

EXTERNAL REFERENCE GUIDE TO EXCISE DUTIES AND LEVIES

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1 PURPOSE

- This document serves as a guide informing External Stakeholders of the basic requirements and responsibilities pertaining to Excise when dealing with excisable / levy products in the Republic and the broader Southern African Customs Union (SACU).
- This guide intends to assist Stakeholders, in complying with the requirements of the Customs and Excise Act No. 91 of 1964 (the Act) and does not in any way override any specific provisions of the Act.

2 SCOPE

- This guide applies to specific excise duties, ad valorem excise duties, environmental levy, fuel levy, Road Accident Fund (RAF) levy and Diamond Export levy which consists of:
 - Background;
 - Basis of Excise Duties and Levies;
 - What is Specific Excise Duties;
 - What is Fuel Levy;
 - What is Environmental Levy;
 - What is Diamond Export Levy;
 - What is Ad Valorem Excise Duty;
 - Governing Legislation;
 - The Excise Administrative System;
 - Registration and Licensing;
 - License fees;
 - Security;
 - Change in Legal Identity;
 - Manufacturing, Storage and Movement of Excisable Products;
 - Accounting for Excisable Products;
 - Payment of Excise Duty / Levy;
 - Rebates;
 - Assurance Visits;
 - Powers of Officers;
 - Keeping and Retention of Records;
 - Confidentiality of Information; and
 - Dealing with SARS Excise - What clients can expect of SARS and what SARS expects of clients.
- This guide also includes frequently asked questions, with answers, pertaining to each excise business area.

3 REFERENCES

3.1 LEGISLATION

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	<p>Customs and Excise Act No. 91 of 1964: Sections 1(1), 4, 18, 18A, 19, 19A, 20, 21, 27, 28, 29, 30, 32, 33, 34, 35, 35A, 36, 36A, 37, 37A, 37B, 38, 41, 44, 45, 47, 47A, 48, 52, 54, 54A-54F, 58, 59A, 60, 61, 62, 63, 64, 64D, 64F, 69, 75, 76, 76A, 77, 85, 101, 101A, 102, 105, 106, 107, 107A, 114 and 116.</p> <p>Customs and Excise Rules: Rules 18A.01 to 18A.10, 19.01 to 19.07, 19A.02, 19A.04, 19A.05, 19A.06, 19A.07, 19A.09, 19A.10, 19A1.01 to 19A1.04A, 19A2.01 and 19A2.02, 19A3.01 to 19A3.06, 19A4.02 to 19A4.10, 20.14, 20.17, 28.01 to 28.03, 34.01 to 34.06, 35.01 to 35.05, 35A.01 to 35A.05, 36.01 to 36.06, 36A.01 to 36A.04, 37A.01 to 37A.15, 37B.01 to 37B.22, 38.01 to 38.07, 44.01 to 44.04, 54.01 and 54.02, 54F.01</p>

	to 54F.14, 59A, 59A.01(a), 60.01(1) to 60.10(2), 61.01, 62.01, 63.01 to 63.07, 64.01, 64D.01 to 64D.19, 64F.01 to 64F.07, 69.01, 75.01 to 75.24, 76.01 to 76.03, 101.01, 106.01 and 106.02, and 120.08 to 120.11. Customs and Excise Schedule: Schedules No. 1 Part 2A, 2B, 3, 5A, 5B, 6 and 8
Other Legislation:	Constitution Of The Republic Of South Africa No. 108 of 1996: Section 24 Diamond Export Levy (Administration) Act No. 14 of 2007: Sections 1 to 21 Diamond Export Levy Act No. 15 of 2007: Sections 1 to 15 Diamonds Act No. 56 of 1986: Sections 26(h), 48(A), 56, 59B, 61(2), 64A, 69B and 74. Mineral and Petroleum Resources Development Act No. 28 of 2002: Sections 19, 25 and 27
International Instruments:	None

3.1 CROSS REFERENCES

DOCUMENT #	DOCUMENT TITLE	APPLICABILITY
SC-CC-24	External Policy and Procedure: Administrative Appeal	All
SC-CC-26	External Policy and Procedure: Alternative Dispute Resolution	All
SC-CF-08	Completion of SAD Declaration Importation	All
SC-CF-17	External Policy: Manual on the completion of SAD Declarations for Cross Border Movements	All
SC-ID-43	External Policy: Refunds and Drawbacks for Excise	All
SC-ID-43-S1	External Standard Operating Procedure: Refunds and Drawbacks for Excise	All
SC-DT-C-15	External Policy: Refund procedure for VAT paid on CCA1	All
SC-EX-01-02	External: Completion of SAD Declarations Exportations	All
SC-ID-02	External Policy: Oil Industry	All
SC-ID-02-S1	External Standard Operating Procedure: Oil Industry	All
SC-ID-07	External Policy: Ad Valorem Excise Duty	All
SC-ID-07-S1	External Standard Operating Procedure: Ad Valorem Excise Duty	All
SC-ID-14	External Policy: Spirits Industry	All
SC-ID-14-S1	External Standard Operating Procedure: Spirits Industry	All
SC-ID-15	External Policy and Standard Operating Procedure: Environmental Levy	All
SC-ID-17	External Policy and Standard Operating Procedure: Tobacco Industry	All
SC-ID-21	External Policy and Standard Operating Procedure: Malt Beer Industry	All
SC-ID-23	External Policy and Standard Operating Procedure: Wine Industry	All
SC-ID-25	External Policy and Standard Operating Procedure: Other Fermented Beverages Industry	All
SC-ID-27	External Policy: Biodiesel	All
SC-ID-27-S1	External Standard Operating Procedure: Biodiesel	All
SC-ID-31	External Policy and Standard Operating Procedure: Traditional African Beer Industry	All
SC-ID-38	External Policy: Diamond Export Levy	All
SC-ID-38-S1	External Standard Operating Procedure: Diamond Export Levy	All
SC-SE-05	External Policy and Standard Operating Procedure: Securities	All
SC-TR-01-02	External: Acquittal of Bills of Entry Declarations	All

4 DEFINITIONS AND ACRONYMS

Act	The Customs and Excise Act, Act No. 91 of 1964
Ad Valorem	It is a Latin term meaning: “ on the value”
Beneficiator	Means a person who holds a license to polished diamonds for the purpose of business or trade and to set unpolish diamond in tools, implements or other articles or to crush or the alter those diamonds for the purpose of such setting or for the purpose of trade.
Blending	“Blending” means the combination of two or more different substances, including spirits, to obtain one potable product.
BLNS	Means: <ul style="list-style-type: none"> • The Republic of Botswana; • The Kingdom of Lesotho; • The Republic of Namibia; and • The Kingdom of Swaziland
Biodiesel	Biodiesel is normally produced from vegetable or animal fats and oil sourced from a variety of vegetable or animal products
Commercial Manufacture of Biodiesel Category 1	A manufacturer of biodiesel if he / she manufactures biodiesel exclusively for consumption in the Republic.
Commercial Manufacture of Biodiesel Category 2	Manufactures more than 25 000 litres of biodiesel per calendar month AND more than 300 000 litre per calendar year, for consumption in the Republic and exports biodiesel or removes biodiesel to any BLNS country.
Commissioner	Commissioner of SARS
DAS	DAS is a system of assessing Excise duty / levies and accounting for excisable products at source (as close as possible to the point of manufacture of the specific product).
Dealer	Means the holder of a diamond dealers license entitling the holder to carry on business as a buyer, seller, importer or exporter of unpolished diamond(s).
Direct Levypayer	Means a person who does not qualify for registration under section 2(1) of the Administration Act or is a person contemplated in section 5(1A) of that Act.
Distillation	The process of extracting alcohol from a base product (e.g. wine, sugar cane, grain, etc.) by heating such base product in a still.
Maceration	Is a process in wine and spirits manufacturing in which the crushed grape skins are left in the juice or other fruit peels are left in alcohol until they have imparted the desired colour or the proper amount of tannins and aroma.
Maturation	Means wine or spirits maturing in wooden vats or casks only.
Minister	Minister of Finance
OS	Storage Warehouse
Producer	Means any person entitled to win or recover diamonds in terms of Sections 19, 25 and 27 of the Mineral and Petroleum Resources Development Act.
QMS	Quality Management Systems
RAF	Road Accident Fund
Re-distillation	The process of extracting alcohol from distilled spirits.
Republic	The Republic of South Africa
Return Levypayers	Means a registered person who makes payment of the levy on the basis of a periodic return as contemplated in section 5(1) of the Administration Act.
SACU	The Southern African Customs Union, consisting of: <ul style="list-style-type: none"> The Republic of South Africa; The Republic of Botswana; The Kingdom of Lesotho; The Republic of Namibia; and The Kingdom of Swaziland
SARS	South African Revenue Service
Schedule No. 1 Part 2A	Specific Excise Duties and Specific Customs Duties on imported products of the same class or kind.
Schedule No. 1 Part 2B	Ad Valorem Excise Duties and Ad Valorem Customs duties on imported products

	of the same class or kind.
Schedule No. 3	Industrial Rebates of Customs duties
Schedule No. 1 Part 5A	Specific drawbacks and Refunds of Customs duties, Fuel Levy and Environmental Levy.
Schedule No. 1 Part 5B	Road Accident Fund Levy
Schedule No. 6	Rebates and Refunds of Excise Duties and Levies
Schedule No. 8	Licence Fees
SOS	Special Storage Warehouse
Specific rates	Cent per litre, cent per bag, cent per litre of absolute alcohol, cent per cigarette etc.
Stabilizing	The process whereby blended spirits are left for a period of time at a constant temperature to settle.
SVM	Special manufacturing Warehouse
Tariff	Harmonised Nomenclature System.
Unpolished Diamonds	Means a diamond in its natural state or a synthetic diamond which has after the production thereof not been altered in any manner and includes diamond powder, a crushed diamond, a fragment and a partly processed diamond.
VM	Manufacturing Warehouse
VMP	Primary Manufacturing Warehouse
VMS	Secondary Manufacturing Warehouse
VS	Special Ad Valorem Manufacturing Warehouse
ZDP	Payment of Duty (South African Products)

5 BACKGROUND

- The main function of Excise is to protect and collect revenue due to the State on certain specified products, locally manufactured or imported. In principle, such revenue is collected only if the product is actually consumed locally; i.e. within the borders of the SACU.
- Excise revenue is collected throughout the SACU by means of duties and levies -
 - Excise duties are imposed, at the same rate of duty and on the same specified products, throughout the SACU. These duties include:
 - Specific Excise Duties on petroleum products, tobacco products and alcohol (i.e. beer, spirits, wine and other fermented beverages); and
 - Ad Valorem Excise Duties on certain less essential items (e.g. television and recording equipment, cosmetics, etc.);
 - Excise levies are unique to each member state of the SACU and such levies currently imposed by the Republic are:
 - Fuel levy on Petroleum products;
 - Road Accident Fund (RAF) Levy on Petroleum Products;
 - Environmental levy on certain products (i.e. certain plastic carrier bags and flat bags; and
 - Diamond Export Levy on unpolished diamonds exported from the Republic.

5.1 BASIS OF EXCISE DUTY AND LEVIES

- Duties and levies due on all excise duty and levy products, whether imported or locally manufactured, are payable at the rates shown in Schedules No.1 Part 2A, Part 2B, Part 3, Part 5A and Part 5B of the (Tariff Harmonised Nomenclature).
- Certain products attract "specific rates" i.e. cent per litre, cent per bag etc. while other products attract duty calculated on the value thereof.
- SARS publishes changes to the rates in Budget Notices. Rates may also be adjusted temporarily by a special rebate introduced by National Treasury.

- Please note that this guide is not exhaustive and the Schedules in question as well as the explanatory notes should always be consulted, as the Schedules are subject to amendment.

5.2 WHAT IS SPECIFIC EXCISE DUTY?

- The calculation of specific excise duty is based on the **quantity / volume** of the products.
- These Excise duties are assessed and collected on the principles of “Duty at Source” (DAS).
- Schedule No. 1 Part 2A of the tariff specifies the products on which duty is levied, each with its own applicable rate of duty. These products include fuel products, beer, wine and other fermented beverages, spirits and tobacco products.
- Schedule No. 1 Part 2A of the tariff is divided into an excise part and a customs part. This means that a local manufacturer of liquor, for example, would pay the duty specified under the “excise” column of Schedule No.1 Part 2A whilst an importer of the same product has to pay the duty specified in Schedule No.1 Part 1 (ordinary customs duty normally levied on imported products), as well as the duty specified under the “customs” column in Schedule No.1 Part 2A.

5.3 WHAT IS FUEL LEVY?

- SARS is responsible for the collection of fuel levy on certain locally manufactured hydrocarbon fuels as well as bio-diesel, with a corresponding fuel levy (at the same rate) on such imported fuels of the same class or kind consumed locally.
- Apart from these fiscal levies, SARS is currently also responsible to collect the Road Accident Fund (RAF) levy on behalf of the Road Accident Fund.
- Schedule No.1 Part 5A and 5B of the tariff specifies the items on which the fuel levy and RAF levy is paid, each with its own applicable rate. Any rate of fuel levy and RAF levy specified in Part 5A and 5B in respect of any products shall apply to any such products which are manufactured in the Republic or imported into the Republic.
- These levies are assessed and collected on the principles of “Duty at Source” (DAS).
- The amount of levy payable is calculated on the **quantity of litres** disposed of for local consumption.

5.4 WHAT IS ENVIRONMENTAL LEVY?

- In terms of section 24 of Chapter 2 of the Bill of Rights everyone has the right –
 - (a) to an environment that is not harmful to their health or wellbeing; and
 - (b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that –
 - (i) prevent pollution and ecological degradation;
 - (ii) promote conservation; and
 - (iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.
- The Department of Environmental Affairs and Tourism is, inter alia, responsible for –
 - Promoting the sustainable development and conservation of our natural resources; and
 - Protecting and improving the quality and safety of the environment.
- Government therefore has decided to introduce environmental levies with the purpose of protecting and conserving the local and global environment.

- Schedule No.1 Part 3 of the tariff specifies the item on which environmental levy is paid, each with its own applicable rate. Any rate of environmental levy specified in Part 3 in respect of any products shall apply to any such products which are manufactured in the Republic or imported into the Republic.

5.4.1 ENVIRONMENTAL LEVY ON PLASTIC BAGS

- With effect from 1 June 2004 an environmental levy (the first for the Republic) was introduced on certain locally manufactured plastic carrier and flat bags. A corresponding environmental levy (at the same rate of duty) was simultaneously introduced on such imported plastic bags of the same class or kind consumed locally.
- The levy is assessed and collected on the principles of “Duty at Source” (DAS).
- The amount of levy payable is calculated on the **quantity of bags** disposed of for local consumption.

5.5 WHAT IS DIAMOND EXPORT LEVY?

- With effect from 1 November 2008, SARS is responsible for the collecting of the export levy as provided for in the Diamond Export Levy Act, Act No.15 of 2007, and the Diamond Export Levy (Administration) Act, Act No. 14 of 2007, thus aiming to:
 - Promote the development of the local economy;
 - Develop skills; and
 - Creating employment.
- Return levypayers will pay the levy in accordance with the stipulations of Section 5(1) of the Diamond Export Levy (Administration) Act. A holder of a permit is regarded as a direct levypayer and will make payment of the levy before exporting the unpolished diamond(s) from the Republic.

5.6 WHAT IS AD VALOREM EXCISE DUTY?

- The calculation of Ad Valorem excise duty is based on the **value** of the products.
- Schedule No. 1 Part 2B of the tariff specifies the products on which duty is levied, each with its own applicable rate of duty. These products include, amongst others, TV and Hi-Fi equipment, motor vehicles, cell-phones and cosmetics.
- Schedule No. 1 Part 2B is divided into an excise part and a customs part. This means that a local manufacturer of cosmetics, for example, would pay the duty specified under the “excise” column of Schedule No.1 Part 2B whilst an importer of the same product has to pay the duty specified in Schedule No.1 Part 1 (ordinary customs duty normally levied on imported products), as well as the duty specified under the “customs” column in Schedule No.1 Part 2B.

6 GOVERNING LEGISLATION

- The control over all excise / levy products is legislated in the Act, its Schedules and the Rules thereto.

6.1 SECTIONS OF THE ACT PERTAINING TO EXCISE DUTIES AND LEVIES

- The following is a summary of the key Sections of the Act affecting excise duty / levy products.
- The list is not exhaustive and the Act, its Schedules and Rules should always be consulted for full details:

CUSTOMS AND EXCISE ACT, ACT NO. 91 OF 1964, AS AMENDED	
Section 1(1)	Definition of terms such as common customs area, excise duty, excisable products, manufacture and owner.
Section 4	This section covers the general duties and powers of officers such as examining of books or documents and making extracts thereof.
Section 18	This section stipulates that a licensee of any customs and excise manufacturing or storage warehouse in which excisable or fuel levy products are manufactured or stored may remove such products in bond.
Section 18A	This section relates to the export of products from a customs and excise warehouse to any place outside the common customs area.
Section 19	This section deals with the provisions under which the Commissioner may approve the licensing of customs and excise warehouses.
Section 19A	This section deals with the special provision in respect of customs and excise warehouses in which excisable or fuel levy products are manufactured or stored.
Section 20	This section deals with excisable products being entered for storage in a customs and excise warehouse.
Section 21	This section deals with the provisions under which the Commissioner may approve the licensing of special customs and excise warehouses.
Section 27	This section deals with the special provisions in respect of customs and excise manufacturing warehouses.
Section 28	This section stipulates that the quantity of spirits in any container may be calculated by measuring the mass or volume.
Section 29	This section deals with the classification of spirits.
Section 30	This section stipulates that only spirits which have been certified by the Wine and Spirit Board may be used in manufacture of alcoholic beverages.
Section 32	This section stipulates that the strength of any spirits or spirituous preparations shall, for duty purposes, be ascertained in the manner prescribed by the Commissioner.
Section 33	This section deals with the requirements in respect of stills.
Section 34	This section deals with the special provisions regarding spirits manufactured by agricultural distillers.
Section 35	This section deals with the special provisions regarding wine.
Section 35A	This section deals with the special provisions regarding cigarettes and cigarette tobacco.
Section 36	This section deals with the specific provisions regarding beer.
Section 36A	This section deals with the special provisions in respect of the manufacture of products and collection of excise duty on such products specified in Section B of Part 2 of Schedule No. 1.
Section 37	This section stipulates the duties which are applicable to products manufactured in a customs and excise warehouse.
Section 37A	This section deals with the special provisions in respect of petroleum products (marked products and certain products that are free of duty).
Section 37B	This section deals with the provisions relating to the manufacture, storage, disposal and use of biofuel, biodiesel and bioethanol.
Section 38	This section makes provision for the entry of products and time of entry (38(4) for removal documents).
Section 41	Prescribes particulars on invoices and relates to the production of correct documents for the purpose of valid entry, the duty to inform Customs of any change in invoiced particulars and the powers of the Commissioner if any particulars are incorrect or not disclosed.
Section 44	Liability for Duty – provides for the circumstances wherein and the time when liability for duty on imported products and excisable and fuel levy products manufactured in the Republic commences, who is liable and when liability of certain persons ceases and the procedures by means of which this is effected.
Section 45	This section makes provision for the determination of duty applicable under specific circumstances.
Section 47	Relates to the payment of duty and rate of duty applicable.
Section 47A	This section relates to the prohibition of certain acts in respect of products not duly entered.
Section 48	The Minister is empowered to amend Schedule No. 1.
Section 52	This section deals with the imposition of a fuel levy by any party to a customs union

	agreement.
Section 54	This section deals with the special provisions regarding the importation of cigarettes
Section 54A to 54F	These sections deals with the imposition, rate, rebates, refunds, drawbacks, licensing of customs and excise warehouses and rules for environmental levy.
Section 58	Time when new or increased duties become payable - the Minister may table at any time in the National Assembly a taxation proposal imposing a new duty or increasing the rate of duty upon any products specified in the proposal.
Section 59A	This section relates to the registration of persons participating in activities regulated by this Act.
Section 60	Licence Fees according to Schedule 8. - provides that no person may perform any act or be in possession of or use anything in respect of which a licence is required, matters relating to the provision of security, confers discretion on the Commissioner to refuse any application for a new licence or refuse any application for a renewal of a licence.
Section 61	This section deals with the issuing of customs and excise warehouse licences.
Section 62	This section deals with the issuing of licences to agricultural distillers.
Section 63	This section deals with the licensing of stills.
Section 64	This section deals with special warehouses for the manufacture of wine.
Section 64D	This section deals with the licensing of remover of products in bond.
Section 64F	This section deals with the licensing of distributors of fuels obtained from the licensee.
Section 69	This section deals with the value for excise duty purposes.
Section 75	This section provides for specific rebates, drawbacks and refunds of duty.
Section 76	This section deals with general refunds in respect of imported products and/or excisable products.
Section 76A	This section stipulates that any amount paid to a person by way of a refund or drawback which was not duly payable to that person shall repay the amount to the Commissioner upon demand.
Section 77	Set-off of certain amounts. - provides that a licensee of a customs and excise warehouse who pays duty monthly or quarterly may set-off duty for which he was not liable, was granted any provisional refund in terms of Section 75 (1A); or became entitled to a refund in terms of item 534 of Schedule 5 or any item of Schedule 6.
Section 85	Any manufacturer of beer of whom or which any container of beer not marked for export is found to contain beer of an alcoholic strength by volume higher than the strength registered, after deduction of any tolerance provided, shall be guilty of an offence.
Section 101	Provides that business accounts, documents, etc. be made available for inspection.
Section 101A	This section relates to electronic communication for the purpose of customs and excise procedures.
Section 102	Any person selling, offering for sale or dealing in imported or excisable products or fuel levy products or any person removing the same, or any person having such products entered in his books or mentioned in any documents, shall, when requested by an officer, produce proof as to the person from whom the products were obtained.
Section 105	Provides for interest on outstanding amounts payable in terms of the Customs and Excise Act.
Section 106	An officer may take samples during the manufacture process or any time after such manufacture, without payment, from any person in possession of any manufactured or partly manufactured excisable products.
Section 107	All handling of and dealing with products shall be performed by or at the expense and risk of the manufacturer or owner of the products or whoever has control of such products.
Section 107A	This section deals with the control in respect of manufacturers of certain products or materials and persons who carry out processes in connection with such products or materials.
Section 114	Duty constitutes a debt to the State.
Section 116	Manufacture of excisable products solely for the use by the manufacturer thereof.

6.2 RULES TO THE ACT PERTAINING TO EXCISE DUTIES AND LEVIES

- The following is a summary of the key Rules to the Customs and Excise Act affecting excise duty / levy products.

- The list is not exhaustive and the Act, its Schedules and Rules should always be consulted for full details:

RULES TO THE CUSTOMS AND EXCISE ACT, ACT NO. 91 OF 1964, AS AMENDED	
Rules 18A.01 to 18A.101	Relates to the clearance and removal of products from a customs and excise warehouse for export (including supply as stores to foreign-going ships or aircraft).
Rules 19.01 to 19.07	Relates to the approval of customs and excise warehouses (specific excise duties and fuel levy).
Rule 19A.02	Relates to the application for and refusal, suspension or cancellation of a license (specific excise duties and fuel levy).
Rule 19A.04	Relates to the issuing of invoices or dispatch delivery notes in respect of products removed from a customs and excise warehouse (specific excise duties and fuel levy).
Rule 19A.05	Relates to the keeping of books, accounts and documents (specific excise duties and fuel levy).
Rule 19A.06	Relates to the closing and submission of accounts in respect of products manufactured and received into, and removed from a customs and excise warehouse (specific excise duty and fuel levy).
Rule 19A.07	Relates to the removal of products in bond to a BLNS country (specific excise duty and fuel levy).
Rule 19A.09	Relates to the liability for duty (specific excise duty and fuel levy).
Rule 19A.10	Relates to spirits or fuel levy products reprocessed in or removed or returned to a customs and excise manufacturing warehouse on which a percentage deduction contemplated in section 75(18) has been claimed and granted.
Rules 19A1	Relates to rules in respect of tobacco products only.
Rules 19A2	Relates to rules in respect of beer only.
Rules 19A3	Relates to rules in respect of spirits only.
Rules 19A4	Relates to rules in respect of fuel levy products.
Rules 20.14 and 20.17	Relates to the time period in which stocktaking or closing of accounts and payment of duties or levies must take place.
Rules 27.01 to 27.31	Relates to general rules regarding the manufacture of products in a customs and excise warehouse.
Rules 28.01 to 28.03	Relates to the ascertaining of the strength and quantity of spirits for duty purposes.
Rules 34.01 to 34.06	Relates to the additional provisions regarding spirits manufactured by agricultural distillers.
Rules 35.01 to 35.05	Relates to the additional rules regarding the manufacture of wine.
Rules 35A.01 to 35A.05	Relates to the additional rules regarding the manufacture of cigarettes and cigarette tobacco.
Rules 36.01 to 36.06	Relates to the additional provisions regarding the manufacture of beer.
Rules 36A.01 to 36A.04	Relates to the additional rules regarding the manufacture of products subject to excise duty specified in Section B of Part 2 of Schedule No. 1.
Rules 37A.01 to 37A.15	Relates to the special provisions in respect of petroleum products (marked products and certain products that are free of duty).
Rules 37B.01 to 37B.22	Relates to the manufacture, storage, disposal and use of biodiesel.
Rules 38.01 to 38.07	Relates to the entry of products and time of entry.
Rules 44.01 to 44.04	Relates to the liability for duty.
Rules 54.01 and 54.02	Relates to rules in respect of the importation of cigarettes.
Rules 54F.01 to 54F.14	Relates to rules in respect of environmental levy products.
Rule 59A	Relates to the registration of persons participating in activities regulated by the Act.
Rule 59A.01	Definitions and application for registration.

Rules 60.01 (1) to 60.10(2)	Relates to the issuing and renewal of licences.
Rule 61.01	Relates to the allocation of numbers to customs and excise warehouses.
Rule 62.01	Relates to the issuing and renewal of licenses to agricultural distillers.
Rules 63.01 to 63.07	Relates to special provisions regarding stills and still makers.
Rule 64.01	Relates to special warehouses for the manufacture of wine.
Rules 64D.01 to 64D.19	Relates to the licensing of a remover of products in bond.
Rules 64F.01 to 64F.07	Relates to the licensing of a distributor of fuel obtained from the licensee of a customs and excise manufacturing warehouse.
Rules 69.01	Relates to the invoice price.
Rules 75.01 to 75.24	Relates to rebates, refunds and drawbacks of duty.
Rules 76.01 to 76.03	Relates to general refunds in respect of imported or excisable products.
Rule 101.01	Relates to books, accounts and documents to be kept by a person carrying on business in the Republic.
Rule 106.01 and 106.02	Relates to the taking of a sample/s by an SARS officer.
Rules 120.08 to 120.11	Relates to surety bonds.

7 THE EXCISE ADMINISTRATIVE SYSTEM

- The system by which Excise manages its clients and ensures compliance to all relevant provisions of the Act basically entails the processes and activities indicated below.
- All these processes have to be adhered to by clients and all the indicated activities performed by Excise in order to provide reasonable assurance that all the provisions of the Act have been complied with and that all excise revenue due to the State has been paid.

CLIENT	SARS / EXCISE
Request for Information / Education	Client Education and Assistance
Registration / Licensing, and Surety	Applicant Vetting and Assessing, Verification, Approval and Processing of Registration, Licensing and Surety Applications
In-Warehouse Activities - Manufacturing Storage Rebated use of product	Warehouse Control - Supervision Inspection Enforcement Action
Ex- and Inter-Warehouse Movements - Completion and submission of movement and acquittal documentation / declarations	Movement Control - Assessing and processing of movement and acquittal documentation / declarations Enforcement Action
Accounting for Excisable / Levy Products and Payment of Duty / Levy	Account Management and Payment - Account Submission Verification Acceptance Check Face Check, including Capturing of the Account Verification and Processing of Payments and Payment Declarations Debt Management Enforcement Action

Keeping and Retention of Records - Excise / Levy declarations, including the excise / levy accounts / returns Commercial documentation Financial records	Account / Return Assurance - Desk Audit Field Audit Enforcement Action
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7.1 REGISTRATION AND LICENSING

7.1.1 APPLICATION FOR REGISTRATION AND LICENSING

- A duly completed application form DA 185 (In the case of unpolished diamonds form DL 185 is required) and supporting documents must be completed and submitted to the local Controller / Branch Manager of Customs and Excise.
- The registration / licence will be issued in the name of the legal entity who submitted the application.
- The relevant application form plus annexures are obtainable from the local Controller / Branch Manager of Customs and Excise or from the SARS website www.sars.gov.za.

7.1.2 REGISTRATION

- All entities in the Republic, receiving excise duty / levy products for industrial use or for use in the manufacture of non-excisable products; e.g. spirits for use in the manufacture of medicines and cosmetics, and who are not obliged to submit periodic excise accounts, must register as rebate users with SARS (Excise).
- Such registered entities / rebate users usually do not pay excise duty / levy to SARS (Excise) as the excisable /levy products they receive are obtained under full rebate of duty and the products they manufacture are not excisable.
- Rebate users shall be registered at the Controller / Branch Manager's office in which area of control the premises are located.
- Producers, Dealers and Beneficiators and 26(h) Permit Holders who trades in unpolished diamond(s) must register its business with SARS.
- A person who qualifies for registration in more than one category, (for example, both a producer and dealer) must submit separate application forms for registration in respect of each such category.

7.1.3 LICENSING

- All entities in the Republic, dealing in bonded excise duty / levy products; i.e. such products on which the duty / levy liability has not yet been acquitted, and who are obliged to submit periodic excise accounts, must license as a Customs and Excise warehouse with SARS.
- Such licensed entities / licensees usually pay excise duty / levy on a periodic basis, per excise account, to SARS.
- Warehouses shall be licensed at the Controller / Branch Manager's office in which area of control the premises are located.

7.1.4 FREQUENTLY ASKED QUESTIONS ON REGISTRATION AND LICENSING:

QUESTION	ANSWER
Which Excisable / Levy product industries are dealt with in terms of the DAS system?	<ul style="list-style-type: none"> Fuel products Tobacco products Spirits products Malt Beer Traditional African Beer Plastic bags
Which form is used to apply for registration and / or licensing by Excise clients and where can it be obtained?	<ul style="list-style-type: none"> Form DA 185 / DL 185, whichever is applicable, and its Schedules can be obtained from the local Controller of Customs and Excise, or from the SARS website (www.sars.gov.za).
Which types of warehouses may be licensed in each specific excise industry?	<ul style="list-style-type: none"> Fuel Products Industry <ul style="list-style-type: none"> Manufacturing (VM) Special Storage (SOS) For further details of the types of activities allowed in each warehouse, see SC-ID-02-S1 (Standard Operating Procedure) which can be found on the SARS website Ad Valorem Industry <ul style="list-style-type: none"> Special Manufacturing (VS) For further details of the types of activities allowed in each warehouse, see SC-ID-07-S1 (Standard Operating Procedure) which can be found on the SARS website Spirits Industry <ul style="list-style-type: none"> Primary Manufacturing (VMP) Secondary Manufacturing (VMS) Special Storage (SOS) For further details of the types of activities allowed in each warehouse, see SC-ID-14-S1 (Standard Operating Procedure) which can be found on the SARS website Environmental Levy on Plastic Bags <ul style="list-style-type: none"> Manufacturing (VM) Special Storage (SOS) For further details of the types of activities allowed in each warehouse, see SC-ID-15 (Policy and Standard Operating Procedure) which can be found on the SARS website Tobacco Products Industry <ul style="list-style-type: none"> Manufacturing (VM) Special Storage (SOS) For further details of the types of activities allowed in each warehouse, see SC-ID-17 (Policy and Standard Operating Procedure) which can be found on the SARS website Malt Beer Industry <ul style="list-style-type: none"> Manufacturing (VM) Special Storage (SOS) For further details of the types of activities allowed in each warehouse, see SC-ID-21 (Policy and Standard Operating Procedure) which can be found on the SARS website Wine Industry

QUESTION	ANSWER
	<ul style="list-style-type: none"> ▫ Special Manufacturing (SVM) ▫ Storage (OS) ▫ Special Storage (SOS) <ul style="list-style-type: none"> • For further details of the types of activities allowed in each warehouse, see SC-ID-23 (Policy and Standard Operating Procedure) which can be found on the SARS website
	<ul style="list-style-type: none"> • Other Fermented Beverages Industry <ul style="list-style-type: none"> ▫ Special Manufacturing (SVM) ▫ Storage (OS) ▫ Special Storage (SOS) • For further details of the types of activities allowed in each warehouse, see SC-ID-25 (Policy and Standard Operating Procedure) which can be found on the SARS website
	<ul style="list-style-type: none"> • Bio-Diesel Industry <ul style="list-style-type: none"> ▫ Manufacturing (VM) • For further details of the types of activities allowed in each warehouse, see SC-ID-27-S1 (Standard Operating Procedure) which can be found on the SARS website)
	<ul style="list-style-type: none"> • Traditional African Beer Industry <ul style="list-style-type: none"> ▫ Special Manufacturing (SVM) • For further details of the types of activities allowed in each warehouse, see SC-ID-31 (Policy and Standard Operating Procedure) which can be found on the SARS website
Who must license as an Ad Valorem client?	<ul style="list-style-type: none"> • Every manufacturer of Ad Valorem goods, specified in Section B of Part 2 of Schedule No. 1 to the Act, as well as every owner of such goods manufactured for him partly or wholly from materials owned by him, shall license his premises as a special customs and excise warehouse for purposes of Ad Valorem excise duty.
Where can the application form DA 185 be submitted?	<ul style="list-style-type: none"> • To the Office of the local Controller of Customs and Excise in whose area the business premises to be registered / licensed is situated.
Where can the application form DL 185 be submitted?	<ul style="list-style-type: none"> • This application form may be posted, by means of registered post, directly to the office of the Controller: Johannesburg, or may be handed in at any one of the following offices: <ul style="list-style-type: none"> ▫ Johannesburg; ▫ Bloemfontein; ▫ Cape Town; ▫ Kimberley; ▫ OR Tambo International Airport; or ▫ Upington. • All application forms handed in by clients at any one of the offices mentioned above (excluding Johannesburg) must be posted by that Controller to the office of the Controller: Johannesburg by that Branch office.
Where are the various Customs and Excise offices located?	<ul style="list-style-type: none"> • The following path can be followed on the SARS website – <ul style="list-style-type: none"> ▫ Contact Us ▫ Customs Airports <ul style="list-style-type: none"> ○ Harbours and Internal Offices

QUESTION	ANSWER
	<ul style="list-style-type: none"> ○ Airports ○ Border Post
What are the amounts to be paid for obtaining a warehouse license?	<ul style="list-style-type: none"> • See paragraph 7.2 below
What are the amounts to be lodged as surety prior to obtaining a warehouse registration / registration?	<ul style="list-style-type: none"> • See paragraph 7.3 below

7.2 LICENSE FEES

- The following is a summary of the license fee amounts payable when licensing a warehouse.
- These amounts are provided merely for quick reference purposes. Schedule No. 8 of the Act should always be consulted for the current license fees.

ITEM	LICENSE	LICENSE FEE	PERIOD OF VALIDITY
801.10	For the storage of products specified in environmental levy item 147.01	R 100	From the effective date until 31 December of the year in which it was issued
801.20	For other storage purposes	R 100	Indefinite, subject to the conditions the Commissioner may impose
805.05	Approved for the incidental manufacture of excisable products as a by-product in the manufacture of other products or the reprocessing, for use by the reprocessor, of excisable products after use thereof by him / her or for such other purpose as the Commissioner regards as incidental manufacturing	R 10	Indefinite, subject to the conditions the Commissioner may impose
805.10	Approved for other purposes	R 10	Indefinite, subject to the conditions the Commissioner may impose
805.15	For the manufacture of products specified in environmental levy item 147.01	R 100	From the effective date until 31 December of the year in which it was issued
810.05	Approved for the manufacture of wine by a wine-grower or a wine-grower's co-operative agricultural society	R 10	Indefinite, subject to the conditions the Commissioner may impose
810.10	Approved for the manufacture of wine by a person who holds a licence under any law to deal in wine in wholesale quantities	R 10	Indefinite, subject to the conditions the Commissioner may impose
810.20.05	Special customs and excise storage warehouse (SOS)	R 100	Indefinite
810.20.20	For ad valorem excise duty purposes	R 10	Indefinite, subject to the conditions the Commissioner may impose
815.00	Distillation of spirits by an	R 1	1 January to 31 December

	agricultural distiller		
820.05	To own , possess or keep a still	R 1 each with a maximum of R 5 per licensee	1 January to 31 December
820.10	To manufacture or import stills for sale or to repair for reward	R 5	1 January to 31 December

7.3 SECURITY

- Before a warehouse registration / license will be issued, the applicant must provide security, either in the form of a registered bond provided by an authorised financial institution or in the form of a cash deposit.
- The amount of such security will be determined by the Controller / Branch Manager based on the risk posed by the specific licensee (See SC-SE-05).
- The amount of security will be reviewed by SARS at least annually. However, the onus to maintain the security lies with the licensee and such licensee must inform the Controller / Branch Manager of any significant changes which may have an impact on such security amount.

7.4 CHANGE IN LEGAL IDENTIFY, NAME OR ADDRESS

- If any of the above occurs after a registration / license was issued, the registrant / licensee must, in advance or immediately thereafter, inform the local Controller / Branch Manager in writing of such change and furnish him / her with:
 - A new duly completed form DA185 and applicable annexes;
 - The original license (DA 103) issued. In the event of a change in name and / or address, the said license must be endorsed as such by the Controller / Branch Manager. In the event of a change in legal identity, a **new** license must be issued and the applicable licensee fee is again payable; and
 - All relevant supporting document(s).
- Whenever any of the particulars furnished in an application for registration for export of diamond levy changes, the registered person concerned must, within **seven days** from the date of which such a change occurred, complete and submit a new form DL 185, suitably endorsed to the effect that the purpose of the form is to amend existing information and accompanied by such supporting documents in support of the amendment as the Commissioner may require.
- With regard to surety bonds, the following:
 - An addendum may be accepted in the following instances:
 - Where a change in the name of a company takes place;
 - Where the amount of the surety bond is increased / decreased; or
 - In the case of comprehensive bonds which cover more than one licensed warehouse / registered premises.
 - In all other instances a new surety bond will be called for.

7.5 MANUFACTURING, STORAGE AND MOVEMENT OF EXCISABLE / LEVY PRODUCTS

7.5.1 RECORDING OF PRODUCTION OF PRODUCT FOR EXCISE DUTY / LEVY PURPOSES

- All excisable / levy products manufactured must be recorded per monthly excise / levy account in order to establish duty / levy accountability as this will have an effect on the excise duty / levy payable.

- For excise purposes, an excisable product is considered to have been produced and must be accounted for when it attains its essential character.
- All licensees are required to maintain and keep records of all production of excisable / levy products and of all raw materials intended for use in the production of such products received into the warehouse. Such records must afford SARS traceability from the final production back to the input raw materials and such records must be made available on request.

7.5.2 STORAGE

- Licensees must maintain an up to date record of all stock of finished product stored in the warehouse.
- Excisable / levy products stored in a customs and excise warehouse may only be retained in such a warehouse for a maximum period of two years (Section 19(9) of the Act)).

7.5.3 RECEIPTS INTO WAREHOUSE

- All licensees must maintain records of all raw materials intended for use in the production of excisable / levy products and of all finished products, received into the warehouse.
- All licensees, except Duty Free Shops and Ships / Aircraft Chandlers, must declare all finished products received into the warehouse on the applicable schedule to the excise / levy account.

7.5.4 REMOVALS EX WAREHOUSE

- Registrants / Licensees must maintain records of all finished products and of all raw materials initially received for use in the production of excisable / levy products, removed from the warehouse.
- Such finished products removed must be declared on the applicable schedules to the excise / levy account, as one of the following:
 - Duty paid removals;
 - Bonded removals;
 - Rebated removals, or
 - Exports

7.5.5 FREQUENTLY ASKED QUESTIONS ON IN-WAREHOUSE ACTIVITIES AND MOVEMENTS:

QUESTION	ANSWER
Which activities are regarded as "Manufacture"?	<ul style="list-style-type: none"> • In terms of the Act "manufacture" includes, in the discretion of the Commissioner for SARS, any process – <ul style="list-style-type: none"> ▫ in the manufacture or assembly of any excisable products, environmental levy products, fuel levy products or Road Accident Fund levy products; ▫ in the conversion of any products into excisable products, environmental levy products, fuel levy products or Road Accident Fund levy products; ▫ whereby the dutiable quantity or value of any excisable products, environmental levy products, fuel levy products or Road Accident Fund levy products; ▫ In the recovery of excisable products, environmental levy products, fuel levy products or Road Accident Fund levy products from excisable products or any other products; or ▫ in the packing or measuring off of any excisable products specified in Part 2 of Schedule No. 1, environmental levy products, fuel levy products, or Road Accident Fund levy products.

Which activities may take place in each specific warehouse per excise industry and which documents must be completed per activity / movement of each specific excise product?	<ul style="list-style-type: none"> The details per excise industry pertaining to allowed activities and movements, as well as the prescribed Standard Operating Procedures (SOP) documents to be completed for each activity and movement, can be found in the following documents, available on the SARS website: <ul style="list-style-type: none"> SC-ID-02-S1 Fuel Products SC-ID-07-S1 Ad Valorem Products SC-ID-14-S1 Spirits SC-ID-15 Environmental Levy on Plastic Bags SC-ID-17 Tobacco Products SC-ID-21 Malt Beer SC-ID-23 Wine SC-ID-25 Other Fermented Beverages SC-ID-27-S1 Bio-Diesel SC-ID-31 Traditional African Beer SC-ID-38-S1 Diamond Export Levy
What is the difference between “mixing” and “blending” of Spirits?	<ul style="list-style-type: none"> “Blending” means the combination of two or more different substances, including spirits, to obtain one potable product. “Mixing” means the combination of two or more spirituous products of the same class or kind to obtain a product of a consistently acceptable standard.
Which activities may take place in a VMP warehouse?	<ul style="list-style-type: none"> Distillation of base products into Spirits Re-distillation of Spirits Maturation of Spirits Maceration of Spirits Mixing of Spirits in order to achieve consistent quality standards Blending of Gin
Which activities may take place in a VMS warehouse?	<ul style="list-style-type: none"> Blending and stabilising of Spirits has to occur before a VMS licence will be issued. In addition to this, bottling and packing of Spirits may also take place.
Where can the relevant Excise SOP documents for all excise duty / levy products be found on the Internet?	<ul style="list-style-type: none"> Internet <ul style="list-style-type: none"> Enter the SARS website - www.sars.gov.za Select All Publications Select Excise – i.e. ad valorem, beer or diamonds etc

7.6 ACCOUNTING FOR EXCISABLE / LEVY PRODUCTS

- All registrants / licensees of customs and excise warehouses must submit periodic excise / levy accounts / returns to the Controller / Branch Manager in whose area the warehouse / registered premises is located within 30 days (Ad Valorem within 25 days) of the closing date of the accounting period but not later than the penultimate working day of the month following the month in which the accounting period has ended.
- Excise duty / levy accounts / returns must be submitted properly completed and in full but if any excise / levy account / return schedule is not required for that specific accounting period, the applicable schedule does not have to be completed or submitted.
- Unsigned, incomplete or incorrectly completed excise duty / levy accounts/ returns will be rejected on receipt and the registrant / licensee will be requested to re-submit.
- The date of submission will be the date that a registrant / licensee submit a fully and properly completed excise duty / levy account / return to the local Controller / Branch Manager.

- In terms of Rule 20.17 of the Act, excise accounts must close between the 25th and the last day of the month or quarterly accounting period.
- Licensees are required to submit the dates on which they intend to close their excise accounts in respect of each month or quarter, to the local Controller / Branch Manager for prior approval. Applications reflecting the required dates for the following calendar year must be submitted for approval before 1 December each year. In exceptional circumstances licensees may be allowed to close their accounts before the 25th of a month. Prior permission must be obtained from the Controller / Branch Manager in such cases.
- Hard (paper) copies of the excise duty / levy accounts / return (DA 75, DA 159, DA 160, DA 161A, DA 162, DA 260) and schedules, the format of which is prescribed in the Rules, must be submitted to the Controller / Branch Manager at least in triplicate. An electronic format of the account / return is available and may be provided to registrants / licensees. Enquiries regarding the electronic format of the account / return may be directed to the Branch Office. However, the onus is on the registrant / licensee to ensure that the correct duty / levy is calculated and paid to SARS.
- Companies with more than one licensed warehouse for locally manufactured excisable / levy products must submit separate excise duty / levy accounts / returns, with all relevant schedules and supporting documentation, for each individually licensed warehouse to their respective Controllers / Branch Managers.
- Such licensees may, however, submit one consolidated payment per consolidated duty paid declaration SAD 500 (ZDP) for all its excise warehouses to the Controller / Branch Manager provided that a schedule, reflecting all the relevant individual warehouses and their respective due payments (per tariff item), is attached to the consolidated duty paid bill of entry.

7.7 PAYMENT OF EXCISE DUTY / LEVY

- The relevant excise duty / levy on excisable / levy products, assessed per excise / levy account / return on a monthly / quarterly basis, must be paid to the Controller / Branch Manager within the prescribed payment periods.
- If payment is made by means of electronic funds transfer, proof of such transfer of funds must be submitted to the Controller / Branch Manager on or before the prescribed payment date.
- Companies with more than one licensed warehouse for the manufacture of spirits may submit one consolidated payment for all its excise warehouses to the Controller / Branch Manager provided that a schedule, reflecting all the relevant individual warehouses and their respective due payments (per tariff item), is attached to the consolidated declaration SAD 500 (ZDP).

7.7.1 FREQUENTLY ASKED QUESTIONS ON ACCOUNTING FOR EXCISABLE / LEVY PRODUCTS AND PAYMENT OF EXCISE DUTY / LEVY:

QUESTION	ANSWER
What are the dates, for each of the excise duty / levy products, for: <ul style="list-style-type: none"> ▪ Submission of excise accounts; and ▪ Payment of excise duties / levies? 	<ul style="list-style-type: none"> • Fuel Products (Including “Category 2” Commercial Manufacturer of Biodiesel) <ul style="list-style-type: none"> ▫ Manufacturing Warehouse (VM) <ul style="list-style-type: none"> ○ Submission of accounts - Within 30 days after the end of the accounting month ○ Payment of duty – At least 50% of the duty due within 30 days, and the balance within 60 days, after the end of the accounting month ▫ Special Storage Warehouse (SOS) <ul style="list-style-type: none"> ○ Submission of accounts - Within 14 days after the end of the accounting period / quarter

QUESTION	ANSWER
	<ul style="list-style-type: none"> ○ Payment of duty – Not applicable <p>“Category 1” Commercial Manufacturer of Biodiesel</p> <ul style="list-style-type: none"> ▫ Manufacturing Warehouse (VM) <ul style="list-style-type: none"> ○ Submission of accounts - Within 25 days after the end of the accounting month ○ Payment of duty - Within 25 days after the end of the accounting month <p>• Ad Valorem Products</p> <ul style="list-style-type: none"> ▫ Manufacturing Warehouse (VS) <ul style="list-style-type: none"> ○ Submission of accounts - Within 25 days after the end of the accounting period / quarter ○ Payment of duty - Within 25 days after the end of the accounting period / quarter <p>• Spirits Products</p> <ul style="list-style-type: none"> ▫ Primary Manufacturing Warehouse (VMP) <ul style="list-style-type: none"> ○ Submission of accounts - Within 30 days after the end of the accounting month ○ Payment of duty - Within 30 days after the end of the accounting month ▫ Secondary Manufacturing Warehouse (VMS) <ul style="list-style-type: none"> ○ Submission of accounts - Within 30 days after the end of the accounting month ○ Payment of duty - Within 110 / 130 days after the end of the accounting month ▫ Special Storage Warehouse (SOS) <ul style="list-style-type: none"> ○ Submission of accounts - Within 14 days after the end of the accounting period / quarter ○ Payment of duty – Not applicable <p>• Environmental Levy on Plastic Bags</p> <ul style="list-style-type: none"> ▫ Manufacturing Warehouse (VM) <ul style="list-style-type: none"> ○ Submission of accounts - Within 30 days after the end of the accounting period / quarter ○ Payment of duty - Within 30 days after the end of the accounting period / quarter <p>• Tobacco Products</p> <ul style="list-style-type: none"> ▫ Manufacturing Warehouse (VM) <ul style="list-style-type: none"> ○ Submission of accounts - Within 30 days after the end of the accounting month ○ Payment of duty - Within 60 days after the end of the accounting month ▫ Special Storage Warehouse (SOS) <ul style="list-style-type: none"> ○ Submission of accounts - Within 14 days after the end of the accounting period / quarter ○ Payment of duty – Not applicable <p>• Malt Beer</p> <ul style="list-style-type: none"> ▫ Manufacturing Warehouse (VM) <ul style="list-style-type: none"> ○ Submission of accounts - Within 30 days after the end of the accounting month ○ Payment of duty – At least 50% of the duty due within 30 days, and the balance within 60 days, after the end of the accounting month

QUESTION	ANSWER
	<ul style="list-style-type: none"> ▫ Special Storage Warehouse (SOS) <ul style="list-style-type: none"> ○ Submission of accounts - Within 14 days after the end of the accounting period / quarter ○ Payment of duty – Not applicable • Wine and Other Fermented Beverages <ul style="list-style-type: none"> ▫ Special Manufacturing Warehouse (SVM) <ul style="list-style-type: none"> ○ Submission of accounts - Within 30 days after the end of the accounting month ○ Payment of duty - Within 30 days after the end of the accounting month – January to July ○ Payment of duty - Within 45 days after the end of the accounting month – July to December ▫ Storage Warehouse (OS) <ul style="list-style-type: none"> ○ Submission of accounts - Within 30 days after the end of the accounting month ○ Payment of duty - Within 30 days after the end of the accounting month – January to July ○ Payment of duty - Within 45 days after the end of the accounting month – July to December ▫ Special Storage Warehouse (SOS) <ul style="list-style-type: none"> ○ Submission of accounts - Within 14 days after the end of the accounting period / quarter ○ Payment of duty – Not applicable • Diamond Export Levy <ul style="list-style-type: none"> ▫ Manufacturing Warehouse (None) <ul style="list-style-type: none"> ○ Submission of accounts - Within 30 days after the end of the assessment period / six monthly ○ Payment of duty - Within 30 days after the end of the assessment period / six monthly <p>Note:</p> <ul style="list-style-type: none"> ▫ Return levypayers will pay the levy in accordance with the stipulations of Section 5(1) of the Diamond Export Levy (Administration) Act. ▫ A holder of a permit is regarded as a direct levypayer and will make payment of the levy before exporting the unpolished diamond(s) from the Republic.

7.8 REBATES

- As stated above excisable / levy products, consumed as such within the SACU, are liable for payment of excise duty / levy.
- However, Schedule No. 6 to the Act provides for certain rebated uses of such products. This means that, if such products are used in terms of the prescribed provisions of this schedule, such products are allowed to be used under full and or partial rebate of duty / levy.
- In such instances, the client must register with SARS as a Rebate User and will be accountable for all such products received and will remain liable for payment of the relevant excise duty / levy until proof is provided that the products were applied in full accordance with all the provisions of the specific rebate item under which the client is registered.

7.9 ASSURANCE VISITS

- SARS will on a regular basis visit clients registered / licensed premises to conduct assurance inspections and audits.
- During such visits officers will test and verify compliance to all the provisions of the Act, rules, policies and procedures pertaining to the specific product under the client's control.

7.10 POWERS OF OFFICERS

- An officer may, in terms of the provisions of the Act:
 - Without prior notice, at any time enter any premises whatsoever and make such examination and enquiry as he deems necessary;
 - While he is on the premises or at any other time require from any person to provide him with, immediately or at a time and place fixed by the officer, with any book, document or thing which is required in terms of the Act to be kept or exhibited or which relates to or which he has reasonable cause to suspect to be relating to matters dealt with in this Act and which is or has been on the premises or in the possession or custody or under the control of any such person or his employee;
 - At any time and at any place require from any person who has or is believed to have the possession or custody or control of any book, document or thing relating to any matter dealt with in this Act, the production thereof then and there, or at a time and place fixed by the officer; and
 - Examine and make extracts from and copies of any such book or document and may require from any person an explanation of any entry therein and may attach any such book, document or thing as in his opinion may afford evidence of any matter dealt with in this Act.

7.11 KEEPING AND RETENTION OF RECORDS

- Licensee of manufacturing (including special manufacturing) warehouses must keep records of:
 - Raw materials received, used in the production process, and / or removed;
 - Yield from raw materials;
 - Production;
 - Stock on hand;
 - Receipts of bonded product;
 - Removal of bonded product;
 - Removal of rebated product;
 - Removal for home consumption;
 - Returns of duty paid stock;
 - Disposal of such duty paid stock; and
 - Exports.
- Licensee of storage (including special storage) warehouses must keep records of:
 - Stock on hand;
 - Receipts of bonded product;
 - Removal of bonded product;
 - Removal of rebated product; and
 - Exports.
- A registered person and any other person engaged in the importation or exportation of unpolished diamond(s) shall keep, in one of the official languages, the records contemplated in Section 7 of the Diamond Export Levy (Administration) Act on his / her premises in the Republic or such other places as may be approved by the Commissioner.

- A licensee may keep electronic records provided that they can be readily converted into hard (paper) copies and made available to SARS when required / requested.
- For purposes of this Act, the retention period for all excise related documents (prescribed customs and excise documents as well as relevant trader's commercial and financial records) is 5 years, subject to the provisions of Rule 60.08(2)(a)(i).

7.12 CONFIDENTIALITY OF INFORMATION

- In terms of Section 4 of the Act, SARS officers are not allowed to disclose any information on any client obtained in any way to any third party, subject to the exceptions specified in that section.

7.13 DEALING WITH SARS EXCISE

- SARS clients are entitled to expect SARS:
 - To help clients –
 - By being courteous at all times;
 - To understand clients' rights and obligations;
 - By continuously upgrading the quality of service; and
 - By being accessible.
 - To be fair –
 - By expecting clients to pay only what is due in terms of the law;
 - By treating everyone equally; and
 - By ensuring everyone pays their fair share.
 - To protect clients' Constitutional rights –
 - By keeping their private affairs strictly confidential;
 - By furnishing clients with reasons for decisions taken; and
 - By applying the law consistently and impartially.
- SARS officers will endeavour to:
 - Deal with clients courteously; and
 - To give clients any assistance that they may require to meet their obligations to SARS.
- In return SARS expects clients to:
 - Be honest;
 - Timeously submit full and accurate information;
 - Pay taxes on time and in full; and
 - Encourage others to pay their taxes.

8 QUALITY RECORDS

- Completed forms as listed below:

DA 75	Ad Valorem Excise Duty Account
DA 103	Customs and Excise license
DA 159	Petroleum Excise Account (Special Storage warehouse)
DA 160	Petroleum Excise Account (Manufacturing warehouse)
DA 161A	Environmental Levy Account for Plastic Bags
DA 162	Biodiesel Account (Category 2 manufacturer)
DA 185	Application Form: Licensing / Registration of Customs and Excise clients
DA 260	Excise Account: Excisable Products
DL 163	Diamond Export Levy Return
DL 185	Application Form: Registration for Diamond Export Levy
SAD 500	Single Administrative Document

9 DOCUMENT MANAGEMENT

Designation	Name / Division
Business Owner:	Executive: Product Delivery
Policy Owner:	Chief Officer: Business Enablement and Delivery Service
Author:	C. Botha
Detail of change from previous revision:	Initial Release
Template number and revision	POL-TM-07 - Rev 3