

EXCISE

EXTERNAL

COMPLETION MANUAL

**DA 161A ENVIRONMENTAL LEVY
ACCOUNT FOR PLASTIC BAGS**

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1 SCOPE

- a) The manual is to assist licensees of Manufacturing Warehouses (VM) in the Plastic Bag Industry to complete the quarterly Environmental Levy Account (DA 161A).

2 COMPLETION OF THE DA 161A ENVIRONMENTAL LEVY ACCOUNT FOR PLASTIC BAGS, INCLUDING THE ELECTRONICALLY SUBMITTED EXCISE DUTY AND LEVY RETURN (EXD 01).

- a) The Environmental levy account (DA 161A) requires the licensee (manufacturer) to declare all stock, production and removals (including removals under rebate) from the licensed VM that took place in the accounting period, which must be submitted **quarterly** via e-Filing.
- b) The Environmental levy account DA 161A is the summarising document reflecting all production, stock, receipts and removals (duty paid and non – duty paid) of plastic bags subject to the levy, as well as the amount of plastic bag levy payable in respect of the accounting period.
- c) In terms of Rule 54F.07, an accounting period shall be a fixed accounting period of three (3) months calculated from the first day of the month during which manufacturing of plastic bags subject to the levy commences, until the last day of the month on which such period ends.
- d) The **environmental levy account** must be completed in full, **i.e. the DA 161A with all the supporting schedules, if applicable, for that specific accounting period and a duly signed and dated copy for record and audit verification** must be kept.
- e) **In order to make it administratively easier to do business with the South African Revenue Service (SARS), the DA 161A (the EXD 01 return must be utilized for this purpose which is the electronic version of the DA 161A) must be submitted i.e.:**
- i) **Electronically to the SARS Excise via the e-Filing platform; or**
 - ii) **Hand delivered for capturing should the client experience problems with eFiling.**

2.1 DA 161A– Environmental Levy Account for Plastic Bags

- a) **The plastic carrier and flat bags under reference here are those bags mentioned under the tariff sub-headings reflected in the below paragraph 2.1.(l) only**
- b) **Manufacturing Warehouse No** - This box is for the VM number.
- c) **Customs client No** - This box is for the client's code number.
- d) **Client Details** - The name under which the VM is licensed must be inserted in this box.
- e) **Physical Address / Postal Code** - The street name, number, suburb, city and postal code of the VM must be inserted in these boxes.
- f) **Accounting Period From / To** -
- i) The opening and closing dates of an account must be shown.
 - ii) The opening date of an account must follow immediately on the closing date of the previous account.
- g) **Section A: (Must be reflected as number of bags)**
- i) **Environmental Levy Item** - The levy item code as reflected in Part 3A of Schedule 1 must be inserted in this box.
 - ii) **Tariff Subheading / Item** - The tariff sub-heading code as reflected in Part 1 and 3A of Schedule 1 must be inserted in this box.
 - iii) **Opening Balance** - Balance carried forward from previous period must be inserted in this box.
 - iv) **Plus Production** - Production during the three (3) months of the accounting period must be inserted in this box.

- v) **Plus Returns -**
- A) Returns from the local market for which credit notes have been issued must be inserted in this box.
 - B) In the case of returns from **Botswana, Lesotho, Namibia and Swaziland (BLNS) countries**, the Environmental levy thereon must have been paid on entry into South Africa (**SA**).
- vi) **Total number of bags –** The total number of bags must be inserted in the relevant box(s).
- h) **Section B: Less Sales, Removals and Rebates**
- i) **Sales: Republic -** The quantity of plastic bags subject to the levy removed or sold must be inserted in this box.
 - ii) **Sales: BLNS countries -** The quantity of plastic bags subject to the levy removed or sold to the BLNS countries must be inserted in this box.
 - iii) **Exports -** The quantity of plastic bags subject to the levy exported (Rule 54F.03).
 - iv) **Storage Warehouse -** The quantity of plastic bags subject to the levy removed to a **Special Storage Warehouse (SOS)** – Rule 54F.03.
 - v) **Rebates -**
 - A) Item 680.01 - Goods supplied under rebate of duty as specified in the item.
 - B) Item 680.02 - Goods lost or destroyed in the warehouse in circumstances of *Vis major*, etc.
 - C) Item 680.03 - Goods manufactured in the licensed warehouse used for reprocessing of Environmental levy goods or the manufacture of other goods.
 - vi) **Total -** The total number of bags for section B must be inserted in the relevant box(s).
 - vii) **A minus B: Closing Balance -** The quantity of plastic bags subject to the levy on hand at the end of the accounting period must be inserted in this box.
- i) **Section C:**
- i) **Levy On Dutiable Total -** The total of sales to the local market and to consignees in BLNS countries must be multiplied by the **rate of levy** and inserted in this box. The rate is specified in Part 3A of Schedule 1.
- j) **Section D:**
- i) **Less Levy Paid or Payable –** The levy paid on goods may be set-off under the following Rebate Items:
 - A) Item 681.01- Removed to BLNS countries (only if proof of exit from **SA** has been obtained).
 - B) Item 681.02 -Returns for re-cycling (goods off specification or otherwise defective) – credit notes must have been issued.
 - C) Item 681.03 -Returns from purchasers to the local market for any purpose other than recycling – credit notes must have been issued and retained as proof.
 - ii) **Total –** The total of paragraph (j)(i)(A), (B) and / or (C) above, must be inserted in the relevant box(s).
 - iii) **Less: Overpaid On Previous Account**
 - A) Should a licensee have overpaid on levy on the previous account, the amount so overpaid must be inserted in this box.
 - B) A copy of the relevant account as well as an explanation of the overpayment must be attached to the new account.
 - iv) **Plus: Underpaid On Previous Account**
 - A) Should a licensee have underpaid on levy on the previous account, the amount so underpaid must be inserted in this box.
 - B) A copy of the relevant account as well as an explanation of the underpayment must be attached to the new account.
- k) **Section E:**
- i) **Nett Levy Payable – (Section C minus Section D minus less overpaid on previous account plus underpaid on previous account).** The amount determined between the “levy payable” and the “over” or “underpaid”, whichever is applicable, must be inserted in this box.

l) **Section F:**

- i) **Total amount of nett levy due** - The total amount of nett levy which is the sum of the amounts reflected under items 147.01 / 3923.21.07, 3923.21.17 and 147.01 / 3923.29.40 and 3923.29.50 must be inserted in this box.

3 MEASURES

- a) N/A

4 REFERENCES**4.1 Legislation**

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Sections 27, 39, 54A, 54B, 58, 75(15) and 119A Customs and Excise Rules: 54F.01, 54F.03, 54F.05 to 54F.10, 54F.12 to 154F.13, 119A.R101A(10)(b), 119A.R101A(10)(d), 119A.R101A(10)(f), 120A.01 and 120A.02 Customs and Excise Tariff: Schedule 1 Parts 1, 2B and 3A and Schedule 6
Other Legislation:	None
International Instruments:	None

4.2 Cross References

DOCUMENT #	DOCUMENT TITLE
QMS-01	Quality Management System Manual
SE-ACC-02-M02	Declaration and Return submission via eFiling – External Manual
SE-PB-02	Environmental Levy on Plastic Bags Manufactured in South Africa – External Policy

4.3 Quality Records

NUMBER	TITLE
DA 161A	Environmental levy account for Plastic Bags
EXD 01	Excise Duty and Levy Return

5 DEFINITIONS AND ACRONYMS

Account	In relation to the document required to be submitted in respect of the payment of duty / levy in terms of any provision of the Act and any other rule, must be regarded as a return.
BLNS	a) Consists of: <ul style="list-style-type: none"> i) The Republic of Botswana; ii) The Kingdom of Lesotho; iii) The Republic of Namibia; and iv) The Kingdom of Swaziland.
Carrier bag	Bags constructed with handles and with or without gussets.
Credit Notes	A form or letter sent by a seller to a buyer, stating that a certain amount has been credited to the buyer's account.

Duty Free Shops	<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>
e-Filing	The South African Revenue Service (SARS) e-Filing is a free, online process for the submission of returns and declarations and other related services. The free service allows taxpayers, tax practitioners, businesses to register free of charge and submit returns and declarations, make payment and perform a number of other interactions with SARS in a secure online environment.
Environmental Levy on Plastic Bags	The Environmental Levy imposed in terms of item 147 to Part 3A of Schedule 1 and the Notes thereto.
EXD 01	Excise Duty and Levy Return
Excisable Goods	Any goods specified in Schedule 1 Part 2 imported into or manufactured in SA.
Flat bag	Bags constructed without handles and with or without gussets.
Licensees	Any person licensed under any provision of the Act.
Manufacturing	<p>a) In the discretion of the Commissioner, any process –</p> <p>i) in the manufacture or assembly of any excisable goods, environmental levy goods, fuel levy goods or Road Accident Fund (RAF) levy goods;</p> <p>ii) in the conversion of any goods into excisable goods, environmental levy goods, fuel levy goods or RAF levy goods;</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, environmental levy goods, fuel levy goods or RAF levy goods is increased in any manner;</p> <p>iv) in the recovery of excisable goods, environmental levy goods, fuel levy goods or RAF levy goods from excisable goods or any other goods;</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, environmental levy goods or RAF levy goods, or</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>
Plastic Bag	A Bag made of a thin flexible plastic material, especially one (1) with handles supplied by a shop to carry goods purchased there.
Policy	Used to convey the policy mandated by legislation and the sequential steps to be followed.
Road Accident Fund (RAF)	A state insurer established by statute. It provides insurance cover to all drivers of a motor vehicle in SA in respect of liability incurred or damage caused because of a traffic collision. Liability incurred in relation to property damage (such as damage to vehicles, building and vehicle contents) is excluded from cover. The RAF operates a system whereby the claimant is assigned a percentage of responsibility for the accident, and the RAF pays the claimant a percentage of a full settlement based on a percentage that was not deemed their responsibility. Insurance premiums are collect by the RAF through a levy on motor vehicle fuel.
SA	South Africa
SARS	South African Revenue Service
Schedule 1 Part 1	Ordinary Customs Duty.
Schedule 1 Part 3A	Environmental levy on Plastic Bags.
Schedule 6	Rebates and Refunds of Excise Duties, Fuel Levy, Road Accident Fund Levy, Environmental Levy and Health Promotion Levy.

SOS	Special Storage Warehouse
Tariff	Harmonised Nomenclature System
Tax practitioner	Any agent provided for in the Act for any person referred to in the definition of a Taxpayer in paragraphs (i) to (iii) indicated below.
Taxpayer	<p>a) Includes:</p> <ul style="list-style-type: none"> i) The licensee of a customs and excise warehouse; ii) A registered aircraft operator or an aircraft operator who is liable to register; iii) Except for the purpose of Rule 119A.R101A(10(b), a person who must effect payments by using e-Filing as contemplated in rule 119A.R101A(10)(f); or iv) A registered person who is required to submit a return in terms of the Diamond Export Levy (Administration) Act. No. 14 of 2007
Vis Major	A natural and unavoidable catastrophe that interrupts the expected course of events, normally caused by forces of nature.
VM	Manufacturing Warehouse

6 DOCUMENT MANAGEMENT

Business Owner	Executive: Excise Audit Enforcement
Document Owner	Executive: Governance
Author	Christolene Botha
Detail of change from previous revision	<p>The manual has been reviewed by -</p> <ul style="list-style-type: none"> • Updating Paragraph 2; • Updating Legislation; • Certain document Q-codes changed under Cross References; • Quality Records have been updated; • Certain definitions and acronyms have been added; • Changes have been made to certain definitions and acronyms; • The Business and Document Owner changed; • Reference number changed from SE-EL-07-CM01 to SE-PB-03-M01; and • The Template number and revision changed from ECS-TM-16 to GC-TM-16.
Template number and revision	GC-TM-16 – Rev 5