

In terms of section 75 of the Customs and Excise Act, 1964, Schedule No. 6 to the said Act is hereby amended to the extent set out in the Schedule hereto.

DEPUTY MINISTER OF FINANCE

SCHEDULE

By the substitution of Note 6 in Part 3 of Schedule No. 6 with the following:

6. For the purposes of item 670.04 read with the provisions of section 75 (1A) and (4A):

(a) Definitions

For the purposes of this Note, except if the context otherwise indicates -

(i) "distillate fuel" means –

(aa) distillate fuel and biodiesel as contemplated in section 37B (1) in respect of which the fuel levy and the Road Accident Fund levy has been paid as prescribed in terms of 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" which is 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; and

(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 paragraph (a)(i)(aa).

- (ii) “eligible purchases” means purchases of distillate fuel by the user –
 - (aa) from wholesalers of petroleum products who are licensed as such in terms of the Petroleum Products Act, 1977 (Act No. 120 of 1977); and
 - (bb) which are –
 - (A) delivered to and stored in storage facilities of the user; and
 - (B) dispensed by the user for use and used by the user as prescribed in this Note.
- (iii) “general fuel levy” means the levy contemplated in Notes 6 and 7 of Part 5A of Schedule No. 1 at the rate specified in Note 7(b)(i) for distillate fuel and Note 7(c)(i) for biodiesel respectively of the said Part 5A.
- (iv) “non-eligible purchases” means purchases of distillate fuel by the user –
 - (aa) from suppliers other than wholesalers of petroleum products who are licensed as such in terms of the Petroleum Products Act, 1977 (Act No. 120 of 1977); or
 - (bb) which are –
 - (A) not delivered to or stored in storage facilities of the user;
 - (B) not dispensed by the user for use or used by the user as prescribed in this Note;
 - (C) obtained under rebate of duty under any item of any Schedule;
 - (D) disposed of in any manner; or
 - (E) lost in any manner.
- (v) “registration profile” means the electronic profile which a person must create and maintain in order to be registered as a user as contemplated in section 75(1A)(b) and the rules thereto.

- (vi) “section”, unless otherwise specified, refers to the relevant section of this Act.
- (vii) “user” means a registered person as contemplated in section 75(1A)(b) and the rules thereto who is a –
 - (aa) legal person registered in the Republic in accordance with the laws of the Republic and which has its place of effective management in the Republic;
 - (bb) natural person who is ordinarily resident in the Republic; or
 - (cc) partnership or unincorporated body of persons which is ordinarily resident in the Republic.

(b) Agriculture: Refund of levies on eligible purchases of distillate fuel used in agriculture

- (i) For the purposes of paragraph (b), unless the context otherwise indicates –
 - (aa) “agriculture” means the production for commercial gain of any agricultural products on the agricultural property.
 - (bb) “agricultural products” means any farming or forestry products or by-products in their natural state, whether or not packed for marketing, which are produced for agricultural purposes on the agricultural property.
 - (cc) “agricultural property” means any titled land in the Republic where qualifying agricultural activities are undertaken.
 - (dd) “agricultural requirements” means inputs, equipment and vehicles which are essential for the practice of agriculture and the performance of qualifying agricultural activities on the agricultural property.
 - (ee) “farm animal” means any domesticated or wild animal, whether vertebrate or invertebrate, which is reared on a farm to derive farming products or by-products for agricultural purposes, and includes all juvenile stages of such an animal.
 - (ff) “heavy vehicle” means a vehicle which has a gross vehicle mass (GVM) equal to or greater than 4.5 tonnes. The GVM of a vehicle is the GVM accepted by the authority which registered the vehicle. Trailers cannot be included in the GVM of a rigid vehicle. For an articulated vehicle, the GVM is the gross combined mass of the prime mover and the semi-trailer.

- (gg) “qualifying agricultural activities” means those actions which are required for the production of any agricultural products on the agricultural property and the transportation thereof to the first point of delivery, which are limited to the activities of paragraph (b)(ii) and excludes the activities of paragraph (b)(iii).
- (ii) Qualifying agricultural activities are limited to –
- (aa) clearing, preparing and maintaining the agricultural property for use in agriculture.
 - (bb) preserving and upholding the agricultural property for sustainable use in agriculture.
 - (cc) developing and maintaining physical infrastructure on the agricultural property for use in agriculture.
 - (dd) accessing and distributing water on the agricultural property for use in agriculture.
 - (ee) generating and distributing electricity on the agricultural property for use in agriculture.
 - (ff) environmental management of agricultural impact on the agricultural property.
 - (gg) conserving soil, water and biodiversity on the agricultural property.
 - (hh) developing and maintaining fire-fighting access roads and firebreaks on the agricultural property.
 - (ii) developing and maintaining transport networks on the agricultural property for use in agriculture.
 - (jj) transporting agricultural requirements and labourers on the agricultural property for use in agriculture.
 - (kk) planting, cultivating, growing and conserving crops on the agricultural property.
 - (ll) harvesting, transporting, storing and preserving crops on the agricultural property.
 - (mm) breeding, nurturing, rearing and conserving farm animals on the agricultural property.
 - (nn) reaping, transporting, storing and preserving farm animal products on the agricultural property.

- (oo) preparing agricultural products for transportation from the agricultural property.
- (pp) transporting agricultural products from the agricultural property to the first point of delivery.
- (qq) removing, transporting, treating and disposing waste on the agricultural property as the result of qualifying agricultural activities.
- (iii) Qualifying agricultural activities exclude –
 - (aa) transporting agricultural requirements or labourers to the agricultural property.
 - (bb) transporting agricultural requirements or labourers between non-adjacent sections of the agricultural property.
 - (cc) maintaining, repairing or refitting agricultural requirements.
 - (dd) altering the natural state of agricultural products beyond the preservation thereof.
 - (ee) any activities related or incidental to such alteration of agricultural products.
 - (ff) transforming agricultural products through any process of manufacture.
 - (gg) any activities related or incidental to such transformation of agricultural products.
 - (hh) transporting of agricultural products by the purchaser thereof.
 - (ii) transporting of agricultural products by a transport contractor from the agricultural property for delivery in a vehicle other than a heavy vehicle.
 - (jj) refuelling of any vehicle during the transport of agricultural products from the agricultural property for delivery.
 - (kk) returning of any vehicle to the agricultural property after the delivery of agricultural products.
 - (ll) any activities related or incidental to the rendering of passenger, sport, recreation, hospitality or tourism services.
- (iv) The following equipment and vehicles are regarded as performing a dedicated function in agriculture –

- (aa) plough
- (bb) rake
- (cc) tiller
- (dd) harrow
- (ee) ridger
- (ff) spreader
- (gg) sprayer
- (hh) blower
- (ii) saw
- (jj) cutter
- (kk) harvester
- (ll) reaper
- (mm) slasher
- (nn) ripper
- (oo) chopper
- (pp) grapple
- (qq) lifter
- (rr) hammer mill

- (ss) baler
- (v) The extent of refund in agriculture is *** cents per litre of the general fuel levy and *** cents per litre of the Road Accident Fund levy of distillate fuel used in qualifying agricultural activities.
- (vi) The user may apply for the refund specified in paragraph (b)(v) only in respect of eligible purchases by the user of distillate fuel which was stored and dispensed by the user as fuel for use and used by the user in qualifying agricultural activities in –
 - (aa) equipment and vehicles which are listed in the registration profile of the user for use in agriculture on the agricultural property listed in the registration profile of the user; and
 - (bb) heavy vehicles listed in the registration profile of the user for the transportation of agricultural products from the agricultural property listed in the registration profile of the user to the first point of delivery.
- (vii) The user must reduce such refund application by any non-eligible purchases and must demonstrate that the conditions specified in paragraph (b)(vi) were met by verifying the refund application through the necessary substantiating source documents prescribed in paragraph (j).
- (viii) Notwithstanding the logbook obligations specified in paragraph (j), a usage logbook is not required in respect of the dedicated equipment and vehicles specified in paragraph (b)(iv) and the volume of distillate fuel so used must be substantiated through the relevant entries in the prescribed storage logbook for the dispensing of distillate fuel to such equipment and vehicles .
- (ix) Sugarcane producers with an average production of less than 1 800 tons of sugarcane each per year who fail to keep the logbook information prescribed in paragraph (j) must reduce their eligible distillate fuel purchases by 20 per cent to exclude potential non-eligible purchases. The sugar mills to which the sugarcane of these producers is delivered must process the refund applications of these producers as agents on behalf of such producers in consultation with the South African Sugar Association (SASA).
- (x) Forestry producers with an average production of less than R1 million turnover each per year who fail to keep the logbook information prescribed in paragraph (j) must reduce their eligible distillate fuel purchases by 20 per cent to exclude potential non-eligible purchases. The timber mills to which the forestry products of these producers are delivered must process the refund applications of these producers as agents on behalf of such producers in consultation with Forestry South Africa (FSA).

(c) Fishing: Refund of levies on eligible purchases of distillate fuel used in fishing

- (i) For the purposes of paragraph (c), unless the context otherwise indicates –
- (aa) “commercial fishing” means fishing in respect of a commercial fishing permit for any of the species, subject to the allowable commercial catch or total applied effort, or parts of both, determined in terms of the Marine Living Resources Act, 1998 (Act No.18 of 1998).
 - (bb) “commercial fishing permit” means a permit issued to conduct commercial fishing under the exercise of an existing commercial fishing right in terms of the Marine Living Resources Act, 1998 (Act No.18 of 1998).
 - (cc) “fish” means the marine living resources of the sea, including any aquatic plant or animal whether piscine or not, and includes their eggs, larvae and all juvenile stages, but does not include sea birds and seals.
 - (dd) “fish aggregating gear” means a floating, submerged or semi-submerged device, whether anchored or not, intended to aggregate fish, including any floating object on which a device has been placed to facilitate its location.
 - (ee) “fishing harbour” means a declared fishing harbour as contemplated in the Marine Living Resources Act, 1998 (Act No.18 of 1998).
 - (ff) “fishing vessel” means any vessel normally used for fishing and any vessel dedicated to the handling, storing, preserving or processing of fish while at sea which are propelled by inboard engines of which the fuel tanks form an integral part of the structure and includes all gear, equipment, stores, cargo and fuel on board such vessel.
 - (gg) “fish preserving” means the preserving by any method of fish for sale, including the salting, icing, chilling or freezing thereof.
 - (hh) “fish processing” means the processing by any method of fish for sale, including the cutting, dismembering, separating, gutting, cleaning, sorting and lining thereof.
 - (ii) “foreign fishing” means fishing conducted in the waters of the Republic in any fishing vessel other than a local fishing vessel.
 - (jj) “local fishing vessel” means any fishing vessel recognized and licensed as a ship of South African nationality in terms of the Merchant Shipping Act, 1951 (Act No. 57 of 1951).

- (kk) “qualifying fishing activities” means those actions which are required for commercial fishing on a local fishing vessel and the transporting of fish up to the time it is first landed, which are limited to the activities of paragraph (c)(ii) and excludes the activities of paragraph (c)(iii).
- (ll) “recreational fishing” means any fishing done for leisure or sport and not for sale, barter, earnings or gain.
- (mm) “seashore fishing” means any fishing done in the area of sandy, stony, or rocky land bordering and level with the sea between the high-water and low-water marks of the sea.
- (nn) “subsistence fishing” means any fishing by a natural person who regularly catches fish for personal consumption or for consumption by his or her dependants, including the local sale or barter of excess catch from time to time by such a person on an unsubstantial scale.
- (oo) “transshipping” means transferring equipment, fuel or cargo from one vessel to another.
- (ii) Qualifying fishing activities are limited to –
 - (aa) searching for and locating fish at sea.
 - (bb) placing, searching for and recovering fish aggregating gear at sea.
 - (cc) taking, collecting and gathering a catch of fish at sea.
 - (dd) transshipping a catch of fish while at sea.
 - (ee) handling, storing, preserving and processing fish while at sea.
 - (ff) transporting fish up to the time it is first landed.
 - (gg) transshipping fuel between fishing vessels while at sea.
 - (hh) transshipping equipment between fishing vessels while at sea.
 - (ii) returning of a fishing vessel to a fishing harbour.

- (jj) removing, transporting, treating and disposing waste on a fishing vessel as the result of qualifying fishing activities.
- (iii) Qualifying fishing activities exclude –
 - (aa) foreign fishing.
 - (bb) seashore fishing.
 - (cc) onshore fishing.
 - (dd) recreational fishing.
 - (ee) subsistence fishing.
 - (ff) onshore handling, storing, preserving or processing of fish.
 - (gg) transporting of fish by the purchaser thereof.
 - (hh) maintaining, repairing or refitting a vessel or its on-board equipment.
 - (ii) trips connected with the maintenance, repair or refit of a vessel.
 - (jj) trips which are wholly or partly outside the waters of the Republic.
 - (kk) any activities related or incidental to the rendering of passenger, sport, recreation, hospitality or tourism services.
- (iv) The extent of refund in fishing is *** cents per litre of the general fuel levy and *** cents per litre of the Road Accident Fund levy of distillate fuel used in qualifying fishing activities.
- (v) The user may apply for the refund specified in paragraph (c)(iv) only in respect of eligible purchases by the user of distillate fuel which was stored and dispensed by the user as fuel for use and used by the user in qualifying fishing activities in –
 - (aa) a local fishing vessel which is nominated on a valid commercial fishing permit for use in commercial fishing and which has a transire as contemplated in section 7(10) and the rules thereto; and

(bb) the operating of the equipment used on board that vessel;

provided such local fishing vessel, the commercial fishing permit on which it is nominated, and its on-board equipment are listed in the registration profile of the user for use in commercial fishing.

- (vi) The user must reduce such refund application by any non-eligible purchases and must demonstrate that the conditions specified in paragraph (c)(v) were met by verifying the refund application through the necessary substantiating source documents prescribed in paragraph (j).
- (vii) Notwithstanding the logbook obligations specified in paragraph (j), logbook records are not required in respect of the on-board equipment referred to in paragraph (c)(v) and the volume of distillate fuel dispensed to and used in such on-board equipment must form a constituent part of the logbook records for the fishing vessel on board which such equipment is located.

(d) Mining on land: Refund of levies on eligible purchases of distillate fuel used in mining on land

- (i) For the purposes of paragraph (d), unless the context otherwise indicates –
 - (aa) “environmental management plan” and “environmental management programme” mean the plan and programme respectively in terms of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).
 - (bb) “exploration” means the treatment of seismic data and any related activity to define an area on land to be tested with the intention of locating a mineral discovery.
 - (cc) “mineral” means any inorganic substance, whether solid, liquid or gaseous, which occurs naturally in or on the earth or in or under water, which was formed by or subjected to a geological process, and includes sand, stone, rock, gravel, limestone, clay and soil, but excludes water, petroleum, topsoil and peat.
 - (dd) “mineral deposit” means the alluvial minerals in their raw unprocessed state retrieved after washing, screening and separation in placer mining and the run-of-mine excavated in other forms of surface mining and in underground mining.
 - (ee) “mining” means the practice of locating, determining and recovering for commercial gain mineral deposits at the mining site, but excludes any subsequent processing of such mineral deposits.

- (ff) “mining authorisation” means the authorisation to mine which is granted or ceded in terms of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).
- (gg) “mining requirements” means inputs, equipment and vehicles which are essential for the performance of qualifying mining activities at the mining site.
- (hh) “mining site” means the area for which a mining authorisation is granted and any incidental surface area of land in respect of a related environmental management plan or environmental management programme.
- (ii) “overburden” means the soil and rock surrounding or containing a mineral deposit.
- (jj) “placer mining” means the recovery of mineral deposits from alluvial sediments through dredging and surface mining methods by which potentially mineral bearing material is excavated and subsequently washed, screened and separated to establish and retrieve the mineral deposit therein.
- (kk) “processing” means any treatment of a mineral deposit beyond that which is necessary for the recovery thereof from the overburden surrounding or containing it.
- (ll) “prospecting” means intentionally searching for any mineral by means of any method which disturbs the earth, any residue stockpile or any residue deposit in order to trace any mineral therein and to determine the extent thereof.
- (mm) “qualifying mining activities” means those actions which are required for the practice of mining and related transportation, stockpiling and rehabilitation at the mining site, which are limited to the activities of paragraph (d)(ii) and excludes the activities of paragraph (d)(iii).
- (nn) “quarry mining” means the type of surface mining by which sand, stone, rock, gravel, limestone, clay and soil (excluding topsoil and peat) is excavated from the ground, and excludes the collection of such minerals from riverbeds.
- (oo) “rehabilitation” means the reclamation at the mining site required by an environmental management plan or environmental management programme until application for a closure certificate in terms of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).

- (pp) “run-of-mine” means the unprocessed mined material delivered from the mine which consists of minerals, rocks, middlings, contamination and impurities.
 - (qq) “surface mining” means the recovery of mineral deposits which are near the surface of the earth through strip mining, open-pit mining, mountaintop removal mining and quarry mining methods by which the mineral deposit is excavated after the removal of the overlying soil and rock.
 - (rr) “tailings” means the material left over after the separation of the valuable fraction from the uneconomic fraction of the recovered mineral deposit.
 - (ss) “underground mining” means the recovery of mineral deposits which are a considerable distance beneath the surface of the earth through drift mining, slope mining, shaft mining and hard rock mining methods by which the mineral deposit is excavated through tunnels while the surface soil and rock is left in place.
- (ii) Qualifying mining activities are limited to –
- (aa) exploration and prospecting for minerals.
 - (bb) clearing, preparing and maintaining the mining site for use in mining.
 - (cc) conserving soil, water and biodiversity at the mining site.
 - (dd) developing and maintaining physical infrastructure at the mining site for use in mining.
 - (ee) accessing and distributing water at the mining site for use in mining.
 - (ff) generating and distributing electricity at the mining site for use in mining.
 - (gg) developing and maintaining transport networks at the mining site for use in mining.
 - (hh) transporting mining requirements and labourers at the mining site for use in mining.
 - (ii) operations essential for the recovery of mineral deposits in placer mining, other forms of surface mining and underground mining.

- (jj) removing, transporting and stockpiling overburden in mining operations at the mining site.
 - (kk) transporting, stockpiling and conserving the recovered mineral deposit at the mining site.
 - (ll) loading, transporting, stockpiling and returning aggregate discard at the mining site.
 - (mm) loading, transporting, storing, treating and disposing of tailings at the mining site.
 - (nn) removing, transporting, treating and disposing waste at the mining site as the result of qualifying mining activities.
 - (oo) rehabilitation of mining impact at the mining site.
- (iii) Qualifying mining activities exclude –
- (aa) mining of sand, stone, rock, gravel, limestone, clay and soil (excluding topsoil and peat) through any mining method other than quarry mining.
 - (bb) transporting mining requirements or labourers to the mining site.
 - (cc) transporting mining requirements or labourers between non-adjacent sections of the mining site.
 - (dd) maintaining, repairing or refitting mining requirements.
 - (ee) transporting mineral deposits or minerals from the mining site.
 - (ff) altering the raw natural state of mineral deposits beyond the conserving thereof.
 - (gg) any activities related or incidental to such alteration of mineral deposits.
 - (hh) transforming mineral deposits through any processing thereof.
 - (ii) any activities related or incidental to such transformation of mineral deposits.
 - (jj) enhancing or improving the quality or value of mineral deposits through –

- (A) in the case of placer mining, the sizing, sorting, classifying, polishing, reduction, concentrating, refining, calcining, smelting or gasification of the mineral content therein; or
 - (B) in the case of other forms of surface mining and underground mining, the winning, extracting, washing, screening, separating, crushing, sizing, sorting, classifying, polishing, reduction, concentrating, refining, calcining, smelting or gasification of the mineral content therein.
- (kk) any activities related or incidental to such enhancing or improving of mineral deposits.
- (ll) transporting of mineral deposits or minerals by the purchaser thereof.
- (mm) any activities related or incidental to the rendering of passenger, sport, recreation, hospitality or tourism services.
- (iv) The extent of refund in mining is *** cents per litre of the general fuel levy and *** cents per litre of the Road Accident Fund levy of distillate fuel used in qualifying mining activities.
- (v) The user may apply for the refund specified in paragraph (d)(iv) only in respect of eligible purchases by the user of distillate fuel which was stored and dispensed by the user as fuel for use and used by the user in qualifying mining activities in –
- (aa) respect of a mining authorisation listed in the registration profile of the user for mining at the mining site listed in the registration profile of the user; and
 - (bb) equipment and vehicles which are listed in the registration profile of the user for use in mining at the mining site listed in the registration profile of the user.
- (vi) The user must reduce such refund application by any non-eligible purchases and must demonstrate that the conditions specified in paragraph (d)(v) were met by verifying the refund application through the necessary substantiating source documents prescribed in paragraph (j).
- (vii) Notwithstanding the logbook obligations specified in paragraph (j), in the case of underground mining, –
- (aa) where distillate fuel is dispensed from a surface storage facility to sub-surface storage facilities within the underground mine not to be returned to the surface again; and

- (bb) where all of the equipment and vehicles powered by such distillate fuel are located permanently within the underground mine for use solely within that underground mine;

usage logbooks are not required in respect of those equipment and vehicles within that underground mine and the volume of distillate fuel used in such equipment and vehicles within that underground mine must be substantiated through the relevant dispensing entries in the storage logbook records of those sub-surface storage facilities.

(e) Offshore mining: Refund of levies on eligible purchases of distillate fuel used in offshore mining

- (i) For the purposes of paragraph (e), unless the context otherwise indicates –

- (aa) “exploration” means the treatment of seismic data and any related activity to define an area of the sea to be tested with the intention of locating natural resources.

- (bb) "installation" means any –

- (A) structure, including any floating or submersible platform, constructed or operating upon, beneath or above the sea for the sole purpose of exploration, prospecting or offshore mining;

- (B) apparatus, including a pipeline, which is used for the sole purpose of transferring any person or substance to or from any such structure;

- (C) appliance or device which is used for the sole purpose of exploration, prospecting or offshore mining;

- (D) vessel which is used for the sole purpose of exploration, prospecting or offshore mining; and

- (E) machinery which forms an integral part of any such structure, apparatus, appliance, device or vessel.

- (cc) “mining authorisation” means the authorisation to mine or produce petroleum which is granted or ceded in terms of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).

- (dd) “natural resources” means any inorganic substance, whether solid, liquid or gaseous, which occurs naturally in the bed of the sea or the subsoil thereof, which was formed by or subjected to a geological process, and includes precious stones, metals, minerals, natural oil and natural gas, but excludes water.
- (ee) “offshore mining” means the recovery for commercial gain of natural resources at its position in an area of the sea through its extraction from the bed of the sea or the subsoil thereof, but excludes any subsequent processing of such natural resources.
- (ff) “processing” means any treatment of natural resources beyond that which is necessary for the extraction of those natural resources from the bed of the sea or the subsoil thereof surrounding or containing such natural resources.
- (gg) “prospecting” means intentionally searching for natural resources in an area of the sea by means of any method which disturbs the bed of the sea or the subsoil thereof in order to trace any natural resource therein and to determine the extent thereof.
- (hh) “qualifying offshore mining activities” means those actions which are required for offshore mining on an installation and related transportation, which are limited to the activities of paragraph (e)(ii) and excludes the activities of paragraph (e)(iii).
- (ii) “sea” means the water of the sea, as well as the bed of the sea and the subsoil thereof below the low-water mark as defined in the Seashore Act, 1935 (Act No. 21 of 1935), and within the outer limit of –
 - (A) the territorial waters of the Republic as contemplated in section 4 of the Maritime Zones Act, 1994 (Act No. 15 of 1994), including the water and the bed of any tidal river and of any tidal lagoon;
 - (B) the exclusive economic zone of the Republic as contemplated in section 7 of the Maritime Zones Act, 1994 (Act No. 15 of 1994); and
 - (C) the continental shelf of the Republic as contemplated in section 8 of the Maritime Zones Act, 1994 (Act No. 15 of 1994).
- (jj) “vessel” means any vessel recognized and licensed as a ship of South African nationality in terms of the Merchant Shipping Act, 1951 (Act No. 57 of 1951).
- (ii) Qualifying offshore mining activities are limited to –
 - (aa) exploration and prospecting for natural resources.

- (bb) generating and distributing electricity on an installation.
 - (cc) transporting any person or substance to or from an installation while at sea.
 - (dd) return trips after transporting any person or substance to or from an installation while at sea.
 - (ee) operations on an installation essential for the recovery of natural resources in offshore mining.
 - (ff) transferring recovered natural resources from an installation to a vessel while at sea.
 - (gg) handling, storing or preserving recovered natural resources while at sea.
 - (hh) transporting recovered natural resources up to the time it is first landed.
 - (ii) removing, transporting, treating and disposing waste on an installation as the result of qualifying offshore mining activities.
- (iii) Qualifying offshore mining activities exclude –
- (aa) maintaining, repairing or refitting an installation.
 - (bb) trips connected with the maintenance, repair or refit of an installation.
 - (cc) altering the raw natural state of natural resources beyond the conserving thereof.
 - (dd) any activities related or incidental to such alteration of natural resources.
 - (ee) transforming natural resources through any processing thereof.
 - (ff) any activities related or incidental to such transformation of natural resources.
 - (gg) enhancing or improving the quality or value of natural resources through the crushing, sizing, sorting, classifying, polishing, reduction, concentrating, refining, calcining, smelting or gasification of the mineral content therein.
 - (hh) any activities related or incidental to such enhancing or improving of natural resources.

- (ii) onshore handling, storing or preserving of natural resources.
 - (jj) transporting of natural resources by the purchaser thereof.
 - (kk) any activities related or incidental to the rendering of passenger, sport, recreation, hospitality or tourism services.
 - (iv) The extent of refund in offshore mining is *** cents per litre of the general fuel levy and *** cents per litre of the Road Accident Fund levy of distillate fuel used in qualifying offshore mining activities.
 - (v) The user may apply for the refund specified in paragraph (e)(iv) only in respect of eligible purchases by the user of distillate fuel which was stored and dispensed by the user as fuel for use and used by the user in qualifying offshore mining activities in –
 - (aa) respect of a mining authorisation listed in the registration profile of the user for offshore mining; and
 - (bb) an installation listed in the registration profile of the user for use in offshore mining.
 - (vi) The user must reduce such refund application by any non-eligible purchases and must demonstrate that the conditions specified in paragraph (e)(v) were met by verifying the refund application through the necessary substantiating source documents prescribed in paragraph (j).
- (f) Offshore shipping: Refund of levies on eligible purchases of distillate fuel used in offshore shipping**
- (i) For the purposes of paragraph (f), unless the context otherwise indicates –
 - (aa) “coasting vessel” means any vessel designed and used for the conveyance of goods and which conveys goods between the ports in the Republic or between any such port and a port in the common customs area.
 - (bb) “foreign offshore shipping” means offshore shipping conducted in any offshore vessel other than a local offshore vessel.
 - (cc) “local offshore vessel” means any offshore vessel which is recognised and licensed as a ship of South African nationality in terms of the Merchant Shipping Act, 1951 (Act No. 57 of 1951).
 - (dd) “offshore shipping” means the operation for commercial gain of any offshore vessel along the coastline of Southern Africa.

- (ee) “offshore vessel” means any –
 - (A) coasting vessel;
 - (B) vessel owned or chartered by the National Sea Rescue Institute;
 - (C) vessel conducting coastal patrol in support of the marine industry;
 - (D) vessel conducting research in support of the marine industry; and
 - (E) vessel employed to service offshore fibre optic telecommunication cables.
- (ff) “qualifying offshore shipping activities” means those actions which are required for the operation of local offshore vessels in offshore shipping, which are limited to the activities of paragraph (f)(ii) and excludes the activities of paragraph (f)(iii).
- (gg) “transhipping” means transferring equipment, fuel or cargo from one vessel to another.
- (hh) “vessel” means any vessel which is propelled by inboard engines of which the fuel tanks form an integral part of the structure, and includes all gear, equipment, stores, cargo and fuel on board such vessel.
- (ii) Qualifying offshore shipping activities are limited to –
 - (aa) propulsion of an offshore vessel.
 - (bb) operating any equipment on an offshore vessel.
 - (cc) transhipping fuel between offshore vessels while at sea.
 - (dd) transhipping equipment between offshore vessels while at sea.
 - (ee) transhipping cargo between offshore vessels while at sea.
 - (ff) returning of an offshore vessel to a port in the Republic.

- (gg) removing, transporting, treating and disposing waste on an offshore vessel as the result of qualifying offshore shipping activities.
- (iii) Qualifying offshore shipping activities exclude –
 - (aa) foreign offshore shipping.
 - (bb) maintaining, repairing or refitting an offshore vessel or its on-board equipment.
 - (cc) trips connected with the maintenance, repair or refit of an offshore vessel.
 - (dd) any onshore activities, including –
 - (A) off-loading or stacking cargo by equipment or cranes on land; and
 - (B) operating any containers, stores or warehouses on land.
 - (ee) any activities related or incidental to the rendering of passenger, sport, recreation, hospitality or tourism services.
- (iv) The extent of refund in offshore shipping is *** cents per litre of the general fuel levy and *** cents per litre of the Road Accident Fund levy of distillate fuel used in qualifying offshore shipping activities.
- (v) The user may apply for the refund specified in paragraph (f)(iv) only in respect of eligible purchases by the user of distillate fuel which was stored and dispensed by the user as fuel for use and used by the user in qualifying offshore shipping activities in –
 - (aa) a local offshore vessel which has a transire as contemplated in section 7(10) and the rules thereto; and
 - (bb) the operating of the equipment used on board that vessel;provided such local offshore vessel and its on-board equipment are listed in the registration profile of the user for use in offshore shipping.
- (vi) The user must reduce such refund application by any non-eligible purchases and must demonstrate that the conditions specified in paragraph (f)(v) were met by verifying the refund application through the necessary substantiating source documents prescribed in paragraph (j).

(vii) Notwithstanding the logbook obligations specified in paragraph (j), logbook records are not required in respect of the on-board equipment referred to in paragraph (f)(v) and the volume of distillate fuel dispensed to and used in such on-board equipment must form a constituent part of the logbook records for the offshore vessel on board which such equipment is located.

(g) Harbour shipping: Refund of levies on eligible purchases of distillate fuel used in harbour shipping

(i) For the purposes of paragraph (g), unless the context otherwise indicates –

(aa) “foreign harbour shipping” means harbour shipping conducted in any harbour vessel other than a local harbour vessel.

(bb) “local harbour vessel” means any harbour vessel having South African nationality in terms of the Ship Registration Act, 1998 (No. 58 of 1998).

(cc) “harbour shipping” means the operation for commercial gain of any harbour vessel whose navigation does not extend beyond the seaward limits of the jurisdiction of the harbour authority of the port in the Republic at which such vessel is employed.

(dd) “harbour vessel” means any type of craft or structure, however propelled or moved, which is able to float or be floated and to move or be moved as an entity from one place to another, which is navigated in, on or above water within the confines of a port, and includes all gear, equipment, stores, cargo and fuel on board such vessel. A harbour vessel includes a —

(A) tug;

(B) dredger;

(C) sludge vessel;

(D) barge;

(E) lighter; and

(F) pontoon.

- (ee) “qualifying harbour shipping activities” means those actions which are required for the operation of local harbour vessels in harbour shipping, which are limited to the activities of paragraph (g)(ii) and excludes the activities of paragraph (g)(iii).
 - (ff) “transhipping” means transferring equipment, fuel or cargo from one harbour vessel to another.
- (ii) Qualifying harbour shipping activities are limited to –
- (aa) propulsion of a harbour vessel.
 - (bb) operating any equipment on a harbour vessel.
 - (cc) transhipping fuel between harbour vessels.
 - (dd) transhipping equipment between harbour vessels.
 - (ee) removing, transporting, treating and disposing waste on a harbour vessel as the result of qualifying harbour shipping activities.
- (iii) Qualifying harbour shipping activities exclude –
- (aa) foreign harbour shipping.
 - (bb) relocating or transporting a harbour vessel between ports.
 - (cc) maintaining, repairing or refitting a harbour vessel or its on-board equipment.
 - (dd) trips connected with the maintenance, repair or refit of a harbour vessel.
 - (ee) any onshore activities, including –
 - (A) off-loading or stacking cargo by equipment or cranes on land; and
 - (B) operating any containers, stores or warehouses on land.
 - (ff) any activities related or incidental to the rendering of passenger, sport, recreation, hospitality or tourism services.

- (iv) The extent of refund in harbour shipping is *** cents per litre of the Road Accident Fund levy of distillate fuel used in qualifying harbour shipping activities.
 - (v) The user may apply for the refund specified in paragraph (g)(iv) only in respect of eligible purchases by the user of distillate fuel which was stored and dispensed by the user as fuel for use and used by the user in qualifying harbour shipping activities in –
 - (aa) a local harbour vessel; and
 - (bb) the operating of the equipment used on board that vessel;provided such local harbour vessel and its on-board equipment are listed in the registration profile of the user for use in harbour shipping.
 - (vi) The user must reduce such refund application by any non-eligible purchases and must demonstrate that the conditions specified in paragraph (g)(v) were met by verifying the refund application through the necessary substantiating source documents prescribed in paragraph (j).
 - (vii) Notwithstanding the logbook obligations specified in paragraph (j), logbook records are not required in respect of the on-board equipment referred to in paragraph (g)(v) and the volume of distillate fuel dispensed to and used in such on-board equipment must form a constituent part of the logbook records for the harbour vessel on board which such equipment is located.
- (h) Rail freight transport: Refund of levies on eligible purchases of distillate fuel used in rail freight transport**
- (i) For the purposes of paragraph (h), unless the context otherwise indicates –
 - (aa) “foreign rail freight transport” means any rail freight transport conducted outside the borders of the Republic.
 - (bb) “freight train” means any individual or group of freight wagons used for the purpose of transporting cargo by rail.
 - (cc) “qualifying rail freight transport activities” means those actions which are required for the operation of rail freight locomotives in rail freight transport, which are limited to the activities of paragraph (h)(ii) and excludes the activities of paragraph (h)(iii).
 - (dd) “rail freight locomotive” means any type of self-propelled, vehicular engine, powered by distillate fuel, which provides the motive power for pulling or pushing a freight train, but excludes any locomotive capable of carrying passengers or freight itself.

- (ee) “rail freight transport” means the haulage for commercial gain of a freight train by one or more rail freight locomotives on a public railway within the borders of the Republic for the purpose of transporting cargo all or some of the way between the shipper and the intended destination as part of the logistics chain.
- (ii) Qualifying rail freight transport activities are limited to –
 - (aa) propulsion of a rail freight locomotive.
 - (bb) operating any equipment on a rail freight locomotive.
 - (cc) relocating a rail freight locomotive without a freight train.
 - (dd) relocating an empty or partially empty freight train after the delivery of its cargo.
 - (ee) removing, transporting, treating and disposing waste on a rail freight locomotive as the result of qualifying rail freight transport activities.
- (iii) Qualifying rail freight transport activities exclude –
 - (aa) foreign rail freight transport.
 - (bb) shunting of rolling stock to assemble or disassemble a train.
 - (cc) maintaining, repairing or refitting a rail freight locomotive, its on-board equipment, or rolling stock.
 - (dd) trips connected with the maintenance, repair or refit of a rail freight locomotive or rolling stock.
 - (ee) any activities related or incidental to the rendering of passenger, sport, recreation, hospitality or tourism services.
- (iv) The extent of refund in rail freight transport is *** cents per litre of the Road Accident Fund levy of distillate fuel used in qualifying rail freight transport activities.
- (v) The user may apply for the refund specified in paragraph (h)(iv) only in respect of eligible purchases by the user of distillate fuel which was stored and dispensed by the user as fuel for use and used by the user in qualifying rail freight transport activities in –

(aa) a rail freight locomotive; and

(bb) the operating of the equipment used on board that locomotive;

provided such rail freight locomotive and its on-board equipment are listed in the registration profile of the user for use in rail freight transport.

(vi) The user must reduce such refund application by any non-eligible purchases and must demonstrate that the conditions specified in paragraph (h)(v) were met by verifying the refund application through the necessary substantiating source documents prescribed in paragraph (j).

(vii) Notwithstanding the logbook obligations specified in paragraph (j), logbook records are not required in respect of the on-board equipment referred to in paragraph (h)(v) and the volume of distillate fuel dispensed to and used in such on-board equipment must form a constituent part of the logbook records for the rail freight locomotive on board which such equipment is located.

(i) Electricity generation: Refund of levies on eligible purchases of distillate fuel used in electricity generation

(i) For the purposes of paragraph (i), unless the context otherwise indicates –

(aa) “electricity generation” means the production and supply for commercial gain of electricity to the national electricity distribution network.

(bb) “electricity generation plant” means an industrial facility for electricity generation which utilises open cycle gas turbine units with a combined capacity exceeding 200 megawatt and which is limited to the electricity generation plants known as –

(A) Ankerlig Power Station situated at Atlantis;

(B) Gourikwa Power Station situated at Mossel Bay;

(C) Dedisa Power Station situated at Port Elizabeth; and

(D) Avon Power Station situated at Shakaskraal.

- (cc) “qualifying electricity generation activities” means those actions required for the operation of electricity generation plants in electricity generation, which are limited to the activities of paragraph (i)(ii) and excludes the activities of paragraph (i)(iii).
- (ii) Qualifying electricity generation activities are limited to –
 - (aa) warming up of an open cycle gas turbine for electricity generation.
 - (bb) working of an open cycle gas turbine for electricity generation.
 - (cc) cooling off of an open cycle gas turbine after electricity generation.
 - (dd) removing, transporting, treating and disposing waste at an electricity generation plant as the result of qualifying electricity generation activities.
- (iii) Qualifying electricity generation activities exclude –
 - (aa) maintaining, repairing or refitting an open cycle gas turbine or electricity generation plant.
 - (bb) any activities related or incidental to the maintenance, repair or refit of an open cycle gas turbine or electricity generation plant.
 - (cc) any activities related or incidental to the rendering of passenger, sport, recreation, hospitality or tourism services.
- (iv) The extent of refund in electricity generation is *** cents per litre of the general fuel levy and *** cents per litre of the Road Accident Fund levy of distillate fuel used in qualifying electricity generation activities.
- (v) The user may apply for the refund specified in paragraph (i)(iv) only in respect of eligible purchases by the user of distillate fuel which was stored and dispensed by the user as fuel for use and used by the user in qualifying electricity generation activities in respect of electricity generation plants which are listed in the registration profile of the user for use in electricity generation.
- (vi) The user must reduce such refund application by any non-eligible purchases and must demonstrate that the conditions specified in paragraph (i)(v) were met by verifying the refund application through the necessary substantiating source documents prescribed in paragraph (j).

(j) Administrative requirements and source documentation to substantiate refund applications

- (i) The user may apply for a refund only in respect of the eligible purchases of distillate fuel by that user in respect of which the –
 - (aa) original invoice contemplated in section 75(4A)(c) and specified in paragraph (j)(iii); and
 - (bb) invoices, books, accounts and documents contemplated in section 75(4A)(d) and (e) and specified in paragraph (j)(iv);have been furnished, completed and kept as prescribed.
- (ii) If the user performs more than one of the categories of qualifying activities, or any non-qualifying activity, the user must keep the records referred to in paragraph (j)(i) separately to demonstrate how distillate fuel was obtained, delivered, stored and dispensed for use, used, disposed of or lost in respect of each category of qualifying activity or any non-qualifying activity.
- (iii)
 - (aa) The user must obtain all eligible purchases through the purchase of such distillate fuel from wholesalers of petroleum products who are licensed as such in terms of the Petroleum Products Act, 1977 (Act No. 120 of 1977), provided such licensed wholesalers are listed in the registration profile of the user as sellers of eligible purchases of distillate fuel to that user.
 - (bb) For the purposes of section 75(4A)(c), such seller must furnish the user with an original invoice and keep a copy of such invoice reflecting the particulars for each purchase of distillate fuel by that user available for inspection by the Commissioner for a period of five years calculated from the end of the calendar year in which such record was created.
 - (cc) The original invoice specified in paragraph (j)(iii)(bb) must include at least the –
 - (A) date of the sale;
 - (B) licensed wholesaler name and physical address of the seller;
 - (C) name, business name (if any) and physical address of the user;
 - (D) volume in litres of distillate fuel sold; and
 - (E) total price of the invoiced sale.

- (iv) (aa) For the purposes of section 75(4A)(d) and (e), the user must complete such books, accounts and documents and keep such invoices, books, accounts and documents reflecting the particulars prescribed in this Note available for inspection by the Commissioner for a period of five years calculated from the end of the calendar year in which such record was created.
- (bb) The invoices, books, accounts and documents specified in paragraph (j)(iv)(aa) must include at least the –
 - (A) original invoice prescribed in paragraph (j)(iii);
 - (B) original delivery note prescribed in paragraph (j)(v);
 - (C) storage logbook prescribed in paragraph (j)(vi);
 - (D) usage logbook prescribed in paragraph (j)(vii);
 - (E) records that informed the completion of such logbooks by the user;
 - (F) records on distillate fuel received under rebate of duty under any item of any Schedule;
 - (G) records prescribed in paragraph (j)(viii) on the disposal in any manner of distillate fuel; and
 - (H) records prescribed in paragraph (j)(ix) on the loss in any manner of distillate fuel.
- (v) (aa) The user may utilise transporters to deliver eligible purchases of distillate fuel by the user from the seller to that user, provided such transporters are listed in the registration profile of the user as transporters of eligible purchases of distillate fuel to that user.
- (bb) Such transporter must furnish the user with an original delivery note and keep a copy of such delivery note reflecting the particulars for each delivery of distillate fuel to that user available for inspection by the Commissioner for a period of five years calculated from the end of the calendar year in which such record was created.
- (cc) The original delivery note specified in paragraph (j)(v)(bb) must include at least the –
 - (A) date of the delivery;
 - (B) name, business name (if any) and physical address of the transporter;

- (C) licensed wholesaler name and physical address of the seller;
 - (D) name, business name (if any) and physical address of the user;
 - (E) physical address to which the distillate fuel was delivered;
 - (F) volume in litres of distillate fuel delivered; and
 - (G) total price charged for the delivery.
- (vi) (aa) The user must control the storage facilities for eligible purchases of distillate fuel by that user and must list each such storage facility, together with the location and fuel storage capacity thereof, in the registration profile of such user.
- (bb) The user must complete a monthly storage logbook in respect of each such storage facility which reflects the particulars of all eligible purchases of distillate fuel received, stored, dispensed, disposed of or lost in any manner by the user during that month.
- (cc) The storage logbook specified in paragraph (j)(vi)(bb) must provide at least the information prescribed in the External Policy and the Template for minimum storage logbook requirements which are available on the SARS website at –
- <https://www.sars.gov.za/ClientSegments/Customs-Excise/Excise/Pages/Diesel-Refund-System.aspx>
- (vii) (aa) The user must control the usage of eligible purchases of distillate fuel by that user as prescribed in this Note and must list each asset of that user which is powered by such distillate fuel to perform qualifying activities, together with identifying features and the fuel tank capacity thereof, in the registration profile of such user.
- (bb) The user must complete a monthly usage logbook which reflects the particulars of all eligible purchases of distillate fuel received from the storage facilities of that user, each manner of application of such distillate fuel, all assets powered by such distillate fuel, and the purpose of each activity performed with such distillate fuel by the user during that month.
- (cc) The usage logbook specified in paragraph (j)(vii)(bb) must provide at least the information prescribed in the External Policy and the Template for minimum usage logbook requirements in respect of each category of qualifying activities which are available on the SARS website at –

<https://www.sars.gov.za/ClientSegments/Customs-Excise/Excise/Pages/Diesel-Refund-System.aspx>

- (dd) The user may request permission in writing from the Commissioner for the approval of a simplified usage logbook format, which would reflect less detailed information compared to the prescribed minimum usage logbook requirements referred to in paragraph (j)(vii)(cc), in instances where –
 - (A) the level of distillate fuel in the fuel tank of a specified class of asset of that user cannot with reasonable certainty be gauged at month end to determine the monthly fuel use thereof and such user agrees to consistently deem the closing balance at month end for such class of asset to be a full fuel tank; or
 - (B) the user consistently employs satellite tracking technology in respect of a specified class of asset of that user in order to populate the proposed alternative logbook solution of such user with automated Global Positioning System (GPS) entries reflecting the accurate location of such class of asset at all times.
- (viii) (aa) Eligible purchases of distillate fuel which the user disposes of, whether by sale, barter, donation or any other manner, do not qualify for a refund and constitute non-eligible purchases of that user which such user must deduct from any refund application.
- (bb) The user must furnish the recipient of the disposed distillate fuel with an original invoice and keep a copy of such invoice reflecting the particulars of each disposal of distillate fuel, which must include at least the –
 - (A) date of the disposal;
 - (B) name, business name (if any) and physical address of the user;
 - (C) name, business name (if any) and physical address of the recipient;
 - (D) description of the manner of the disposal;
 - (E) volume in litres of distillate fuel disposed;
 - (F) description of compensation received; and
 - (G) value of the compensation received.

- (ix) (aa) Eligible purchases of distillate fuel which the user loses, whether by accident, theft, leakage or any other manner, do not qualify for a refund and constitute non-eligible purchases of that user which such user must deduct from any refund application.
- (bb) The user must record the loss of distillate fuel and keep a copy of such record reflecting the particulars of each loss of distillate fuel, which must include at least the –
 - (A) date the loss was detected;
 - (B) estimated date the loss occurred;
 - (C) locality where the loss occurred;
 - (D) circumstances surrounding the loss;
 - (E) volume in litres of distillate fuel lost;
 - (F) manner in which the volume was calculated;
 - (G) total estimated value of the distillate fuel lost;
 - (H) copy of the police report where applicable; and
 - (I) details of the insurance claim where applicable.
- (x) For the purposes of section 75(1C)(d)(i), the user must furnish a declaration to the Commissioner at such times and in such form and supported by such documents as the Commissioner may determine which reflect the particulars in relation to the purchase and use of distillate fuel by that user concerning any refund granted to such user.