

EXCISE

EXTERNAL

COMPLETION MANUAL

**DA 177 ENVIRONMENTAL LEVY
ACCOUNT FOR CARBON DIOXIDE
EMISSION LEVY**

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1 SCOPE

- a) The manual is to assist licensees of Special Ad Valorem Manufacturing Warehouses (VS) in the Motor Industry to complete the quarterly Environmental Levy Account for Carbon Dioxide (CO₂) emission levy (DA 177).

2 COMPLETION OF THE DA 177 ENVIRONMENTAL LEVY ACCOUNT FOR CARBON DIOXIDE (CO₂) EMISSION LEVY, INCLUDING THE ELECTRONICALLY SUBMITTED EXCISE DUTY AND LEVY RETURN (EXD 01).

- a) The CO₂ emission levy account (DA 177) is the summarising document reflecting the removal of all new motor vehicles with a CO₂ emission exceeding 120g/km and / or 175g/km, the number of units removed thereof, as well as the amount of environmental levy payable during the accounting period, which must be submitted **quarterly** via eFiling.
- b) The CO₂ emission levy account must be completed **in full i.e. DA 177 with all the supporting schedules, if applicable for that specific accounting period and a duly signed and dated copy** kept for record purposes.
- c) If any column is not required for completion for that specific accounting period, the column must be crossed out by drawing a diagonal line across the face thereof, starting from the top left corner of the first box to the bottom right corner of the last box and writing "Not Applicable" or "N / A" in the middle thereof.
- d) If there is no figure to be declared for a specific box in a column applicable for that specific accounting period, it must be indicated by declaring "0.00" in that box.
- e) All alterations or deletions on an account are required to be initialled by the same person signing the declaration at the bottom of the account.
- f) **In order to make it administratively easier to do business with the South African Revenue Service (SARS), the DA 177 (the EXD 01 return must be utilized for this purpose which is the electronic version of the DA 177) must be submitted i.e.:**
- i) **Electronically to the SARS Excise via the eFiling platform; or**
 - ii) **Hand delivered for capturing should the client experience problems with eFiling.**

2.1 DA 177 – Environmental Levy Account for Carbon Dioxide Emission Levy

a) Section A - Licensee particulars:

- i) Warehouse number -
- A) If the VS number consists of less than four (4) digits, zeros must be inserted directly after the **VS**.
 - B) The allocated VS - warehouse number for ad valorem Excise duty purposes must be inserted here as shown below:

P	E	Z	V	S	0	0	2	1
E	L	N	V	S	4	3	1	2
B	F	N	V	S	2	1	4	0

- ii) Customs Code - The allocated Customs code that the licensee has received and used since application and licensing of the VS for ad valorem Excise purposes must be inserted here.
- iii) Licensee - This must be the VS licensed name under which the licensee is to continue manufacturing environmental levy goods, which are liable to CO₂ emission.
- iv) Physical address - This must be the street address where the actual manufacturing takes place.
- v) Accounting period (From – To)
 - A) The opening and closing dates of the applicable accounting period / quarter must be inserted here.

- B) The opening date of an accounting period / quarter must follow immediately on / after the closing date of the previous accounting period / quarter.

b) **Section B - Environmental Levy payable:**

- i) Tariff subheading -
- A) The tariff subheadings to be inserted here are those under which the vehicles are classifiable in terms of Section D of Part 3 of Schedule 1, being 8703.23.90, 8704.21.81, etc.
- B) The full eight (8) digits must be inserted as it appears in the Schedule.
- C) In the case of a six (6)-digit tariff subheading, zeros must be used directly after the sixth digit.
- ii) Environmental levy item no. - The Environmental levy item number as indicated in Section D of Part 3 of Schedule 1 i.e. 151.01 or 151.02 must be inserted here.
- iii) Vehicle type description according to the test report with CO₂ emissions exceeding the level for the item -
- A) The removal of all manufactured new motor vehicle(s) type with a CO₂ emission **exceeding 120g/km** and / or **175g/km** must be indicated here.
- B) The mentioned vehicle type must be listed per model (the reference to the "model" is indicative to the engine size and **NOT** the different variables in body shapes).
- iv) Column A – No. of units removed:
- A) The number of all local manufactured new motor vehicle(s) type with a CO₂ emission exceeding 120g/km and / or 175g/km must be inserted here.
- B) Vehicles with a CO₂ emission less than 120g/km must not form part of the declaration.
- v) Column B - CO₂ emissions exceeding the level for the item:
- A) The CO₂ emission level above the threshold of 120g/km and / or 175g/km of the particular vehicle type must be reflected here.
- B) **Example:** If ten (10) units have been removed of the same class or emission level kind, the ten (10) unit's emission total figure above the 120g/km and / or 175g/km must be reflected.
- vi) Column C – Levy payable (A x B x rate of Levy) To calculate the levy payable the following procedure must be applied i.e:
- A) The figure in Column A must be multiplied with the figure in column B.
- B) The answer of A and B must be multiplied with the Environmental levy rate applicable.
- vii) Total from the DA 177.01, (if applicable):
- A) If the space provided for on DA 177 is not sufficient, the continuation sheet (DA 177.01) must be used.
- B) The total Environmental levy declared on DA 177.01 must be carried forward to the DA 177 and must be inserted here.
- C) Where more than one (1) continuation sheet DA 177.01 is used, all the totals must be added together and carried forward to the DA 177.
- viii) Total - The total amount(s) as calculated per Environmental levy item no's indicated must be added up and inserted here.
- ix) Less Rebates:
- A) Rebate Item 680.01 - Goods liable to Environmental levy entered for any purposes or use or in the circumstances specified in any Rebate Item of Part 2 (except Rebate Item 634.03).
- B) Rebate Item 680.02 - Environmental levy goods in respect of which the environmental levy payable (if applicable) thereon amount to no less than R2 500, proved to have been lost, destroyed or damaged, on any single occasion in circumstances of VIS MAJOR or in such other circumstances as the Commissioner deems exceptional, while such goods are
- I) In any Customs and Excise warehouse;
- II) Are being removed in bond; or
- III) Are under the control of the Commissioner, provided no compensation in respect of Environmental levy on such goods has been paid or is due to the owner by any other person and such loss, destruction or damage was not due to any negligence or fraud on the part of the person liable for the duty and that such goods did not enter into consumption.
- C) Rebate Item 680.03 - Manufactured Environmental levy goods in a Customs and Excise warehouse used for the manufacture by reprocessing of Environmental levy goods or the manufacture of other goods.

- x) Less Refunds –
- A) Rebate Item 681.01 - Goods liable to the Environmental levy specified in any item of Part 3 of Schedule 1 which, after entry or deemed entry for home consumption and payment of duty by the licensee of a Customs and Excise manufacturing warehouse as contemplated in Chapter VA and its Rules, are removed by such licensee to a consignee in **The Republic of Botswana, The Kingdom of Lesotho, The Republic of Namibia and the Kingdom of Swaziland (BLNS)** country, subject to compliance with **the notes to this Rebate Item.**
- B) Rebate Item 681.02 - Goods liable to the Environmental levy specified in Part 3 of Schedule 1 which, after entry or deemed entry, for home consumption and payment of duty by the licensee of a Customs and Excise manufacturing warehouse as contemplated in Chapter VA and its Rules, are found to be off-specification or otherwise defective and are returned to such warehouse for reprocessing, subject to compliance with **the notes to this Rebate Item.**
- C) Rebate Item 681.03 - Goods liable to the Environmental levy specified in any item of Part 3 of Schedule 1 which, after entry or deemed entry, for home consumption and payment of duty by the licensee of a Customs and Excise manufacturing warehouse as contemplated in Chapter VA and its Rules are returned to such warehouse for any purpose other than reprocessing as contemplated in Rebate Item 681.02, subject to compliance with **the notes to this Rebate Item.**
- D) Rebate Item 681.04 - Environmental levy goods exported, other than exports contemplated in Rebate Item 681.05.
- xi) Total Levy Due - The total environmental levy due for the accounting period taking into consideration all less rebates and / or less refunds, if applicable, deducted from the Total.
- c) **Declaration:**
- i) The declaration must be completed and signed or countersigned by the sole proprietor, partner, director, manager or secretary or a person of equal or higher capacity in the licensee's business.
- ii) The person signing the declaration accepts full responsibility for the correctness of the Environmental Levy Account for CO₂ emission.

3 MEASURES

- a) N / A

4 REFERENCES

4.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Chapter VA and Section 119A Customs and Excise Rules: 54FB.02 and 119A.R101A(10)(b) , 119A.R101A(10)(d) and 119A.R101A(10)(f) Customs and Excise Tariff: Schedule 1 Part 3D and Schedule 6
Other Legislation:	None
International Instruments:	None

4.2 Cross References

DOCUMENT #	DOCUMENT TITLE
QMS-01	Quality Management System Manual
SE-ACC-02-M02	Declaration and Return submission via eFiling – External Manual
SE-CD-02	Environmental Levy on Carbon Dioxide Emissions on New Motor Vehicles Manufactured in South Africa – External Policy

4.3 Quality Records

NUMBER	TITLE
DA 177	Environmental Levy Account for Carbon Dioxide Emission Levy
DA 177.01	Environmental Levy Account for Carbon Dioxide Emission Levy – Continuation Sheet
EXD 01	Excise Duty and Levy Return

5 DEFINITIONS AND ACRONYMS

Account	In relation to the document required to be submitted in respect of the payment of duty in terms of any provision of the Act and any other rule, must be regarded as a return.
Ad Valorem	It is a Latin term meaning: “on the value”.
BLNS	<p>a) Consists of:</p> <ul style="list-style-type: none"> i) The Republic of Botswana; ii) The Kingdom of Lesotho; iii) The Republic of Namibia; and iv) The Kingdom of Swaziland.
Controller / Branch Manager	The officer designated by the Commissioner to be the Controller / Branch Manager of Customs and Excise in respect of that area or matter and includes an officer acting under the control or direction of any officer so designated by the Commissioner.
e-Filing	The South African Revenue Service (SARS) eFiling is a free, online process for the submission of returns and declarations and other related services. The free service allows taxpayers, tax practitioners, businesses to register free of charge and submit returns and declarations, make payment and perform a number of other interactions with SARS in a secure online environment.
Environmental Levy	The environmental levy imposed in terms of items 151.01 or 151.02 of Part 3D of Schedule 1 and the Notes thereto.
EXD 01	Excise Duty and Levy Return
Licensees	Any person licensed under any provision of the Act.
Manufacture	<p>a) In the discretion of the Commissioner, any process –</p> <ul style="list-style-type: none"> i) in the manufacture or assembly of any excisable goods, environmental levy goods, fuel levy goods or Road Accident Fund (RAF) levy goods; ii) in the conversion of any goods into excisable goods, environmental levy goods, fuel levy goods or RAF levy goods; iii) whereby the dutiable quantity or value of any imported goods specified in Section B of Part 2 of Schedule 1, Excisable goods, environmental levy goods, fuel levy goods or RAF levy goods is increased in any manner; iv) in the recovery of excisable goods, environmental levy goods, fuel levy goods or RAF levy goods from Excisable goods or any other goods; v) In the packing or measuring off of any imported goods specified in Section B of Part 2 of Schedule 1, Excisable goods, environmental levy goods or RAF levy goods, or vi) in the generation of electricity liable to environmental levy; or <p>b) Any process as may be prescribed in any Part of Schedule 1 wherein such duty or levy is specified; or</p> <p>c) Any other process in respect of goods contemplated in paragraph (a) that the Commissioner may prescribed by rule.</p>
New motor vehicle	A new motor vehicle to which the Environmental levy applies.
Policy	Used to convey the policy mandated by legislation and the sequential steps to be followed.

Road Accident Fund (RAF)	A state insurer established by statute. It provides insurance cover to all drivers of a motor vehicle in SA in respect of liability incurred or damage caused because of a traffic collision. Liability incurred in relation to property damage (such as damage to vehicles, building and vehicle contents) is excluded from cover. The RAF operates a system whereby the claimant is assigned a percentage of responsibility for the accident, and the RAF pays the claimant a percentage of a full settlement based on a percentage that was not deemed their responsibility. Insurance premiums are collect by the RAF through a levy on motor vehicle fuel.
Schedule 1 Part 3D	Environmental levy of carbon dioxide (CO ₂) emission of motor vehicles.
Schedule 6	Rebates and Refunds of Excise Duties, Fuel Levy, Road Accident Fund Levy, Environmental Levy and Health Promotion Levy.
Tax practitioner	Any agent provided for in the Act for any person referred to in the definition of a Taxpayer in paragraphs (i) to (iii) indicated below.
Taxpayer	a) Includes: <ul style="list-style-type: none"> i) The licensee of a customs and excise warehouse; ii) A registered aircraft operator or an aircraft operator who is liable to register; iii) Except for the purpose of Rule 119A.R101A(10)(b), a person who must effect payments by using e-Filing as contemplated in rule 119A.R101A(10)(f); or iv) A registered person who is required to submit a return in terms of the Diamond Export Levy (Administration) Act. No. 14 of 2007.
Test report	A document that records data obtained from an experiment of evaluation in an organized manner, describes the environmental or operating conditions, and shows the comparison of test results with test objectives .
Vis Major	A natural and unavoidable catastrophe that interrupts the expected course of events, normally caused by forces of nature.

6 DOCUMENT MANAGEMENT

Business Owner	Executive: Compliance Centre Operations
Document Owner	Executive: Process Solutions Customs & Support Services
Author	Christolene Botha
Detail of change from previous revision	The manual has been reviewed and amended by: <ul style="list-style-type: none"> • Updating Paragraph 2; • Updating Legislation; • Amending certain document Q-codes under Cross References; • Updating Quality Records; • Updating and including certain Definitions and Acronyms; • The Business and Document Owner changed; • Reference number changed from SE-EL-07-CM01 to SE-PB-03-M01; and • The Template number and revision changed from ECS-TM-16 – to GC-TM-16.
Template number and revision	ECS-TM-16 – Rev 4