

SOUTH AFRICAN REVENUE SERVICE

Government Gazette

Notice R.

AMENDMENT OF PARAGRAPH 8 OF SCHEDULE 1 TO THE VALUE-ADDED TAX ACT, 1991 (ACT NO. 89 OF 1991) IN TERMS OF SECTION 74(3)(a) TO INSERT ITEM 460.23 IN CONSEQUENCE OF THE INSERTION OF REBATE ITEM 460.23/00.00/02.00 AND 460.23/00.00/01.00 IN PART 2 OF SCHEDULE NO. 4 OF THE CUSTOMS AND EXCISE ACT, 1964 (ACT NO. 91 OF 1964)

By virtue of the power vested in me by section 74(3)(a) of the Value-Added Tax Act, 1991 (Act No. 89 of 1991) (the Act), I, Pravin Jamnadas Gordhan, Minister of Finance, hereby amend paragraph 8 of Schedule 1 to the Act to provide for the exemption from value-added tax on the importation of dutiable goods which are subject to an ITAC permit and duty free goods not subject to an ITAC permit, imported on or after 1 January 2014 solely for use in petroleum exploration and mining activities, as indicated in the Schedule hereto.

PJ GORDHAN
Minister of Finance

GENERAL EXPLANATORY NOTES:

[] Words in bold type in square brackets indicate omissions from existing enactments.

— Words underlined with a solid line indicate insertions in existing enactments.

SCHEDULE

Schedule 1 to the Value-Added Tax Act, 1991 (Act No. 89 of 1991), is hereby amended -

(a) by the insertion in paragraph 8 after item No.413.06/00.00/01.00 of items 460.23, 460.23/00.00.01.00 and. 460.23/00.00/02.00 of the following:

“460.23 **GOODS IMPORTED OR CLEARED FROM A CUSTOMS AND EXCISE WAREHOUSE FOR THE EXPLORATION FOR PETROLEUM AS CERTIFIED BY THE DIRECTOR-GENERAL: MINERAL RESOURCES**

NOTES:

1. Goods imported or cleared from a Customs and Excise warehouse by a person who is certified by the Director-General: Mineral Resources [or Chief Executive Officer of the agency designated in terms of section 70 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)]-

(a) To be a person who, in the Republic (including the territorial waters and the continental shelf of the Republic)-

(i) explores for petroleum in terms of an exploration right issued in terms of section 80 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);

(ii) produces petroleum in terms of a production right issued in terms of section 84 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002); and

(iii) is a contractor of any person referred to in paragraph (a)(i) or (a)(ii);

(b) subject to the approval of the said Director-General [or Chief Executive Officer of the agency designated in terms of Section 70 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)], is a person (including, if a company, any subsidiary of such company) referred to in paragraph (a)(i) or (a)(iii) who supplies such goods directly to any person or to any contractor or any person referred to in paragraph (a)(ii), for use in the manufacture of any equipment, installation or device, for use solely in operations in connection with the exploration for, or production of petroleum, and except for the purposes of item 02.00, in such quantities and at such times as the International Trade Administration Commission, may allow by specific permit, excluding -

(i) distillate fuels, residual fuel oil and biodiesel;

(ii) goods for the personal use of any person; and

(iii) Goods for use in the exploration or processing of any product other than petroleum as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).

Provided that –

For the purposes of paragraph (b), the person entering such goods under rebate of duty shall be liable for the duty rebated, unless he or she proves that such goods –

(aa) have been supplied and used in the manufacture of the equipment, installation or device which has been delivered to the person referred to in paragraph (a)(ii); or

(bb) have been exported within a period of six months from the date the operations contemplated in Note 1(b) have been completed; or

(cc) on request by the importer, and subject to the permission of the Commissioner, have been entered for home consumption and payment of duty or have been abandoned or destroyed in terms of item 412.07 of this Schedule.

460.23/00.00/01.00 Goods (excluding goods free of duty as contemplated in section 75A) imported or cleared from a customs and excise warehouse for the exploration for or production of petroleum as contemplated in the notes to this item.

460.23/00.00/02.00 Goods free of duty imported or cleared from a customs and excise warehouse for the exploration for or production of petroleum as contemplated in the notes to this item.