

In terms of section 75 of the Customs and Excise Act, 1964, Part 3 of Schedule No. 6 to the said Act is hereby amended, with retrospective effect from 1 April 2023 up to and including 31 March 2025, to the extent set out in the Schedule hereto.

ENOCH GODONGWANA  
MINISTER OF FINANCE

SCHEDULE

**By the insertion of the following Note(s) 14 after Note 13 in Part 3 of Schedule No. 6:**

14. For the purposes of item 670.05, the following applies to the purchase and use of distillate fuel for the manufacture of food stuffs during the period 1 April 2023 to 31 March 2025:

(a) Application of provisions and definitions:

(i) The refund provided for in this item is subject to these Notes and the provisions of section 75 (11).

(ii) Unless the context otherwise indicates -

"distillate fuel" means -

(aa)

(A) distillate fuel, and

(B) biodiesel as contemplated in Section 37B (2)(a)(ii),

in respect of which a fuel levy and Road Accident Fund levy is prescribed in Part 5A and Part 5B of Schedule No. 1 respectively, and which has been duly entered for home consumption or which is deemed to have been duly entered for home consumption, whether or not such distillate fuel and biodiesel have been mixed; and

(bb) excludes the following:

(A) "smokeless diesel", a mixture of kerosene and a lubricity agent, normally used in underground mines;

(B) any mixture of distillate fuel with kerosene or any other substance except biodiesel;

(C) any distillate fuel entered for export or ships stores or in terms of any other procedure except for home consumption or on which the levies are not paid as contemplated in this definition.

"electricity generation" means electricity generated from distillate fuel used in stationary fixed electric power generators and excludes mobile portable electric power generators.

"foodstuffs" means products and preparations for human consumption, classifiable in Chapters 2 to 21 of Part 1 to Schedule No. 1, but excludes the following:

(aa) any beverages of Chapter 22;

(bb) products and preparations for making beverages classifiable in any of the tariff subheadings included under Section A of Part 7 to Schedule No. 1;

(cc) goods of Chapters 5, 6, 13 and 14.

"logbooks" means systematic written tabulated statements for the regular periodic recording of all activities and occurrences that impact on the validity of refund claims. Logbooks must provide a full audit trail of distillate fuel for which refunds are claimed. Storage logbooks must reflect details of the receipt, storage, removal, disposal or loss of distillate fuel. Usage logbooks must reflect details of the source and usage of distillate fuel for the manufacture of foodstuffs or other activities.

"manufacture" means the realisation of foodstuffs for commercial gain through the performance of industrial operations by the refund user at the manufacturing premises, which in the discretion of the Commissioner -

(aa) includes, but is not limited to the following activities:

By the insertion of the following Note(s) 14 after Note 13 in Part 3 of Schedule No. 6:

- (A) slaughtering of animals in an abattoir;
- (B) mixing, forming or producing foodstuffs;
- (C) processing, converting or extracting foodstuffs;
- (D) handling, storing or preserving foodstuffs;
- (E) conveying or transferring foodstuffs;
- (F) packing or measuring off foodstuffs;
- (G) electricity generation for such manufacture; and

(bb) excludes any activities specified in Note 6 which are eligible for a refund contemplated in item 670.04.

"manufacturing premises" means -

(aa) the business premises where the industrial operations for the manufacture of foodstuffs are performed; and

(bb) excludes any business premises at which -

- (A) the publicly accessible portion of the trading area for wholesale or retail sales outlet activities comprises more than 10 per cent of the total floor surface of the business premises;
- (B) only the wholesale or retail distribution or sales of goods occur.

"refund" means a refund of the Road Accident Fund levy only to the extent provided for in this item.

"tax invoice" means an invoice containing the following information:

- (aa) the words "Tax Invoice";
- (bb) the name, address and VAT number (a 10-digit number starting with 4) of the supplier;
- (cc) the name and address of the purchaser (if the invoice value is over R500);
- (dd) date of the transaction;
- (ee) description of the goods (being diesel or distillate fuel);
- (ff) quantity delivered or purchased;
- (gg) value of the supply;
- (hh) the amount of VAT, which must be shown as 0% since VAT is not levied on distillate fuel or diesel.

(b) Application for registration and claiming of refunds:

(i) Every person that both purchases and uses distillate fuel for the manufacture of foodstuffs for the purpose of this item, must apply for registration as a refund user.

**By the insertion of the following Note(s) 14 after Note 13 in Part 3 of Schedule No. 6:**

- (ii) Each such application includes application for registration of the manufacturing premises and must be accompanied by a detailed floor plan according to scale for all the buildings on the premises which indicates the purpose and use of all areas therein.
  - (iii) Application for registration must be made on form DA 185 and annexure DA 185.4A3 obtained from any SARS office or the SARS website (www.sars.gov.za).
  - (iv) Every application for registration that is approved will be issued with effect from 1 April 2023 as the date on which the refund user became eligible for the claiming of refunds.
  - (v) No claim for a refund of levies on distillate fuel for the manufacture of foodstuffs shall be considered until the refund user and the manufacturing premises are so registered.
  - (vi) The refund user must in addition to the registration required under this Act also be registered under the provisions of the Value Added Tax Act, 1991 (Act No. 89 of 1991).
  - (vii) Any claim for a refund of levies on distillate fuel must be submitted in the prescribed form (form DA 66) together with all necessary supporting documents relating to such claim.
  - (viii) A refund may only be claimed in respect of duty-paid distillate fuel purchased in and used in the Republic and for which a duly completed tax invoice was issued and retained.
- (c) Keeping of records, books, accounts and other documents:
- (i) The refund user must keep record of each manufacturing or other operation or process performed at the manufacturing premises, including the
    - (aa) area of the manufacturing premises where the activity occurs;
    - (bb) method or elements of the activity and step thereof in the process flow;
    - (cc) ratio of distillate fuel used for the activity relative to overall distillate fuel usage.
  - (ii) Records, books, accounts or other documents (including purchase invoices, sales invoices, storage logbooks and usage logbooks) must show in respect of each refund claim how the quantity of distillate fuel on which a refund was claimed was calculated.
  - (iii) All such records, books, accounts or other documents to substantiate the refund claim must be kept for a minimum period of 5 years from the date of purchase, use, disposal or loss of the distillate fuel or the refund claim, whichever occurs last.
  - (iv) Any such records, books, accounts or other documents must be produced for inspection to any officer in accordance with the provisions of section 4 of this Act.
  - (v) Purchase documentation in respect of the receipt of distillate fuel must be in the name of the refund user and original purchase invoices in the form of tax invoices must be obtained and retained by the refund user.
  - (vi) Storage documentation (including storage logbooks) in respect of the receipt, storage, removal, disposal or loss of distillate fuel must reflect the
    - (aa) capacity of the storage tank;
    - (bb) date of receipt, removal, disposal or loss;
    - (cc) quantity received, removed, disposed or lost;
    - (dd) purpose of removal or details of disposal or loss;
    - (ee) monthly opening and closing balance of storage level.

**By the insertion of the following Note(s) 14 after Note 13 in Part 3 of Schedule No. 6:**

- (vii) Usage documentation (including usage logbooks) in respect of the source and usage of distillate fuel for foodstuffs manufacturing or otherwise must reflect the
  - (aa) source of distillate fuel;
  - (bb) date and time of each activity of usage;
  - (cc) quantity in respect of each activity of usage; (dd) purpose in respect of each activity of usage; (ee) equipment powered in each activity of usage.
- (viii) Usage logbook entries must be substantiated by the source documentation and additional information that informed the completion of such logbooks, including the
  - (aa) serial number or identification marking of equipment;
  - (bb) manufacturer specifications of equipment;
  - (cc) distillate fuel or power usage rate of equipment;
  - (dd) frequency, intensity and duration of use of equipment;
  - (ee) function and place of such equipment in the overall process flow;
  - (ff) any other incidents, facts and observations relevant to the measurement of distillate fuel usage.
- (ix) **Notwithstanding the usage logbook obligations prescribed in paragraph (c)(vii) -**
  - (aa) where multiple equipment is powered simultaneously in respect of both the manufacture of foodstuffs and other activities, the volume of distillate fuel so used must be apportioned based on the ratio of distillate fuel used for the manufacture of foodstuffs relative to overall distillate fuel usage;
  - (bb) where the volume of distillate fuel used in any activity cannot with reasonable certainty be gauged, the volume of distillate fuel so used must be determined based on the average rate of distillate fuel consumption of the equipment concerned over the total time period of the usage thereof.

**By the insertion of the following:**

Rebate Item	Tariff Item	Rebate Code	CD	Description	Extent of Rebate	Extent of Refund
670.05	000.00	01.00	06	Distillate fuel purchased for use and used in the manufacture of foodstuffs as specified and subject to compliance with Note 14	Full Road Accident Fund levy less 20%	