

**EXCISE**

**EXTERNAL POLICY**

**ENVIRONMENTAL LEVY ON PLASTIC  
BAGS MANUFACTURED IN SOUTH  
AFRICA**

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## 1 SUMMARY OF MAIN POINTS

- a) The **policy** applies to manufacturers in the Plastic Bag Industry.
- b) This **policy** does not cover:
  - i) **Payment Rules as this is dealt with in document GEN-PAYM-01-G01;**
  - ii) Declaration and Return submission via e-Filing as this is dealt with in document SE-ACC-02-M02;
  - iii) Submission of **Accounts / Returns** as this is dealt with in document SE-ACC-05;
  - iv) **Bonds** as this is dealt with in document SE-BON-02;
  - v) **Accounting for Duty / Levy as this is dealt with in document SE-GEN-02;**
  - vi) Licensing and Registration requirements as these are dealt with in document SE-LR-02;
  - vii) Prescribed payment **Terms / Periods** as these are dealt with in document SE-PAY-02;
  - viii) The completion of the 'DA 161A Environmental Levy Account for Plastic Bag Levy' as this is dealt with in document SE-PB-03-M01;
  - ix) Refunds as these are dealt with in document SE-REF-02; and
  - x) **Tariff Determination as this is dealt with in document SE-TDN-02.**

## 2 POLICY

### 2.1 Liability for levy

- a) An environmental levy is payable on certain locally manufactured plastic bags of which the manufacturing takes place in a licensed **Manufacturing Warehouse (VM)**.
- b) **The provision for manufacturing and the liability for payment of the environmental levy in a Special Economic Zone are contained in Section 21A and the rules thereto.**
- c) The levy is assessed and collected on the principles of "Duty at Source" (DAS).
- d) **Manufacturing of plastic bags:**
  - i) **Prohibited** - Carrier and flat bags, except those mentioned in paragraph (iii) below, of less than 24 microns may be manufactured locally but only for removal to **Botswana, Lesotho, Namibia and Swaziland** (BLNS) countries and / or export to other foreign countries.
  - ii) **Restricted** - The manufacture of carrier bags and flat bags for consumption in South Africa (**SA**) is restricted to bags with a thickness of more than 24 microns and which comply with the South African Bureau of Standards (SABS) printing requirements (Schedule 1 Part 3A – Subheadings 3923.21.07, 3923.21.17, 3923.29.40 and 3923.29.50) are restricted.
  - iii) **Allowed** -
    - A) The under-mentioned plastic bags have no restrictions with regards to micron specifications when manufactured locally:
      - I) Bread Bags;
      - II) Refuse bags;
      - III) Bin liners;
      - IV) Household plastic bags;
      - V) Primary packaging (e.g. barrier bags which is defined as a thin or flimsy bag, used to separate incompatible products at the final point of sale, for health, hygiene or transport purposes); and
      - VI) Plastic bags for export.
    - B) The only plastic bags subject to the levy that are allowed on the local market are those which are manufactured to the specific legislative requirements of material, thickness, printing, use and design as described in Schedule 1 Part 3A – Subheadings 3923.21.07, 3923.21.17, 3923.29.40 and 3923.29.50.

## 2.2 Keeping of records

- a) In terms of Rule 54F.06(a)(1) every licensee must keep proper books, accounts and documents and any data created by means of a computer, of all transactions relating to the activity in respect of which the license is issued, for a period of five (5) years.
- b) Production documents, sales invoices, dispatch delivery notes, credit notes and declaration with procedure codes E 45-47 and E 47-46 must be kept by the client for five (5) years from the date of transaction on the document.
  - i) Credit notes will only be allowed if each consignment is accompanied by a valid delivery note / stock return note from the purchaser for plastic bags removed and returned for re-processing, re-cycling or destruction for all removals from a;
    - A) VM to the local market / BLNS countries levy paid; or
    - B) VM to Special Storage Warehouse (SOS) for export.
- c) Records must show how the manufacturing process has been performed from the issue of the raw material to the finished product ready for sale for home consumption, export or removal or other disposal. The records should amongst others show the following:
  - i) The quantity of bags, subject to the levy, manufactured;
  - ii) The sales invoices or dispatch delivery notes;
  - iii) The date that the sale / removal, disposal or other use occurred;
  - iv) To whom the manufactured bags were sold or disposed of;
  - v) The amount of bags sold or removed;
  - vi) Details of any set-off per credit notes;
  - vii) Details of any re-cycled, re-processed or returned stock;
  - viii) Stock records of manufactured products taken into stock on a daily basis;
  - ix) Declaration - records of any movements to BLNS countries; and
  - x) Excise processed copies of DA 161A levy accounts previously submitted [(all paper copies of the completed DA 161A's, dated, signed and used by the client as source information for completion of the Excise Duty and Levy Return (EXD 01) for e-Filing purposes)].
- d) Plastic bags subject to the levy can be lost through theft, *vis major* occurrences or any other reason. In this instance the following records must be kept:
  - i) The date the loss occurred or the date the loss was detected;
  - ii) Where the loss occurred and the circumstances surrounding the incident;
  - iii) Police reports or affidavit made regarding the incident particulars; and
  - iv) Copy of business short term insurance policy that covers or does not cover the levy value of production whilst in stock.

## 2.3 Penalties

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

## 2.4 Promotion of Administrative Justice Act

- a) The Promotion of Administrative Justice Act (PAJA) No. 3 of 2000 gives effect to everyone's right to administrative action that is lawful, reasonable and procedurally fair. Any person whose rights have been adversely affected by administrative action has the right to be given written reasons, as contemplated in Section 33 of the Constitution of the Republic of South Africa, 1996. PAJA:

- i) Provides for the review of administrative action by a court or where appropriate, an independent and impartial tribunal;
  - ii) Imposes a duty on the State to give effect to those rights;
  - iii) Promotes an efficient administration as well as good governance; and
  - iv) Creates a culture of accountability, openness and transparency in the Public Administration or in the exercise of a public power or the performance of a public function, by giving effect to the right to just administrative action.
- b) Administrative action, which significantly and unfavourably affects the rights or valid expectations of any person, must be procedurally fair. A fair administrative procedure depends on the circumstances of each case.
- c) A person must be given:
- i) Written reasons of the nature and purpose of the proposed administrative action;
  - ii) A reasonable opportunity to make representations;
  - iii) A clear statement of the administrative action; and
  - iv) Adequate notice of any right of review or internal appeal, where applicable.
- d) Before administrative action can be taken by Excise, the client must be allowed the opportunity to:
- i) Obtain assistance and, in serious or complex cases, legal representation;
  - ii) Present and dispute information and arguments; and
  - iii) Appear in person.
- e) Just administrative action requires the Excise Officer to consider all the facts presented and obtained in addition to affording the client the opportunity to be heard, prior to instituting any administrative action.
- f) Clients whose rights have been significantly and unfavourably affected by administrative action and who have not been given reasons for the action may, within ninety (90) days after the date on which the client became aware of the action, request Excise to furnish written reasons for the action.
- g) Excise must within ninety (90) days, after receiving the request, give the client adequate reasons in writing for the administrative action. If Excise fails to furnish adequate reasons for the administrative action, it is presumed in any proceedings for judicial review that the administrative action was taken without good reason.

## 2.5 Appeal against decisions

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

## 2.6 Assessment of the Environmental levy

### 2.6.1 Measure of leviable quantity:

- a) The DA 161A and Excise Duty and Levy return (EXD 01) require the licensee (manufacturer) to declare all stock, production and removals that took place in the accounting period.
- b) Determining all leviable movements subject to the levy and sales of plastic bags to the local market and BLNS countries, as reflected on the dispatch delivery notes or commercial invoices.

- c) Calculating the relevant levy by multiplying the quantity of bags sold (which is inclusive of sales to BLNS and or other foreign countries) by the relevant rate of levy on plastic bags (Environmental levy Item 147.01).
- d) The levy is based on the **quantity** (per unit) of the **leviable plastic bags**.
- e) The administration of the levy on plastic bags (subject to the levy) is inclusive of certain rebates, refunds and set-offs provisions, which are contained in the Schedule 6 **Part 4**.

### 2.6.2 Rate of levy:

- a) The rate of levy to be used for calculating the Environmental levy on certain plastic bags is the relevant rate of levy in terms of Schedule 1 Part 3A.
- b) This **must** be at time of **invoicing and** removal from the warehouse.

### 2.6.3 Removal of goods:

- a) A licensee who removes carrier and / or flat bags from a Customs and Excise **manufacturing** warehouse for any purpose contemplated in Section 20(4) (including for removal to a BLNS, **other foreign countries and SOS's**), must complete an invoice or dispatch delivery note.

- i) The invoice or dispatch delivery note must be serially or transactional numbered and dated as required by Rule 54F.05.

#### a) **Duty paid movements [Removals (sales) to the local market including the Southern African Customs Union (SACU)]:**

- i) The relevant levy on movements of carrier and flat bags from a VM directly to the local market (other than movements for export) must be **declared and** paid to the **South African Revenue Service (SARS)** within the prescribed payment period per the quarterly **DA 161A and** EXD 01.

#### b) **Removals to agents:**

- i) VMs may have marketing / selling agents to whom plastic bags subject to the levy are forwarded where it will be stored until the VM receives an order. This means, that the plastic bags are only sold after some period [sometimes up to six (6) months].
- ii) It should be noted however, the levy must be declared and brought to account on the quarterly **DA 161A and** EXD 01, which follows directly after such removal of such stock from the VM.
- iii) The delivery of the bags (by the VM) to the agent takes place on a DELIVERY NOTE which for accounting purposes has the same status as a COMMERCIAL INVOICE on which the levy must be paid, e.g.:

<b>Delivery Note</b>	30 June 2004	10 000 Plastic bags	Levy payable end of September 2004
<b>Invoice (Actually sold)</b>	20 November 2004	Delivery Note	Delivery Note

- iv) The invoice(s), which has been completed by the agent after the stock received on the delivery note has been finally sold, must refer to the delivery note, proving that the levy has been paid.
- v) The quantity of bags reflected on the dispatch delivery note as per the above, must, as is the case with the quantity reflected on the commercial invoice, **be** regarded as sales / removals, which must be declared on the **DA 161A and** EXD 01 for the specific accounting quarter.

#### c) **Movements to BLNS Countries (Locally manufactured):**

- i) All movements of plastic bags subject to the levy from **SA** to the BLNS countries **must** be on a **levy paid** basis **outside the current period**. After assessment, the levy can be set-off.
- ii) The licensee must produce a duly completed **Customs Clearance Declaration (CCD)** and invoice to the Controller / Branch Manager at the port of exit from **SA**.

- iii) Depending on the mode of transport, the licensee must also keep copies of the following documents:
    - A) A copy of the road manifest in respect of goods carried by road;
    - B) A copy of the bill of lading in respect of goods carried by ship;
    - C) A copy of the air waybill in respect of goods carried by air; and
    - D) A copy of the consignment note in respect of goods carried by rail.
  - iv) The following clearing documents are required when plastic bags (subject to the levy) are removed to a BLNS country (Refer to SC-CF-55).
- d) **Non Duty paid transactions:**
- i) Plastic bags (subject to the levy) can be removed without payment of levy from a VM to a SOS licensed for export or duty free shop.
  - ii) The VM must submit a duly completed **CCD** with procedure code E 45-47.

## 2.7 Tax invoice requirements

- a) A valid tax invoice on which plastic bags, classifiable under item 147.01 of Part 3A of Schedule 1, **have** been removed from a VM must **at least** contain the following information:
- i) The words “tax invoice”;
  - ii) The name, address and Value-Added Tax (VAT) number of the manufacturer;
  - iii) The name and address of the purchaser;
  - iv) A serial number of the invoice;
  - v) The date of the transaction;
  - vi) The description of the goods;
  - vii) The quantity removed;
  - viii) The value of the goods removed;
  - ix) The amount of levy; and
  - x) The amount of VAT.
- b) Calculation of VAT on invoices
- i) In terms of Section 7(3)(a) of the VAT Act on goods manufactured in **SA which are** subject to environmental levy have been supplied at a price which does not include such Environmental levy and VAT has become payable in respect of the supply, VAT shall be levied and paid on the value of the supply including environmental levy.
  - ii) Example:

DESCRIPTION	
10 000 X CARRIER PLASTIC BAGS	R 5 000.00
Levy due @ relevant rate / per bag	R 1 200.00
SUB-TOTAL	R 6 200.00
VAT@ 15%	R 930.00
PRICE INCLUSIVE OF VAT @ 14%	R 7 130.00

- iii) The figures reflected in the example will differ according to the relevant rates of levy and VAT applicable.

## 2.8 Returns

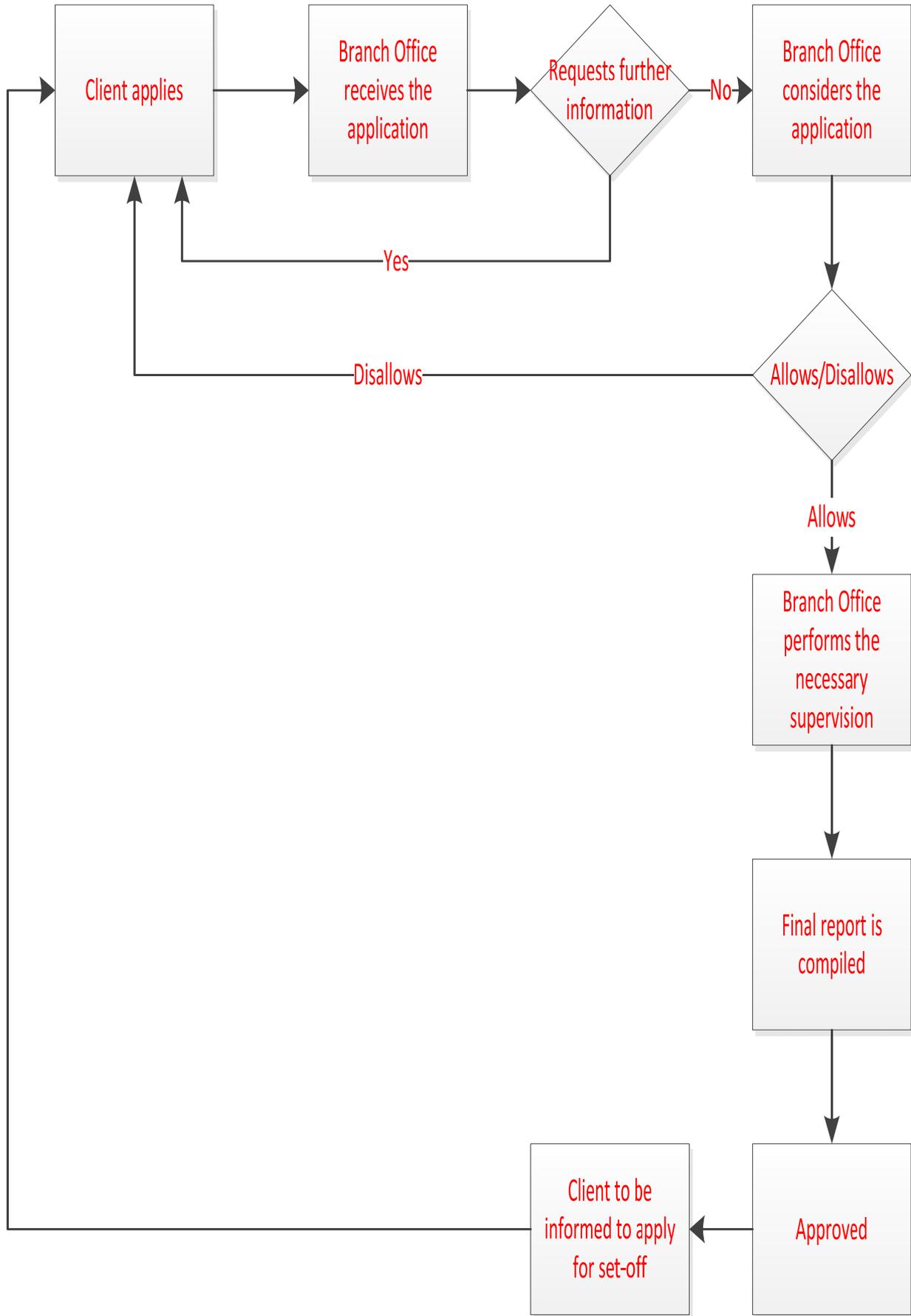
- a) **Duty paid returns** - Returns of plastic bags (subject to the levy) will be dealt with in terms of Rule 54F.13 as follows:
- i) Returns of certain plastic bags to a VM will be allowed for **reprocessing**, only if each consignment is accompanied by a valid delivery note / stock return note from the purchaser returning the product and otherwise comply with the provisions of Rebate Item 681.02 of **Schedule 6**.

- A) The licensee must issue a credit note for the goods so returned for reprocessing. A copy of such credit note as well as the delivery note / stock return note issued by the person who returns the goods must be kept as proof of such transaction.
  - B) After actual reprocessing of the plastic bags, a set-off of levy will be allowed on the Environmental levy account (DA 161A) in terms of Rebate Item 681.02.
  - C) The applicable rate of levy for determining the amount of such set off will be the lower of the previous twelve (12) months' rate of levy, including the current rate of levy at the time of set-off, unless the licensee can prove the actual rate of levy originally paid.
- ii) Returns of certain plastic bags to a VM will be allowed for any other purpose other than reprocessing, only if each consignment is accompanied by a valid delivery note / stock return note from the purchaser returning the product and otherwise comply with the provisions of Rebate Item 681.03 of Schedule 6.
- A) The licensee must issue a credit note for the goods so returned for reprocessing. A copy of such credit note as well as the delivery note / stock return note issued by the person who returns the goods must be kept as proof of such transaction.
  - B) A set-off of levy will be allowed on the Environmental levy account (DA 161A) on the goods returned in accordance with the provisions in terms of Rebate Item 681.03.
  - C) The applicable rate of levy for determining the amount of such set off will be the lower of the previous twelve (12) months' rate of levy, including the current rate of levy at the time of set-off, unless the licensee can prove the actual rate of levy originally paid.

b) **Movements from BLNS Countries**

- i) For all returns of locally manufactured plastic bags (subject to the levy) from these countries, payment of the levy must be made at the place of entry into SA:-
  - A) These bags are now regarded as levy paid, and are therefore NOT ALLOWED back into the VM as stock to prevent contamination of non-levy paid stock;
  - B) Should the VM prefer to bring it back onto the VM premises, the VM must create a levy paid area and indicate such area on its floor plan;
  - C) The levy paid bags may then be returned into such an area and be sold / removed out of such area on a first opportunity basis;
  - D) The invoices for such removal must be clearly marked "levy paid stock removal";
  - E) No levy paid goods may be brought into such levy paid area without relevant and comprehensive documentation of the reasons, etc.; and
  - F) Documentary proof of such receipts of levy paid bags MUST be kept for audit and verification purposes.
- ii) Documents used for movements from BLNS countries to SA:
  - A) CCD's;
  - B) Invoice(s);
  - C) Note from the BLNS client to indicate that the consignment is being returned to the supplier, etc.; and
  - D) Export document from the relevant BLNS country.

**2.9 Process for reprocessing, destruction or abandonment**



### 2.9.1 Application

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

### 2.9.2 Consideration

- a) The Excise Officer (EO) must ensure that:
  - i) The client has met the conditions of the notes to the relevant Rebate Item; and
  - ii) That all supporting documents have been submitted.
- b) If necessary, the said Officer can request further information from the client.
- c) The relevant Officer must compile a report for the Operations Manager (OPS Manager), indicating whether the application can be considered or not.

### 2.9.3 Allows / disallows

- a) When the OPS Manager allows the application, two (2) Officers' must be tasked to attend the reprocessing, destruction or abandonment. If needed the application can be verified by these officers.
- b) Should the application be unsuccessful, the client must be informed in writing of the reasons thereof, taking PAJA into account.

### 2.9.4 Supervision

- a) Once the two (2) appointed Officers have viewed the reprocessing or destruction, a P2.08 must be completed in duplicate verifying that such destruction or reprocessing has taken place.
- b) A copy thereof must be handed to the client.

### 2.9.5 Final report

- a) A final report must be compiled by the Officers, attaching all relevant supporting documentation and submitted to the OPS Manager.
- b) The OPS Manager must inform the client in writing to apply for a set-off on their Excise account / return.

## 2.10 Set-Off

- a) For the purpose of Section 75(11A), the licensee of the Customs and Excise manufacturing warehouse must produce proof of the rate of Excise duty paid or payable on the products for **reprocessing** or **destruction** in accordance with the provisions of Rebate Items 681.02 or 681.03.

- b) If the licensee of the Customs and Excise manufacturing warehouse is unable to produce such proof, the duty on any quantity so returned, shall be calculated for refund purposes at the **lowest** rate of Excise duty levied in terms of this Act on such products during a period of twelve (12) months prior to the date of the examination.
- c) The licensee of such warehouse may, after reprocessing or destruction of the products concerned, and on accounting for the goods reprocessed in the monthly account, prescribed in the rules for Section 19A, set-off as contemplated in Section 77, any amount duly refundable against the amount payable on any such account (EXD 01) during a period of two (2) years after receipt of the goods for reprocessing or destruction, as the case may be.
- d) The rand amount to be set off shall be calculated in the following manner:

Quantity returned (number and / or kilograms) × rate of duty (determined as above) = Duty to be set-off.

- e) This amount must then be subtracted from the duty due on the EXD 01.

## 2.11 Rebates, drawbacks and refunds

- a) Provision has been made for rebates, drawbacks and refunds. Part 4 of Schedule 6 under Section 75(15) provides for rebates and refunds on plastic bags (subject to the levy) locally manufactured in SA. For example:
- i) As the BLNS countries have not introduced the Environmental levy on plastic bags, provisions have been made for a set-off of the levy on goods removed to those countries.
  - ii) A set-off is also provided for in respect of plastic bags subject to the levy, which are returned to the manufacturer for **reprocessing** or for other reasons and goods, which are exported by persons other than the manufacturer.
- b) **Losses**
- i) Vis Major losses, or losses the Commissioner deems exceptional, may be allowed in terms of Rebate Item 680.02 depending on the circumstances.
  - ii) Each individual application in writing for such rebate of levy has to be approved by the Commissioner for SARS.
  - iii) The Branch Office must be informed by the licensee or manufacturer of such occurrence immediately to assess the situation and approve of the loss.
  - iv) **In addition, hereto, refer to paragraph 2.2(d).**

## 3 RELATED INFORMATION

### 3.1 Legislation

TYPE OF REFERENCE	REFERENCE
International Instruments:	<b>None</b>
Legislation and Rules administered by SARS:	<b>Customs and Excise Act No. 91 of 1964:</b> 20(4), <b>21A</b> , 27, 39, 54A, 54B, 58, <b>75(15)</b> 87, 88 and 119A <b>Customs and Excise Rules:</b> 19, 54F.01, 54F.03, 54F.05, 54F.06(a)(1) 54F.10, 54F.11, 54F.13, <b>119A.R101A(10)(b)</b> , 119A.R101A(10)(d) and <b>119A.R101A(10)(f)</b> <b>Customs and Excise Tariff:</b> Schedule 1 Parts <b>2B</b> , 3A and Schedule 6 <b>Part 4</b> <b>Tax Administration Act No. 28 of 2011:</b> Sections 215 to 220 and 224 <b>Value-Added Tax Act No. 89 of 1991:</b> Section 7(3)(a)
Other Legislation:	<b>Constitution of the Republic of South Africa, 1996:</b> Section 24 and <b>33</b> <b>Diamond Export Levy (Administration) Act No. 14 of 2007</b> <b>Promotion of Administrative Justice Act (PAJA) No. 3 of 2000</b> <b>Standards Act No. 29 of 1993:</b> Section 22(1)(a)(i) and 8

### 3.2 Cross References

DOCUMENT #	DOCUMENT TITLE
FIN-AM-03	Excise eAccount on eFiling – External User Manual
GEN-PAYM-01-G01	Payment Rules – External Guide
SC-CC-26	Alternative Dispute Resolution – External Policy
SC-CF-04	Completion of Declarations – Internal and External Manual
SC-CF-55	Clearance Declaration – External Policy
SC-TR-01-02	Acquittal of Customs Declarations – External Policy
SE-ACC-02-M02	Declaration and Return Submission via eFiling – External Manual
SE-BON-02	Bonds – External Policy
SE-CC-24	Internal Administrative Appeal – External Policy
SE-CC-26	Alternative Dispute Resolution – External Policy
SE-CL-12	Submission of Accounts>Returns – External Standard
SE-CON-02	Clearance of bonded / inter-warehouse movements – External Policy
SE-GEN-02	Accounting for Duty / Levy – External Policy
SE-GEN-04-G01	Introduction to Excise Duties, Levies and Air Passenger Tax – External Guide
SE-LR-02	Licensing and Registration- External Policy
SE-PAY-02	Prescribed Payment Terms / Periods – External Policy
SE-PB-03-M01	DA 161A Environmental Levy Account for Plastic Bag levy – Completion Manual
SE-REF-02	Refunds - External Directive
SE-TDN-02	Tariff Determination – External Policy

### 3.3 Quality Records

Number	Title
DA 161A	Environmental levy account for Plastic Bags
EXD 01	Excise Duty and Levy return

## 4 DEFINITIONS AND ACRONYMS

<b>Account</b>	In relation to the document required to be submitted in respect of the payment of duty in terms of any provision of the Act and any other rule, must be regarded as a return.
<b>ADR</b>	Alternative Dispute Resolution
<b>Bin Liners</b>	A plastic bag used for lining a rubbish bin.
<b>BLNS</b>	a) Consist of:  i) The Republic of Botswana; ii) The Kingdom of Lesotho; iii) The Republic of Namibia; and iv) The Kingdom of Swaziland
<b>Bread Bag</b>	A plastic wrapper in which a loaf of bread is sold, intended to keep the bread fresh for longer than it would be if unwrapped.
<b>Carrier bag</b>	Bags constructed with handles and with or without gussets.
<b>CCD</b>	Customs Clearance Document
<b>Customs Clearance Declaration</b>	Applicable SAD form (e.g. SAD 500, 501, 502, 503, 504, 505, 506, etc.) or CD 1 (Customs Declaration)
<b>Controller / Branch Manager</b>	The officer designated by the Commissioner to be the Controller / Branch Manager of Customs and Excise in respect of that area or matter and includes officers acting under the control or direction of any officer so designated by the Commissioner.
<b>Credit Notes</b>	A form or letter sent by a seller to a buyer, stating that a certain amount has been credited to the buyer's account.
<b>DAS</b>	Duty At Source – Assessment of duty and levies at the time when fuel and other excisable products except wine are removed from the manufacturing warehouse.
<b>Delivery note</b>	A document sent by a supplier to a customer at the time when products are supplied, itemizing the physical quantities of product supplied. Thereafter an invoice is usually sent to the customer showing the money value of products supplied.

<b>Duty Free Shop</b>	<p>a) These shops or stores are retail outlets that are exempt from the payment of certain local or national taxes and duties on the following requirements i.e.:</p> <p>i) That the goods sold will be sold to travellers who will take them out of the country; or</p> <p>ii) Only persons who are accredited by the Department of International Relations and Co-operation (DIRCO) that are in possession of a valid Diplomatic or Consular identity card may enter and purchase goods that are duty free.</p>
<b>E 45-47</b>	Clearance for Removal in Bond of <b>Excise</b> goods from one (1) Excise Warehouse to another Excise Warehouse in South Africa or BLNS, where the goods were previously subject to a change of ownership.
<b>E 47-46</b>	Clearance for Change of ownership of goods, which were previously removed in bond from one (1) excise warehouse to another.
<b>e-Filing</b>	The South African Revenue Service (SARS) E-Filing is a free, online process for the submission of returns and declaration and other related services. This free service allows taxpayers, tax practitioners, businesses to register free of charge and submit returns, and declarations make payments and perform a number of other interactions with SARS in a secure online environment.
<b>Environmental Levy on Plastic Bags</b>	The environmental levy imposed in terms of item 147 to Part 3A of Schedule 1 and the Notes thereto.
<b>EXD 01</b>	<b>Excise Duty and Levy Return</b>
<b>Flat bag</b>	Bags constructed without handles and with or without gussets.
<b>Licensees</b>	Any person licensed under any provision of the Act.
<b>Manufacture</b>	<p>a) In the discretion of the Commissioner, any process –</p> <p>i) in the manufacture or assembly of any excisable goods, <b>environmental levy goods, fuel levy goods or Road Accident Fund (RAF) levy goods;</b></p> <p>ii) in the conversion of any goods into excisable goods, <b>environmental levy goods, fuel levy goods or RAF levy goods;</b></p> <p>iii) whereby the dutiable quantity or value of any imported goods specified in Section B of Part 2 of Schedule 1, Excisable goods, <b>environmental levy goods, fuel levy goods or RAF levy goods</b> is increased in any manner;</p> <p>iv) in the recovery of excisable goods, <b>environmental levy goods, fuel levy goods or RAF levy goods from Excisable goods or any other goods;</b></p> <p>v) In the packing or measuring off of any imported goods specified in Section B of Part 2 of Schedule 1, Excisable goods, <b>environmental levy goods or RAF levy goods, or</b></p> <p>vi) in the generation of electricity liable to environmental levy; or</p> <p>b) Any process as may be prescribed in any Part of Schedule 1 wherein such duty or levy is specified; or</p> <p>c) Any other process in respect of goods contemplated in paragraph (a) that the Commissioner may prescribe by rule.</p>
<b>Plastic Bag</b>	A bag made of a thin, flexible plastic material, especially one (1) with handles supplied by a shop to carry goods purchased there.
<b>Policy</b>	Used to convey the <b>policy</b> mandated by legislation and the sequential steps to be followed.
<b>Prohibited</b>	Carrier and flat bags, except those mentioned in paragraph 2. 1. d)(iii), of less than 24 microns may be manufactured locally but only for removal to BLNS countries and / or export to other foreign countries.
<b>Refuse Bag</b>	Bag, which is designed for the general purpose of carrying waste.
<b>Restricted</b>	The manufacture of carrier bags and flat bags for consumption in South Africa (SA) is restricted to bags with a thickness of more than 24 microns and which comply with the South African Bureau of Standards (SABS) printing requirements (Schedule 1 Part 3A – Subheadings 3923.21.07, 3923.21.17, 3923.29.40 and 3923.29.50).

<b>SACU</b>	a) The Southern African Customs Union, consisting of: <ul style="list-style-type: none"> <li>i) The Republic of South Africa;</li> <li>ii) The Republic of Botswana;</li> <li>iii) The Republic of Lesotho;</li> <li>iv) The Republic of Namibia; and</li> <li>v) The Kingdom of Swaziland.</li> </ul>
<b>Schedule 1 Part 3A</b>	Environmental levy on Plastic Bags.
<b>Schedule 1 Part 4</b>	Rebates and refunds of Environmental Levy on Environmental Levy goods manufactured in SA.
<b>Schedule 6</b>	Rebates and Refunds of Excise Duties, Fuel Levy, Road Accident Fund Levy, Environmental Levy and Health Promotion Levy.
<b>SOS</b>	Special Storage Warehouse
<b>Stock return note</b>	A stock return note states the reason for return. For instance, customers may use this when returning items to the supplier.
<b>Tariff</b>	Harmonised Nomenclature System
<b>Value-Added Tax</b>	Value-added Tax is commonly known as VAT, VAT is an indirect tax on the consumption of goods and services in the economy. Revenue raised by government by requiring certain businesses to register and to charge VAT on the taxable supplies of goods and services. These businesses become vendors that act as the agent for government in collecting the VAT. VAT is charged at each stage of the production and distribution process and it is proportional to the price charged for the goods and services.
<b>Vis Major</b>	A natural and unavoidable catastrophe that interrupts the expected course of events, normally caused by forces of nature.
<b>VM</b>	Manufacturing Warehouse

## 5 DOCUMENT MANAGEMENT

<b>Policy Owner</b>	Executive: Excise Audit Enforcement
<b>Detail of change from previous revision</b>	<p>The policy has been reviewed and updated / amended due to:</p> <ul style="list-style-type: none"> <li>• The 'Standard' being changed to a 'Policy';</li> <li>• Complete review to the Summary of Main Points and Policy content.</li> <li>• The Promotion of Administrative Justice Act has been added;</li> <li>• Provision has been made for the process for reprocessing, destruction or abandonment;</li> <li>• Changes to Legislation;</li> <li>• Changes to Cross References;</li> <li>• Definitions and Acronyms;</li> <li>• Policy Owner changed;</li> <li>• Document Q-code changed from SE-EL-02 to SE-PB-02; and</li> <li>• Template Q-code changed from ECS-TM-03 to GC-TM-03.</li> </ul>
<b>Template number and revision</b>	GC-TM-03 - Rev 9