

EXCISE
EXTERNAL POLICY
BIODIESEL

TABLE OF CONTENTS

| | | |
|----------|---|-----------|
| 1 | SUMMARY OF MAIN POINTS | 3 |
| 2 | POLICY | 3 |
| 2.1 | Liability for duty and levies | 3 |
| 2.2 | Type of warehouses allowed in the biodiesel industry: | 3 |
| 2.3 | Production | 3 |
| 2.4 | Blending | 4 |
| 2.5 | Keeping of records | 4 |
| 2.6 | Penalties | 5 |
| 2.7 | Promotion of Administrative Justice Act | 5 |
| 2.8 | Appeal against decisions | 6 |
| 2.9 | Biodiesel product chain | 6 |
| 2.10 | Importation of Biodiesel | 7 |
| 2.10.1 | Sea | 7 |
| 2.10.2 | Rail and Road | 7 |
| 2.11 | Manufacturing of biodiesel | 8 |
| 2.11.1 | Obtaining of products | 8 |
| 2.11.2 | Non-commercial manufacturer | 8 |
| 2.11.3 | Commercial manufacturer | 8 |
| 2.12 | Assessment | 9 |
| 2.12.1 | Measure of dutiable quantity | 9 |
| 2.12.2 | Rate of duty | 9 |
| 2.12.3 | Duty payable | 9 |
| 2.13 | Losses | 9 |
| 2.14 | Process for reprocessing, destruction or abandonment | 11 |
| 2.14.1 | Application | 12 |
| 2.14.2 | Consideration | 12 |
| 2.14.3 | Allow / disallow | 12 |
| 2.15 | Duty paid returns | 12 |
| 3 | RELATED INFORMATION | 13 |
| 3.1 | Legislation | 13 |
| 3.2 | Cross References | 13 |
| 3.3 | Quality Records | 13 |
| 4 | DEFINITIONS AND ACRONYMS | 13 |
| 5 | DOCUMENT MANAGEMENT | 15 |

1 SUMMARY OF MAIN POINTS

- a) The **policy** applies to category 1 commercial manufacturers of biodiesel who manufacture exclusively for consumption in South Africa.

This policy does not cover:

- i) Declaration and Return submission via eFiling **as this is** dealt with in **document SE-ACC-02-M02**;
- ii) Submission of accounts / returns **as this is** dealt with in **document SE-ACC-05**;
- iii) The completion of the Biodiesel account for **Category 1** Manufacturing Warehouse **as this is** dealt with in **document SE-BIO-03-M01**;
- iv) Bonds **as this is** dealt with in **document SE-BON-02**;
- v) Customs and Excise payments **as this is** dealt with in **document GEN-PAYM-G01**;
- vi) Prescribed Payment terms **as this is** dealt with in **document SE-PAY-02**;
- vii) Category 2 commercial manufacturers of biodiesel **as this is** dealt with in **document SE-OIL-02**;
- viii) The completion of the Petroleum Products account for Manufacturing Warehouse **as this is** dealt with in **document SE-OIL-04-M01**;
- ix) Licensing and Registration requirements **as this is** dealt with in **document SE-LR-02**; and
- x) Refunds **as this is** dealt with in **document SE-REF-02**.

2 POLICY

- a) **This document must be read together with the Constitution, the South African Revenue Service Act No 34 of 1997 (“SARS Act”) and any other applicable legislation. Should the policy be in conflict with any provisions of the legislation, the applicable Act shall take precedence.**

2.1 Liability for duty and levies

- a) Excise duty, Fuel levy and Road Accident Fund (RAF) levy on biodiesel is charged by way of duty at source (DAS) whereby the duties and levies are assessed when the dutiable product goes into home consumption.
- b) In terms of Section 37B.02, **any person, who wishes to manufacture biodiesel**, must register as a commercial or non-commercial manufacturer of biodiesel under Section 59A.
- c) Rule 37B.04 further states that any commercial registered biodiesel manufacturer who manufactures, or who anticipates that he / she will manufacture, more than 25 000 litres of biodiesel per calendar month **AND** 300 000 litres of biodiesel per calendar year also needs to **license his / her manufacturing premises as a customs and excise manufacturing warehouse (VM)**.

2.2 Type of warehouses allowed in the biodiesel industry:

- a) The manufacture of biodiesel takes place in a licensed VM. Such warehouse shall be licensed at the Controller / Branch Manager’s office nearest to the premises where manufacture takes place.
- b) The manufacturing premises of a non-commercial manufacturer of biodiesel is not required to be license as a VM.

2.3 Production

- a) Biodiesel is normally produced from vegetable and animal fats or oils sourced from a variety of animal or vegetable products; these raw materials are commonly referred to as feedstock. Biodiesel is a product, which, either alone, or in a blend with distillate fuel (diesel manufactured by a refinery) can be used as a fuel in compression ignition engines.
- b) In terms of Section 44(2), biodiesel goods become excisable when they attain their essential character.

2.4 Blending

- a) Imported biodiesel taken into a VM, after the duty differential has been paid, is blended into locally manufactured product and cannot thereafter be separately distinguished from the locally manufactured product. It therefore takes on the nature of a locally manufactured excisable product. Any subsequent movement of such product from the VM will be treated as a movement of a locally manufactured excisable product.
- b) With the exception of biodiesel blended by a non-commercial manufacturer, biodiesel may only be blended with distillate fuel (diesel) where the biodiesel and distillate fuel have been entered or deemed to have been entered for home consumption.

2.5 Keeping of records

- a) The licensee of a VM must keep records of:
 - i) Raw materials received, used in the production process, and/or removed;
 - ii) Yield from raw materials;
 - iii) Production;
 - iv) Stock on hand;
 - v) Removal for home consumption;
 - vi) Returns of duty paid stock; and
 - vii) Disposal of such duty paid stock.
- b) In terms of Rule 19A.05, the retention period for all Excise related documents (prescribed excise documents as well as relevant trader's commercial and financial records) is five (5) years.
- c) A licensee may keep electronic records provided that it can be readily converted into paper copies and made available to SARS when required/requested.
- d) Copies of monthly biodiesel manufacturing records, or such other reproductions thereof as the Commissioner may allow under Section 101(1A), must be retained by a non-commercial manufacturer and kept available for inspection by an Excise Officer (EO) for a period of five (5) years calculated from the end of the calendar year during which any such record was created.
- e) The licensed warehouse must, upon request, make available the documents and detailed records referred to above, for inspection or audit by an EO.
- f) In addition to the requirement to keep books, accounts and documents as contemplated in Rule 59A.09 (2), a non-commercial manufacturer of biodiesel must open a monthly biodiesel manufacturing record which must contain –
 - i) The name and registration number of that non-commercial manufacturer;
 - ii) The month and year to which the record relates;
 - iii) The date of each manufacturing process;
 - iv) The quantity, per manufacturing process, of methanol, ethanol, catalyst, neutralising agent, any other additives, vegetable oil and any other products used in that process;
 - v) The quantity yield, per manufacturing process, of methanol, ethanol, glycerol, any other products and biodiesel produced from that process;
 - vi) In the case of a blend of biodiesel and distillate fuel, the quantity of biodiesel and the quantity of distillate fuel used in that blend and the quantity of the blended product; and
 - vii) In the case where no biodiesel was manufactured during the month, a production figure reflected as "NIL".
- g) The biodiesel manufacturing record must be opened on the first day of each month and must be updated with the particulars required in paragraphs (c), (e) and (f) after the completion of each manufacturing process undertaken during that month.
- h) A biodiesel manufacturing record must be –
 - i) Closed off at the end of the last day of the month to which it relates;
 - ii) Signed and dated by the applicable non-commercial manufacturer; and

- iii) Delivered to the Controller / Branch Manager within whose area of control the non-commercial manufacturer's biodiesel manufacturing premises is located –
 - A) In respect of the records for January to June of a year, by 7 July of that same year; and
 - B) In respect of the records for July to December of a year, by 7 January of the following year.

2.6 Penalties

- a) Failure to adhere to the provisions of the Act, as set out in this document, is considered an offence.
- b) Offences may render the client liable to, as provided for in the Act:
 - i) Monetary penalties;
 - ii) Criminal prosecution; and / or
 - iii) Suspension or cancellation of registration and/or license.

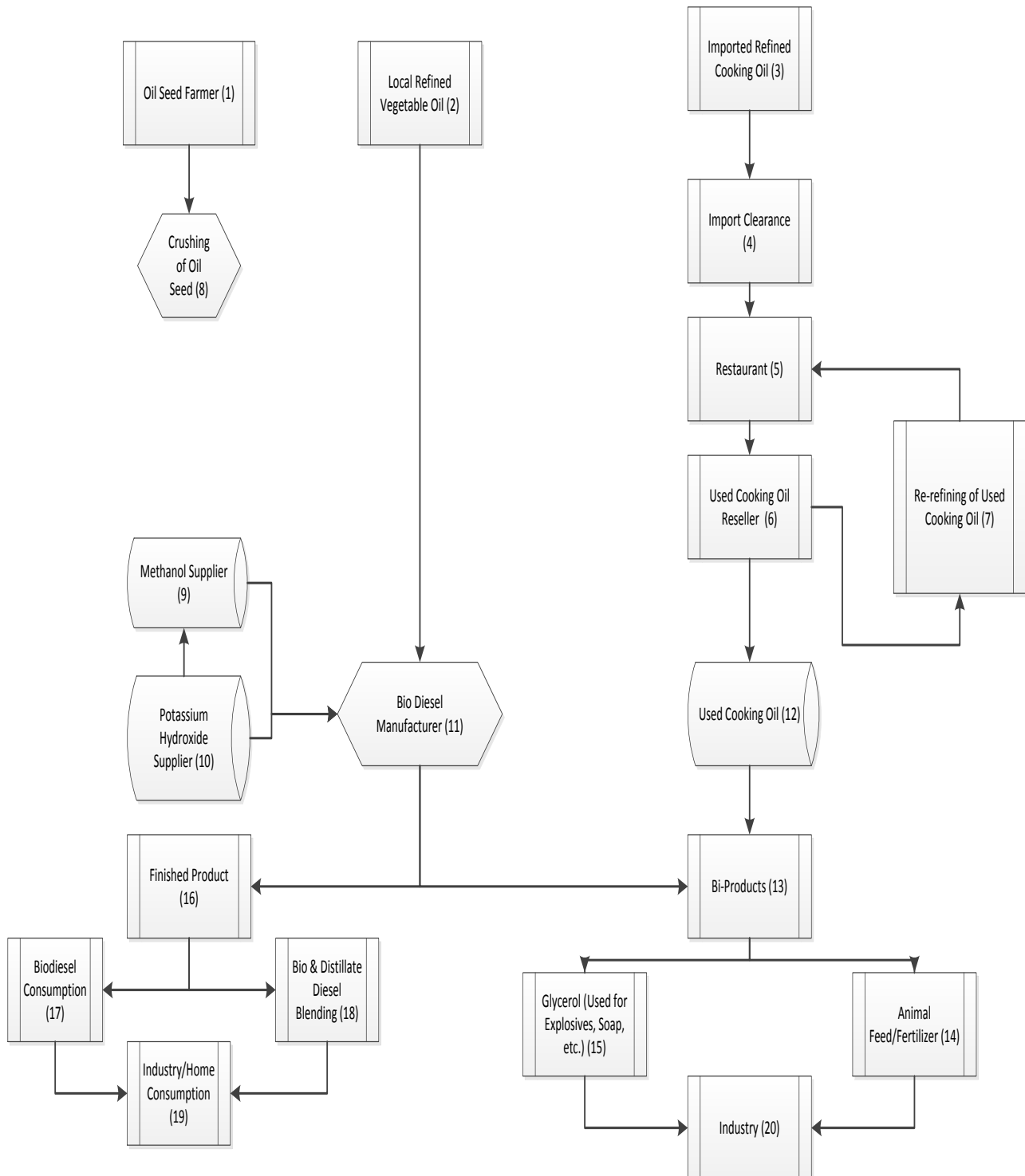
2.7 Promotion of Administrative Justice Act

- a) The Promotion of Administrative Justice Act (PAJA) No. 3 of 2000 gives effect to everyone's right to administrative action that is lawful, reasonable and procedurally fair. Any person whose rights have been adversely affected by administrative action has the right to be given written reasons, as contemplated in Section 33 of the Constitution of the Republic of South Africa, 1996. PAJA:
 - i) Provides for the review of administrative action by a court or where appropriate, an independent and impartial tribunal;
 - ii) Imposes a duty on the State to give effect to those rights;
 - iii) Promotes an efficient administration as well as good governance; and
 - iv) Creates a culture of accountability, openness and transparency in the Public Administration or in the exercise of a public power or the performance of a public function, by giving effect to the right to just administrative action.
- b) Administrative action, which significantly and unfavourably affects the rights or valid expectations of any person, must be procedurally fair. A fair administrative procedure depends on the circumstances of each case.
- c) A person must be given:
 - i) Written reasons of the nature and purpose of the proposed administrative action;
 - ii) A reasonable opportunity to make representations;
 - iii) A clear statement of the administrative action; and
 - iv) Adequate notice of any right of review or internal appeal, where applicable.
- d) Before administrative action can be taken by Excise, the client must be allowed the opportunity to:
 - i) Obtain assistance and, in serious or complex cases, legal representation;
 - ii) Present and dispute information and arguments; and
 - iii) Appear in person.
- e) Just administrative action requires the Excise Officer to consider all the facts presented and obtained in addition to affording the client the opportunity to be heard, prior to instituting any administrative action.
- f) Clients whose rights have been significantly and unfavourably affected by administrative action and who have not been given reasons for the action may, within ninety (90) days after the date on which the client became aware of the action, request Excise to furnish written reasons for the action.
- g) Excise must within ninety (90) days after receiving the request, give the client adequate reasons in writing for the administrative action. If Excise fails to furnish adequate reasons for the administrative action, it is presumed in any proceedings for judicial review that the administrative action was taken without good reason.

2.8 Appeal against decisions

- a) In cases where clients are not satisfied with any decision taken in terms of the Customs and Excise Act, they have a right of appeal to the relevant appeal committee. The policy in this regard, as well as the process to be followed, is contained in document SC-CC-24.
- b) Should clients be unhappy with a decision of any appeal committee their recourse will be to lodge an application for Alternative Dispute Resolution (ADR) with the relevant appeal committee. The committee will add its comments thereto and forward the application to the ADR Unit for attention. The policy in this regard, as well as the process to be followed is contained in document SC-CC-26.

2.9 Biodiesel product chain



2.10 Importation of Biodiesel

- a) Whether biodiesel is being imported for home consumption (payment of duty) or for warehousing an import permit must be obtained from the International Administration Commission (ITAC) in advance of the product being imported/landed.

2.10.1 Sea

- a) A letter from the ship's agent indicating the quantity of product to be discharged and the names of the companies to whom product is to be discharged and the related quantities must be submitted to the Controller / Branch Manager at least 24 hours before the arrival of the vessel.
- b) A landing order must be completed and presented by the importer or his / her agent to the Controller / Branch Manager at least 24 hours prior to the arrival of the vessel.
- c) Customs supervision of discharge procedures including physical presence at dipping of on-shore tanks must be arranged by the importer or his / her agent with the Controller / Branch Manager at least 24 hours prior to the arrival of the vessel.
- d) A P 2.01 dipping report must be completed and submitted by the importer or his / her agent to the Controller / Branch Manager, together with a product specification, within 72 hours of completion of the delivery of the shipment.
- e) A **Customs** Clearance Declaration (**CCD**) with procedure code (A 11-00) must be completed and submitted by the importer or his / her agent to the Controller / Branch Manager within seven (7) days after the completion of pumping of the shipment or such later date as the Commissioner may allow upon written request [in terms of Section 38(i)(a)]. The relevant duties in terms of Schedule 1 Part 1 (Customs duty), Part 2A, Part 5A (Fuel levy) and Part 5B (RAF levy) must be paid.
- f) Where the product is to be warehoused, a **CCD** with procedure code (E 40-00) must be completed and submitted by the importer or his / her agent to the Controller / Branch Manager within seven (7) days after the completion of pumping of the shipment or such later date as the Commissioner may allow upon written request [in terms of Section 38(i)(a)]. The duty differential must be brought to account on an amended **CCD**.
- g) Where there is a split consignment (various importers), documentation for each consignment must be submitted to the Controller / Branch Manager for clearance within seven (7) days of pumping having been completed.

2.10.2 Rail and Road

- a) On importation, the following documents must be submitted with the relevant clearance document:
- i) A rail consignment note;
 - ii) Road manifest;
 - iii) A **CCD** with procedure code (An 11 00) must be completed and submitted by the importer or his / her agent to the Controller / Branch Manager. The relevant Customs duty in terms of Schedule 1 Part 1, Part 2A, Part 5A and Part 5B must be paid;
 - iv) Where the product is to be warehoused, a **CCD** with procedure code (E 40-00) must be completed and submitted by the importer or his / her agent to the Controller / Branch Manager. The duty differential must be brought to account on an amended **CCD**; or
 - v) Where there is a split consignment (various importers), documentation for each consignment must be submitted to the Controller / Branch Manager.
- b) Besides the Customs duty being reflected in the Customs duty box, the Excise duty, Fuel levy and RAF levy must also be reflected in this box, with the following alphabetic codes, which is to be inserted in the additional box on the **CCD**.
- i) SCD – Part 2A (Excise part);
 - ii) FUL – Fuel levy; and
 - iii) RAF – Road Accident Fund levy.

2.11 Manufacturing of biodiesel

2.11.1 Obtaining of products

- a) The products obtained from the manufacture of biodiesel are:
 - i) Biodiesel; and
 - ii) By products -
 - A) Glycerol; and
 - B) Animal feed.
- b) The most popular feedstock for the manufacture of biodiesel is used cooking oil and this is obtained from used cooking oil resellers.
- c) The used oil resellers, who collect the used oil from restaurants and take away shops (Nandos, Kentucky Fried Chicken, Spur, Steers, etc.), resell this product mainly to biodiesel manufactures as animal feed (A typical used oil reseller sells ± 1.5 million litres of oil a month into the Biodiesel industry).
- d) Imported or home-grown crops of Sunflower, Soya bean, and Peanuts may use part of the crop for the manufacture of biodiesel.
- e) These seeds are usually sold to oil mills such as Epic Oil Mills who crush the seed to make Soya bean oil or sunflower oil; however, this may be used as feedstock for manufacturing biodiesel.

2.11.2 Non-commercial manufacturer

- a) In terms of Rule 37B.08, a registered non-commercial manufacturer of biodiesel is exempted from the payment of any Excise duty and levies specified in any item of Part 2A, Part 5A and Part 5B of Schedule 1, irrespective of the product being used by himself/herself or being sold locally.
- b) Where a non-commercial manufacturer of biodiesel has sold part or all of his/her production a sales record of such sales must be kept, containing at least the following information:
 - i) Number of the related invoice, dispatch delivery note (or other similar document);
 - ii) Description of the goods;
 - iii) Quantity sold;
 - iv) Date of sale;
 - v) Name, address and delivery address of customer; and
 - vi) Unit selling price and total value.
- c) The aforementioned sales do not attract duties and levies.
- d) The related invoice, dispatch delivery note or other similar document must contain the statement "This sale is not subject to Excise duty, Fuel levy or RAF levy".

2.11.3 Commercial manufacturer

- a) Liability for duty -
 - i) A commercial manufacturer of biodiesel is liable for the duty and levies specified in any item of Part 2A, Part 5A and Part 5B of Schedule 1 in respect of all biodiesel manufactured by such a manufacturer in his/her licensed manufacturing warehouse (VM).
 - ii) Duty must be brought to account on the relevant Excise accounts being:
 - A) DA 160 – **Petroleum Products: Account for manufacturing warehouse [includes Category 2 manufacturers of biodiesel]** (Refer to **SE-OIL-04-M01**); and
 - B) DA 162 – **Biodiesel account for Category 1 manufacturing warehouse** (Refer to **SE-OIL-03-M01**).
- b) Category 1 Manufacturers of Biodiesel -
 - i) Manufactures biodiesel exclusively for consumption in South Africa;

- ii) No manufacturer may remove biodiesel from his/her licensed VM without first completing an invoice or dispatch delivery note containing the information specified in Rule 19A.04(a)(i) and (iii) in respect thereof;
 - iii) Any such invoice or delivery note shall be deemed to be due entry for home consumption of such biodiesel; and
 - iv) The duty and levies on biodiesel removed must be accounted for on the monthly EXD 01.
- c) Accounting for biodiesel for Excise duty, Fuel levy and RAF levy purposes (commercial manufacturers category 1 only) –
- i) Rule 37B.17 provides that routine removals from a VM into the local market must be supported by an invoice or dispatch delivery note which in terms of Rule 19A.04(a)(i), must indicate at least the following:
 - A) Licensed name, Customs client number, warehouse number (where applicable) and physical address of the licensee who moves the goods;
 - B) Description of the goods including the relevant tariff item and, if applicable, the rebate item;
 - C) Quantity dispatched at 20°C;
 - D) Date of removal;
 - E) Name of customer or business name (if any);
 - F) Customer address;
 - G) Delivery address; and
 - H) Where applicable, unit selling price and total value.
 - ii) Rebate code 01.00 under item 460.24 caters for goods, specified in Schedule 1 Part 2A, imported into South Africa for further processing, blending or mixing or entered for use in the manufacture of Excisable goods of another or the same class or kind, provided that:
 - A) The provisions of Rule 19A.09(c) are complied with;
 - B) All other provisions of the Act pertaining to locally manufactured Excisable goods are complied with; and
 - C) The goods are imported by a licensed manufacturer into an import OS and the goods are removed by such licensed manufacturer or a licensed Remover of Goods (ROG) as contemplated in Rule 64D.

2.12 Assessment

2.12.1 Measure of dutiable quantity

- a) Any measurement of the movement of biodiesel that may be required in terms of the Act or Rules shall be measured at 20°C quantified by utilising the IP 60 (B) measurement tables as the standard basis for calculating such quantities moved.
- b) This only relates to Category 1 commercial manufacturers.

2.12.2 Rate of duty

- a) The rates of duty / levies to be used for the purpose of calculating the Excise duty, Fuel levy and RAF levy on biodiesel is the relevant rate of duty / levies in terms of Schedule 1 Part 2A, Part 5A and Part 5B at time of entry for home consumption.

2.12.3 Duty payable

- a) The Excise duty, Fuel levy and RAF levy is calculated using the following formula:

$$\text{Bulk volume (litres)} \times \text{relevant rate of duty and levies} = \text{Excise duty, Fuel levy and RAF levy.}$$

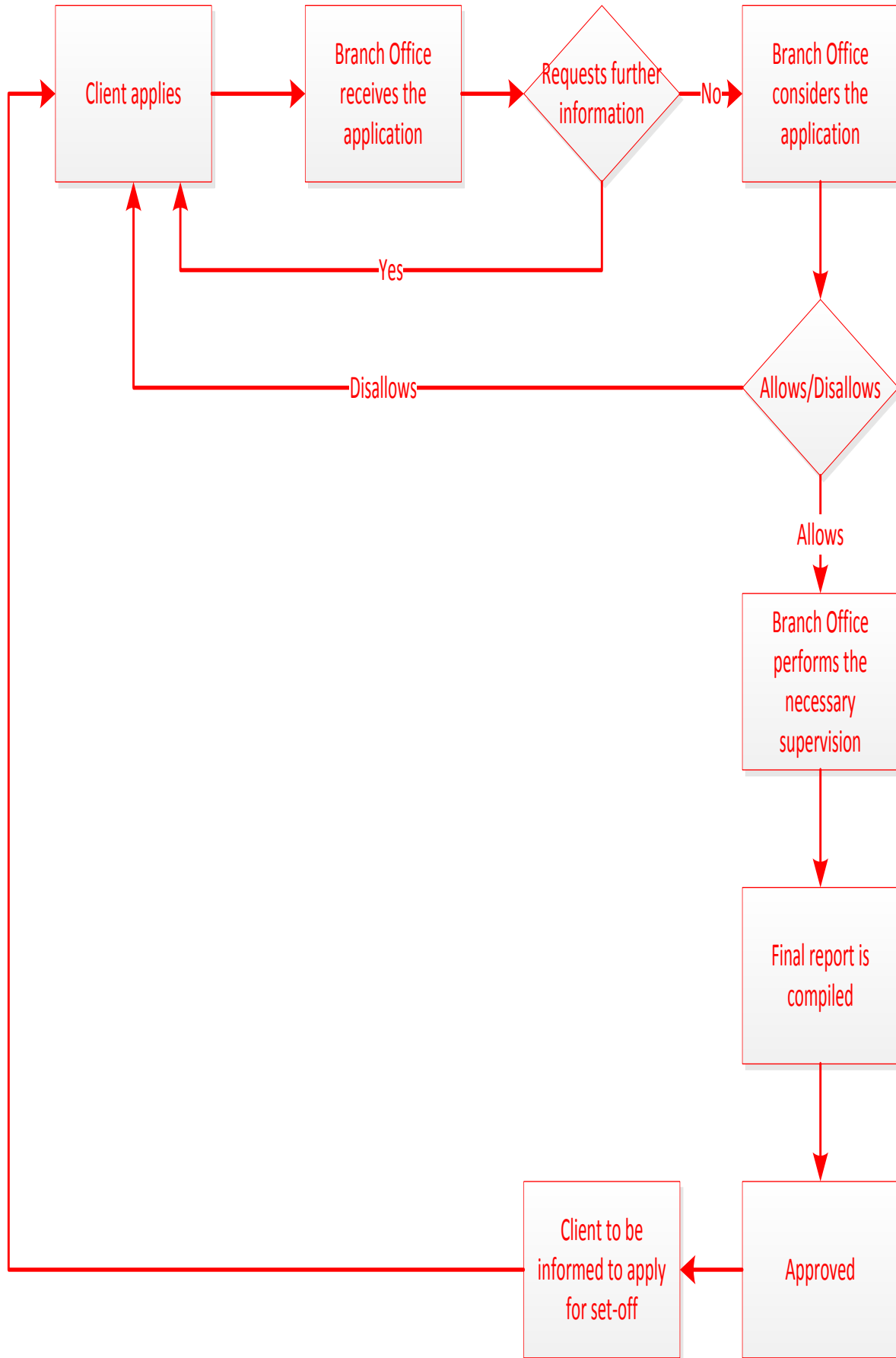
- b) The Fuel levy rate on biodiesel is partially rebated. This means that the Fuel levy rate on biodiesel is lower than that of the Fuel levy rate on normal distillate fuel (diesel).

2.13 Losses

- a) Biodiesel entered under rebate of duty must be used for the purpose described in the provisions of the specific rebate item under which it is entered.

- b) A detailed list of all such rebates applicable to the Biodiesel industry is found in Schedule 6. The most common rebates applicable to biodiesel are:
- i) Handling losses;
 - ii) Destructions;
 - iii) *Vis major* losses; and
 - iv) **Reprocessing**
- c) **Handling losses**
- i) The only handling losses deductible for duty purposes are those governed by Section 75(18)(e), which provides for fixed allowances on product manufactured in South Africa. The allowance in the case of biodiesel is 0,15% of any quantity entered for removal and removed from a licensed VM.
 - ii) Such losses will be separately reported on the EXD 01 each month and will form the basis of a duty reduction in the hands of the VM concerned.
- d) **Abandonment / Destructions**
- i) Licensees may apply (in terms of rebate item 624.40 of Schedule 6) to the Controller / Branch Manager for the destruction of bonded fuel products in instances where a specific consignment of fuel has lost all commercial value or sale of the specific consignment could be harmful to the industry.
 - ii) If the specific consignment, however, still has commercial value and the sale of the specific consignment will not be harmful to industry, the Controller / Branch Manager may insist on the licensee abandoning the consignment to SARS for subsequent sale or other application by SARS in order to recover the monetary value of the relevant Excise duty and levies.
- e) ***Vis major* losses**
- i) The only losses deductible for duty purposes are those governed **by rebate item 624.50** of Schedule 6. It allows a full rebate of duty on goods in respect of which the Excise duty, together with the Fuel levy and RAF levy where applicable, amounts to not be less than R 2 500.
 - ii) However, it must be 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.
 - iii) A written application to the Commissioner requesting the allowance of such losses is required.
- f) **Reprocessing**
- i) Licensees may apply (in terms of Rebate Items 624.60 of Schedule 6) to the Controller / Branch Manager to withdraw biodiesel from the market.
 - ii) Such approval must be obtained before such goods are withdrawn and returned to the VM. The manufacturer must provide detailed particulars of the steps he / she intends taking to keep such goods or materials in his or her VM.
 - iii) If the application is approved, the goods returned shall be –
 - A) Kept intact and entirely separate from any other goods or materials until they have been examined and identified by an Excise Officer; and
 - B) Unpacked and transferred to and mixed with stocks of materials for processing under the supervision of an Excise Officer.
 - iv) The licensee of the VM to which the product has been returned must produce evidence to the Controller / Branch Manager of the duty / levies paid on the goods so returned and if such evidence cannot be produced, the Controller / Branch Manager may determine an amount, which shall be deemed to be the duty / levies paid on such goods.
- g) For any other adjustments, that maybe required resulting from extra ordinary business activities, must be applied for in writing through the Controller / Branch Manager.

2.14 Process for reprocessing, destruction or abandonment



2.14.1 Application

- a) The client must apply in writing to the Controller / Branch Manager for the reprocessing, destruction or abandonment of the product of which application must at least contain the following information:
- i) Must be on a company letter head;
 - ii) Power of attorney (if applicable);
 - iii) Which Rebate Item is applied for;
 - iv) Product applicable;
 - v) Quantity / litres;
 - vi) Indemnity letter (indemnifying SARS of any civil claim) (if applicable);
 - vii) Rate of duty applicable;
 - viii) The reason why the application is made;
 - ix) The method that will be used to destroy the product (if applicable);
 - x) The date on which the product will be reprocessed or destroyed;
 - xi) State the location of the goods; and
 - xii) All relevant supporting documentation.
- b) If necessary, the Excise Branch Office can request further information.

2.14.2 Consideration

- a) The Auditor Excise (AE), Functional Specialist (FS), or Operations Specialist (OS) must ensure that:
- i) The client has met the conditions of the notes to the relevant Rebate Item; and
 - ii) That all supporting documents have been submitted.
- b) If necessary, the said Officer can request further information from the client.
- c) The relevant Officer must compile a report for the Operations Manager (OPS Manager), indicating whether the application can be considered or not.
- d) Should the application not be considered, the client must be informed in writing of the reasons of taking PAJA into account.

2.14.3 Allow / disallow

- a) When the OPS Manager allows the application, two (2) Officers' must be tasked to attend the reprocessing, destruction or abandonment. If needed, the application can be verified by these Officers

2.15 Duty paid returns

- a) The return of dutiable product into the VM will only be accepted for the purpose of a duty reduction in the hands of the receiving VM when such product has been contaminated or is out of specification. Such returned product must, after receipt by the VM, be returned to production for reprocessing.
- b) Goods may only be returned as contemplated above where the Excise duty, Fuel levy and RAF levy to be deducted is greater than R 25 000 on each single occasion. Deductions of less than R 25 000 per single occasion will not be considered.
- c) An independent laboratory approved by the Commissioner for such purpose shall undertake a technical analysis of the returned Fuel levy goods at the cost of the licensed VM. Such analysis is required to determine the composition of the said goods, for the purpose, of determining the quantity and tariff to be applied in calculating the reduction in payment of Excise duty, Fuel levy and RAF levy. The said technical analysis may reveal that a proportion of the contaminated product consists of goods, which are not Fuel levy goods. In these circumstances, only that proportion which constitutes Fuel levy goods shall rank as the quantity of such goods used to calculate the reduction in payment of Excise duty, Fuel levy and RAF levy.
- d) A delivery note is required to support such returns. The delivery note must indicate at least-
- i) Quantity returned;

- ii) Customer details; and
 - iii) Date of return.
- e) The VM must retain the delivery notes referred to above and make them available for inspection or audit by an EO.
- f) Details of such product returned to the VM will be separately reported on the EXD 01 each month and will form the basis of a duty reduction in the hands of the VM to which the product was returned.

3 RELATED INFORMATION

3.1 Legislation

| TYPE OF REFERENCE | REFERENCE |
|---|--|
| Legislation and Rules administered by SARS: | Customs and Excise Act No. 91 of 1964: Sections 19, 19A, 24, 27, 37B, 38(1), 44(2), 47, 59A, 75(18)(e) and 101(1A) Customs and Excise Rules: Rule 18A, 19A, 19A4, 24, 27, 37B.01 to 37B, 38 75 and 101(1A) Tax Administration Act No. 28 of 2011: Sections 215 to 220 and 224 |
| Other Legislation: | Maritime Zones Act No. 15 of 1994: Section 8(1) |
| International Instruments: | United Nations Convention on the Law of the Sea: Article 76 |

3.2 Cross References

| DOCUMENT # | DOCUMENT TITLE |
|----------------------|---|
| BP-02 | Withdrawn |
| FIN-AM-03 | Excise eAccount on eFiling - User manual External |
| SE-ACC-02-M02 | Declaration and Return Submission via eFiling – User Manual |
| SE-ACC-05 | Submission of accounts / returns – External Policy |
| SE-BIO-03-M01 | DA 162 Monthly Biodiesel Account – Completion Manual |
| SE-BON-02 | Bonds – External Policy |
| SE-BON-02-S01 | Bonds – External SOP |
| SC-CC-24 | Internal Administrative Appeal – External Policy |
| SC-CC-26 | Alternative Dispute Resolution – External Policy |
| SE-CF-04 | Completion of Declarations – Internal and External Manual |
| SE-LR-02 | Licensing and Registration- External Policy |
| SE-OIL-02 | Oil Industry – External Policy |
| SE-OIL-04-M01 | DA 160 Monthly Excise Account – Completion Manual |
| SE-PAY-02 | Prescribed Payment Terms / Periods – External Policy |
| SE-REF-02 | Refunds – External Policy |

3.3 Quality Records

| NUMBER | TITLE |
|--------|--|
| DA 160 | Petroleum Products: Account for Manufacturing Warehouse |
| DA 162 | Biodiesel account for Category 1 Manufacturing Warehouse |
| EXD 01 | Excise Duty and Levy return |
| P 2.01 | Dipping Certificate |

4 DEFINITIONS AND ACRONYMS

| | |
|------------------|---|
| A 11-00 | Home use of goods, on imported goods including goods destined to the BLNS. |
| ADR | Alternative Dispute Resolution |
| Biodiesel | Biodiesel is normally produced from vegetable or animal fats and oils sourced from a variety of vegetable or animal products. |
| BLNS | a) The Republic of Botswana; b) The Kingdom of Lesotho; c) The Republic of Namibia; and d) The Kingdom of Swaziland. |

| | |
|---|--|
| Catalyst | A substance that initiates or accelerates a chemical reaction without itself being affected. |
| Category 1 manufacturer of biodiesel | If he / she manufactures biodiesel exclusively for consumption in South Africa |
| CCD | Customs Clearance Document |
| Customs Clearance Declaration | Applicable SAD form (e.g. SAD 500, 501, 502, 503, 504, 505, 506, etc.) or CD 1 (Customs Declaration). |
| Commercial manufacturer | A person who anticipates that he/she will exceed the production figure of 25 000 litres per calendar month AND 300 000 litres per calendar year which is the cut-off point for non-commercial production. |
| 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. |
| DAS | Duty At Source – Assessment of duty and levies at the time when fuel and other excisable products except wine is removed from the manufacturing warehouse. |
| E 40-00 | Clearance of imported goods into a customs and excise warehouse under the “Warehousing” procedure. |
| Ethanol | The intoxicating agent in fermented and distilled liquors used pure or denatured as a solvent or in medicines and colognes and cleaning solutions. |
| Glycerol | Glycerol (also called glycerine) is a simple polyol compound. |
| IP 60 (B) | Tables for the measurement of quantities of petroleum products of various specific gravities and temperatures published by The Institute of Petroleum in the United Kingdom and used as the South African standard |
| Licensee | Any person licensed under any provision of the Act. |
| Manufacture | This includes: <ul style="list-style-type: none"> a) Any process in the manufacture or assembly of Excisable goods or the conversion of any goods into Excisable goods, whereby the dutiable quantity or value of Excisable goods is increased in any manner; b) The recovery of Excisable goods from Excisable goods or any other goods; and c) The packing or measuring of any Excisable goods. |
| Methanol | A light volatile flammable poisonous liquid alcohol. |
| Non-commercial manufacturer | A person manufacturing biodiesel and who is below the threshold of 25 000 litres per calendar month AND 300 000 litres per calendar year. |
| Schedule 1 Part 1 | Ordinary Customs Duty. |
| Schedule 1 Part 2A | Specific Excise Duties on locally manufactured or on imported goods of the same class or kind. |
| Schedule 1 Part 5A | Fuel Levy. |
| Schedule 1 Part 5B | Road Accident Fund Levy. |
| Schedule 6 | Refunds and Rebates of Excise Duties, Fuel Levy and Environmental Levy. |
| PAJA | Promotion of Administrative Justice Act |
| Policy | Used to convey the policy mandated by legislation and the sequential steps to be followed. |
| Vis Major | A natural and unavoidable catastrophe that interrupts the expected course of events, normally caused by forces of nature. |

5 DOCUMENT MANAGEMENT

| | |
|--|--|
| Policy Owner | Executive: Excise Audit Enforcement |
| Detail of change from previous revision | <p>Changed nomenclature from standard to policy; Provision has been made for the Promotion of Administrative Justice Act (PAJA) in paragraph 2.7; Paragraph 2.13 has been amended to make provision for reprocessing of biodiesel; Paragraph 2.14 has been added to make provision for the process for reprocessing, destruction or abandonment; Certain Q-Codes have been amended under 'Cross Reference'; Document owner changed; Document Q-code changed from SE-FL-06 to SE-BIO-02; and Template Q-code changed from ECS-TM-03 to GC-TM03</p> |
| Template number and revision | GC-TM-03 - Rev 9 |