) Making of fire breaks, including fire control access roads. (cc) Pruning of branches. (dd) Thinning of trees and removal of trees. (ee) Road and infrastructure maintenance which forms an integral part of the forest. 			

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				<ul style="list-style-type: none"> (iv) Harvesting of trees: <ul style="list-style-type: none"> (aa) Making of extraction roads. (bb) Felling of trees (manual with chainsaws, mechanical with equipment). (cc) Stripping of bark off felled trees. (dd) Stacking of felled tree timber (in field or at roadside). (ee) Crosscutting into specified log lengths. (ff) Extraction of timber to roadside. (v) Transporting of trees in a forest where they were felled. (vi) Transporting by the user of timber to a sawmill or chip-mill that is outside the forest or plantation. (vii) The transport of timber logs to the nearest railway siding, from the forest or plantation. (viii) The process of growing, cutting or carting of trees and logs. (ix) Generating electricity for domestic use at the place where forestry is carried on. (x) Use of locomotives for the carriage of goods by rail in the forest or plantation. (c) The above activities only qualify for the refund if carried on for own primary production in forestry by the user or by the contractor of the user who is contracted on a dry basis. (d) The following are not regarded as activities in forestry: <ul style="list-style-type: none"> (i) Constructing, building the mill or other processing facilities. (ii) Dressing, planing or shaping woods, producing board. (iii) The transport of the goods to build a road in the forest, unless it is regarded as an access road. (iv) Milling timber at a sawmill or chip-mill. 			
				<p>8. Farming: Refund of levies on eligible purchases of distillate fuel for farming as specified in Note 1(a)</p>			
				<ul style="list-style-type: none"> (a) In accordance with the definition of "eligible purchases", the distillate fuel must be purchased by the user for use and used as fuel for own primary production activities in farming as provided in paragraphs (c), (d) and (e). 			

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				<p>(b) Definitions</p> <p>“Farming products” means any products in their natural state produced during any farming activity contemplated in paragraph (c) including animals, fish and reptiles and their products, plants, fruit and vegetables, eggs, milk, meat, honey, flowers, nursery products, wool and hides, whether or not packed for marketing.</p> <p>“Farming requirements” means goods that are essential for farming and includes goods for the cultivation of the soil, growing of crops, reaping of harvests, breeding of and caring for animals, fish and reptiles and the building of dwellings and structures for farming purposes.</p> <p>“Own primary production activities in farming” -</p> <p>(i) means the production of farming products by the user for gain on a farming property; and</p> <p>(ii) includes the activities contemplated in paragraphs (c), (d) and (e).</p> <p>(c) Own primary production activities in farming include the following:</p> <p>(i) Growing crops and harvesting and storing crops on the farming property.</p> <p>(ii) Horticulture, pasturage and apiculture.</p> <p>(iii) The breeding of fish in dams and the farming of oysters.</p> <p>(iv) The breeding and caring for animals and reptiles.</p> <p>(v) The breeding and caring for race and show horses and the transportation thereof.</p> <p>(vi) The shearing or cutting of hair or fleece of livestock, or the milking of livestock.</p> <p>(vii) The transport of livestock to a farming property for the purpose of rearing.</p> <p>(viii) The rounding up or herding of livestock.</p> <p>(ix) Baling of hay.</p> <p>(x) The planting or tending of fruit trees.</p> <p>(xi) Any activity undertaken for the purpose of soil or water conservation.</p> <p>(xii) The carrying out of fire fighting activities.</p> <p>(xiii) The construction or maintenance of fences.</p>			

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				<p>(xiv) The construction or maintenance of firebreaks.</p> <p>(xv) The service, maintenance or repair of vehicles or equipment for use in a farming activity if it is carried out at the place where farming is carried on.</p> <p>(xvi) The construction or maintenance of sheds, pens, silos or silage pits for use in a farming activity.</p> <p>(xvii) The construction or maintenance of dams, water tanks, water troughs, water channels, irrigation systems or drainage systems including, water pipes and water piping for use in a farming activity carried out on the farming property.</p> <p>(xviii) The carrying out of earthworks for the purpose of a farming activity, carried out on the farming property.</p> <p>(xix) Searching for ground water solely for use in a farming activity, or the construction or maintenance of facilities for the extraction of such water, solely for that use.</p> <p>(xx) The pumping of water solely for use in farming if the pumping is carried out on a farming property.</p> <p>(xxi) The supply of water solely for use in farming if the supply is to a farming property and the water is supplied from that property or a place adjacent to that property.</p> <p>(xxii) The storage of farming products.</p> <p>(xxiii) The packing, or prevention of deterioration of farming products, if the packing or the prevention of deterioration of the products is carried out on a farming property.</p> <p>(xxiv) Weed, pest or disease control.</p> <p>(xxv) Hunting or trapping that is carried on as part of farming operations including the storage of any carcasses or skins.</p> <p>(xxvi) Game farming, excluding leisure activities such as game viewing and lodging.</p> <p>(xxvii) Generating electricity or the use of other farm equipment for domestic purposes.</p> <p>(xxviii) Use of locomotives for the carriage of goods by rail on the farming property.</p>			

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				<p>(d) The above activities only qualify for the refund if carried on for own primary production in farming by the user or by the contractor of the user who is contracted on a dry basis.</p> <p>(e) (i) Where farming products or farming requirements are transported by a contractor of the user, and the distillate fuel is supplied by the user on a dry basis, the user may claim a refund in terms of this item in respect of the quantity of fuel actually used -</p> <p>(aa) where such farming products are transported from the farming property to the market or first point of delivery; or</p> <p>(bb) the farming requirements are transported from the supplier's loading point to the farming property.</p> <p>(ii) No refund may be claimed in respect of any transport on a wet basis.</p> <p>(iii) Eligible use in farming includes the transportation by the user by means of own vehicles of -</p> <p>(aa) farming products to any place; or</p> <p>(bb) farming requirements for use by such user from any place to the farming property.</p> <p>(f) No refund applies in respect of distillate fuel used by a purchaser of farming products in vehicles which carry those products from the farming property to the place of business of the purchaser.</p> <p>9. Commercial Fishing: Refund of levies on eligible purchases of distillate fuel for commercial fishing vessels as specified in Note 1(b)</p> <p>(a) Definitions</p> <p>"Commercial fishing vessels" means vessels designed or adapted and used for commercial sea fishing (as contemplated in the Marine Living Resources Act, 1998 (Act No. 18 of 1998)), and which are propelled by inboard engines of which the fuel tanks form an integral part of the structure and any dedicated mother ship in which fish is processed, but excluding any fishing vessel contemplated in item 640.06.</p>			

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				<p>“Sea fishing” -</p> <p>(i) includes -</p> <p>(aa) the catching of “fish” as defined in the Marine Living Resources Act, 1998 (Act No. 18 of 1998);</p> <p>(bb) the processing of fish while at sea,</p> <p>(ii) excludes whaling, sealing or the catching of fish for non-commercial purposes.</p> <p>(b) Use of fuel:</p> <p>(i) Eligible purchases are only applicable in respect of fishing vessels -</p> <p>(aa) which are owned or chartered by a legal person registered in the Republic in accordance with the laws of the Republic and which has its place of effective management in the Republic or by a natural person who is ordinarily resident in the Republic;</p> <p>(bb) which are registered or licensed in terms of the Merchant Shipping Act, 1951 (Act No. 57 of 1951);</p> <p>(cc) if the master is in possession of a valid commercial fishing permit issued by the Directorate Marine and Coastal Management, Department of Environment Affairs and Tourism in terms of the Marine Living Resources Act, 1998 (Act No. 18 of 1998);</p> <p>(dd) which are used in fishing activities carried on with the aim of making a profit; and</p> <p>(ee) if used in an engine for the propulsion of, or operating of any equipment used on board, of such fishing vessels.</p>			

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				<p>(ii) The equipment referred to in paragraph (ee) may include the following:</p> <ul style="list-style-type: none"> (aa) Air and refrigeration compressor. (bb) Bilge pump. (cc) Generator. (dd) Lighting plant. (ee) Pump. (ff) Auxiliary engine. (gg) Other diesel powered engines. (hh) Boiler. (ii) Chiller/freezer. (jj) Cooking facilities. (kk) Heater. (ll) Incinerator. (mm)Welder. (nn) Onboard crane. (oo) Winches. (pp) Other diesel powered equipment. <p>The above activities are only eligible for the refund if carried on by the user.</p> <p>(iii) The following are regarded as non-eligible commercial fishing activities:</p> <ul style="list-style-type: none"> (aa) Any onshore activity including off-loading of catch with a fixed onshore crane and onshore processing. (bb) Any activity in the carrying on of a business relating to recreation, sport or tourism, which includes fishing vessels chartered for such purpose. (cc) Vessels undertaking trial runs connected with the repair or refit thereof. <p>10. Coasting vessels: Refund of levies on eligible purchases of distillate fuel for coasting vessels as specified in Note 1(b)</p> <ul style="list-style-type: none"> (a) Definition: "Coasting vessels" means vessels designed and used for the conveyance of goods and which convey goods between the ports in the Republic or between any such port and a port in the common customs area and which are propelled by inboard engines and of which the fuel tanks form an integral part of the structure. 			

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				<p>(b) Use of fuel:</p> <p>(i) Eligible purchases are only applicable in respect of a coasting vessel -</p> <p>(aa) if the vessel is owned or chartered by a legal person registered in the Republic in accordance with the laws of the Republic and which has its place of effective management in the Republic or by a natural person who is ordinarily resident in the Republic;</p> <p>(bb) if the vessel holds a valid Certificate of South African Registry with a valid South African Maritime Safety Authority survey certificate;</p> <p>(cc) if the fuel is used for the propulsion of the vessel or the operation of any equipment on that vessel.</p> <p>(ii) Equipment referred to in subparagraph (i)(cc) may include the following:</p> <p>(aa) Air and refrigeration compressor.</p> <p>(bb) Bilge pump.</p> <p>(cc) Generator.</p> <p>(dd) Lighting plant.</p> <p>(ee) Pump.</p> <p>(ff) Auxiliary engine.</p> <p>(gg) Other diesel powered engines.</p> <p>(hh) Boiler.</p> <p>(ii) Chiller/freezer.</p> <p>(jj) Cooking facilities.</p> <p>(kk) Heater.</p> <p>(ll) Incinerator.</p> <p>(mm)Welder</p> <p>(nn) Onboard crane.</p> <p>(oo) Winches.</p> <p>(pp) Other diesel powered equipment.</p> <p>(c) The following are regarded as non-eligible activities:</p> <p>(i) Any onshore activity including the off-loading of cargo by cranes and equipment fixed on land.</p> <p>(ii) Other onshore activities including stacking of cargo, running of refrigeration containers.</p>			

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				<p>(iii) Any activity which is undertaken other than the carrying of goods, such as conveying of passengers, recreation, sport or tourism.</p> <p>(iv) Vessels undertaking trial runs connected with the repair or refit thereof.</p> <p>11. Offshore Mining: Refund of levies on eligible purchases of distillate fuel for offshore mining as specified in Note 1(b)</p> <p>(a) Definitions</p> <p>“Offshore mining” means the exploration and exploitation of the natural resources occurring in the bed of the sea and the subsoil thereof including the continental shelf of the Republic, as referred to in section 8 of the Maritime Zones Act, 1994 (Act No. 15 of 1994) and as contemplated in section 5 of this Act.</p> <p>“Natural resources” includes precious stone, metal or minerals, natural oil or natural gas.</p> <p>(b) (i) For the purposes of this Note, any installation as referred to in paragraphs (a)(ii), (b), (c) and (e) of the definition of “installation” in section 1 of the Maritime Zones Act, 1994 (Act No. 15 of 1994), and any device contemplated in section 5 of this Act, operated by a user on or above the continental shelf in which distillate fuel is used for offshore mining activities may qualify subject to subparagraphs (ii) and (iii), for a refund of levies in terms of this item.</p> <p>The stated paragraphs provide:</p> <p>“(a) Any installation, including a pipeline, which is used for the transfer of any substance to or from -</p> <p>(i) ...</p> <p>(ii) a research, exploration or production platform;</p> <p>(iii) ...</p> <p>(b) Any exploration or production platform used in prospecting for or the mining of any substance.</p> <p>(c) Any exploration or production vessel used in prospecting for or the mining of any substance.</p> <p>(d) ...</p> <p>(e) Any vessel or appliance used for the exploration or exploitation of the seabed.”</p>			

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				<ul style="list-style-type: none"> (ii) Diamond dredges must operate under a permit issued by the Department of Mineral and Energy Affairs. (iii) The offshore mining activities referred to in subparagraph (i) which qualify for such refund further include: <ul style="list-style-type: none"> (aa) Machinery and equipment which form an integral part of the installation or device. (bb) A vessel used solely to convey persons or goods to and from any installation or device, which is supplied with distillate fuel by such installation or device. (cc) In the case of diamond dredges, distillate fuel used in a vessel chartered by the owner of the dredging vessel to bunker the diamond dredges at sea and the fuel bunkered by such vessel. (iv) (aa) Any distillate fuel used in any installation or device or any vehicle, vessel, machine or other equipment of any kind whatsoever contracted or hired for use in any qualifying activity in respect of offshore mining only qualifies for a refund if so contracted or hired by the user on a dry basis. (bb) The user so supplying such distillate fuel must keep an accurate account of the quantity supplied and all documents relating to the contract or hire and the activities undertaken by such installation, device, vehicle, vessel, machine or other equipment. 			
				<p>12. National Sea Rescue Institute: Refund of levies on eligible purchases of distillate fuel for vessels owned by the National Sea Rescue Institute as specified in Note 1(b)</p> <p>Only distillate fuel purchased and used in the engines of vessels owned by the National Sea Rescue Institute and which are used for the purpose of rescue operations at sea and rescue training at sea qualifies for such refund.</p>			
				<p>13. Rail freight: Refund of levy on eligible purchases of distillate fuel for locomotives used for hauling rail freight as specified in Note 1(c)</p> <p>Only distillate fuel purchased for use and used in locomotives when hauling rail freight in the Republic qualifies for such a refund.</p>			

Rebate Item	Tariff Item	Code	C D	Description	Extent of Rebate	Extent of Refund	Anno- tations
				<p>14. Keeping of books, accounts and other documents for the purposes of this item</p> <p>(a) (i) All books, accounts or other documents to substantiate the refund claim (including purchase invoices, sales invoices and logbooks) must be kept for a period of 5 years from the date of use or disposal of the distillate fuel or the refund return, whichever occurs last.</p> <p>(ii) Any person who sells any distillate fuel to a user must keep a copy of the tax invoice for 5 years from the date of sale.</p> <p>(iii) Any such books, accounts or other documents and invoices must be produced for inspection to any officer in accordance with the provisions of section 4.</p> <p>(b) Purchase documents must be in the name of the user.</p> <p>(c) Books, accounts or other documents must show in respect of each claim how the quantity of distillate fuel on which a refund was claimed, was calculated.</p> <p>(d) If a user carries on business in more than one of the categories of eligible activities, or in any ineligible activity, the books, accounts or other documents regarding each activity must be kept separately.</p> <p>(e) Documentation must show how the distillate fuel purchased was used, sold or otherwise disposed of. The user must -</p> <p>(i) keep books, accounts or other documents of all purchases or receipts of distillate fuel, reflecting:</p> <p>(aa) the number and date of each invoice relating to such purchases or receipts;</p> <p>(bb) the quantities purchased or received;</p> <p>(cc) the seller's name and business address; and</p> <p>(dd) the date of purchase or receipt,</p>			

Rebate Item	Tariff Item	Code	C D	Description	Extent of Rebate	Extent of Refund	Anno-tations
				<ul style="list-style-type: none"> (ii) keep books, accounts or other documents in respect of the storage and use of distillate fuel, reflecting - <ul style="list-style-type: none"> (aa) the date or period of use; (bb) the quantity and purpose of use; (cc) full particulars of any fuel supplied on a dry basis to any contractor or other person who renders qualifying services to the user; (dd) the capacity of each tank in which fuel is stored and the receipt and removal from such tanks, (iii) where the fuel was sold or otherwise disposed of or used (except supplied on a dry basis), record in such books, accounts or other documents - <ul style="list-style-type: none"> (aa) the quantity of fuel involved; (bb) in each case, whether the fuel was sold or otherwise disposed of or used and the date thereof; (cc) where applicable to whom the fuel was sold or otherwise disposed of; (dd) the price received for the fuel, including details of any offsetting arrangements, barter or other dealings involved, (iv) keep logbooks in respect of fuel supplied to each vehicle, vessel or other equipment used in the following activities - <ul style="list-style-type: none"> (aa) onland mining; (bb) forestry; (cc) farming; (dd) fishing; (ee) coastwise shipping; (ff) offshore mining; (gg) national Sea Rescue Institute; (hh) rail freight. 			
				<p>15. Losses of distillate fuel</p> <ul style="list-style-type: none"> (a) Distillate fuel lost through accident, theft, leakage or any other cause whatsoever is regarded as non-eligible. (b) A refund may not be claimed for lost distillate fuel and the quantity lost must be reflected as a non-eligible purchase on the refund return. 			

Rebate Item	Tariff Item	Code	C D	Description	Extent of Rebate	Extent of Refund	Anno- tations
640.10				<p>(c) The following records must be kept:</p> <ul style="list-style-type: none"> (i) The date the loss occurred, or the date the loss was detected. (ii) Where the loss occurred and the circumstances surrounding the incident. (iii) The quantity of fuel lost and how the quantity was calculated. <p>(d) A copy of the police report, where applicable, or insurance claim details can provide the information necessary to substantiate the particulars of the loss.</p> <p>16. Declaration to be furnished in respect of distillate fuel in terms of section 75(1)(C)(d)(i)</p> <p>Every user shall furnish a declaration to the Commissioner at such time and in such form reflecting such particulars relating to purchases and use and refund claims and supported by such documents, as the Commissioner may determine.</p> <p>By the deletion of item 640.10.</p>			