



TECH TALK

30 March 2023

Program

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08:05 – 08:25	Corporate Reporting	
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	Legal and governance	
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	Business rescue	
08:55 – 09:15	When a tax debt will be a pre-business rescue debt - Juanita Steenekamp	20
	When a tax debt becomes due and payable - Piet Nel	
09:15 – 09:45	Public Sector	
	The rise of Generative AI - Msizi Gwala	20
	Tax	
09:45 – 10:05	SARS Operational and Tax Administration - Somaya Khaki	20
10:05 – 10:10	Questions	5
10:10 – 10:30	Diesel rebate for manufacturers of food – Stephan Venter	20
10h30	Session concludes	



COP27 Reflections

Scott Williams

What was COP27?

- The 27th United Nations Climate Change Conference (Conference of the Parties (COP))
- Took place in Sharm El Sheikh, Egypt from 6-20 November 2022
- Over 30,000 delegates attended from governments, corporates and civil society
- Provided a platform for global climate discussions and acceleration of actions through scaled-up adaptation efforts, enhanced flows of appropriate finance and emissions reduction commitments.
- COP is the supreme decision-making body of the United Nations Framework Convention on Climate Change (UNFCCC)



Objectives of COP27

- Reaffirm the commitments made at COP26 in Glasgow, UK in 2021
- Place a stronger focus on Africa and the developing world
- Climate finance and just energy transition were also top of mind
- From a South African perspective, details of the Just Energy Transition Investment Plan (JET IP) were highly anticipated



Key Takeaways

- Agreement on the establishment of a Loss and Damage Fund
 - First discussed in 2009
 - focus on aiding and compensating vulnerable nations for 'loss and damage' from climate-induced natural disasters
- The details surrounding which countries will pay into the fund and the specific amounts of these payments are unclear
- Payments and contributions need to be proportional to the challenges and damages that vulnerable countries have faced and will continue to face in the future






Success vs Objectives

- The agreement on the Loss and Damage Fund was a landmark development
- Lack of concrete commitments on the roll of fossil fuels and the ambition to cap global warming at 1.5C
- Current trajectories fall well short of what is required to meet the 1.5C ambition

Implications for South Africa

- Soft language on the use of coal in COP27 commitments does nothing to accelerate the JET in South Africa
- Coal prices remain high on the back of the Russia/Ukraine conflict and demand from the Global North, meaning the JET will need to be driven locally by government and business
- JET IP was well received but implementation will be key
- More innovation is needed to finance the JET
- Tangible progress will need to be demonstrated at COP28 in UAE to encourage continued DFI.





Sustainability.
Here to stay. ▶

STC COP27 Reflections

- SAICA Sustainability Technical Committee reflections on 2022 UN Climate Change Conference - COP27
- The STC paper focuses on the takeaways from COP27 for emerging economies and the implications of the outcomes for the SA's public and private sectors:

<https://www.saica.org.za/resources/sustainability/climate-change>



SAICA Presentation FATF Greylisting of South Africa

Carla Budricks

Deloitte – Africa Regulatory Lead

Financial Action Task Force (FATF) mutual evaluation of South Africa and grey listing

- How did it happen that SA was grey listed?
- What is meant by grey listing?
- Legislative measures to counter grey listing and cure legislative deficiencies
- Closer look at Financial Intelligence Centre Act, 2001 (FICA) Schedule 1
- What actions must be taken and some considerations?
- Consequences of non-compliance

Deficiencies in our AML/TF laws

Strategic deficiencies

SA must:

1. **demonstrate a sustained increase in outbound Mutual Legal Assistance requests** that help facilitate money laundering/terrorism financing (ML/TF) investigations and confiscations of different types of assets in line with its risk profile;
2. **improve risk-based supervision of Designated Non-Financial Businesses and Professions (DNFBPs)** and demonstrating that all AML/CFT supervisors apply effective, proportionate, and effective sanctions for noncompliance;
3. ensure that competent authorities have **timely access to accurate and up-to-date Beneficial Ownership (BO) information** on legal persons and arrangements and applying sanctions for breaches of violation by legal persons to BO obligations;
4. demonstrate a **sustained increase in law enforcement agencies' requests for financial intelligence** from the Financial Intelligence Centre for its ML/TF investigations

Deficiencies in our AML/TF laws

Strategic deficiencies

SA must:

5. demonstrate a **sustained increase in investigations and prosecutions** of serious and complex money laundering and the full range of TF activities in line with its risk profile;
6. **enhance its identification, seizure and confiscation of proceeds** and instrumentalities of a wider range of predicate crimes, in line with its risk profile;
7. update its TF Risk Assessment to inform the implementation of a **comprehensive national counter financing of terrorism strategy**; and
8. ensure the effective implementation of **targeted financial sanctions** and demonstrating an effective mechanism to identify individuals and entities that meet the criteria for domestic designation.

Deficiencies in our AML/TF laws

Greylisting

Grey listing infers increased monitoring and applies to countries that, after having been identified for having flawed compliance levels, have already committed to and are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering and terrorist financing within a specific timeframe.

Blacklisting

Black-listed countries are high risk jurisdictions subject to a call for action with significant strategic deficiencies in the curbing of money laundering, terrorist financing, and financing of proliferation

Legislative measures to counter Grey-listing

In response to deficiencies and gaps found by the Financial Action Task Force's (FATF) in the SA legislative and regulatory framework of Anti-Money Laundering and Countering Financing for Terrorism (AML/CFT), several legislative amendments have taken place over the past months and fast-tracked to demonstrate to the FATF that South Africa has introduced sufficient measures to address the deficiencies.

* *General laws Amendment Act*

Financial Intelligence Centre Act (FICA)

- **Schedule 1,2 and 3** –Accountable Institutions
E.g., co-operative banks, credit providers, high-value goods dealers (≥ R100 000),crypto asset service providers and trust services providers
- **Beneficial owners***
- **Directives** and Compliance Communication (PCC)

Trust Property Control Act (TPCA)*

- Beneficial owners
- Duties of trustees
- Register at Master's Office

Financial Sector Regulation Act*

- Beneficial owners

Protection of Constitutional Democracy Against Terrorism and Related Activities Amendment Act (POCDATARA)

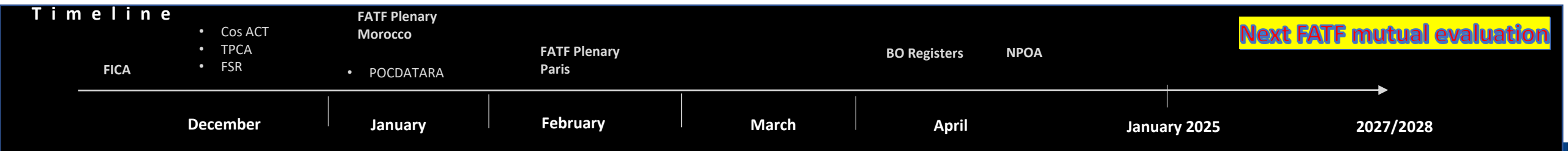
- Cyber crimes
- Offences

Companies Act (COS Act)*

- Beneficial owners
- CIPC register

Non- Profit Organizations Act (NPOA) *

- Compulsory registration of NPOs
- Registration requirements



FICA Schedule 1

1(a) A ~~[practitioner who practices as defined in section 1 of the Attorneys Act, 1979 (Act 53 of 1979)]~~ person who is admitted and enrolled to practise as a legal practitioner as contemplated in section 24(1) of the Legal Practice Act, 2014 (Act 28 of 2014) and who is–

- (i) an attorney (including a conveyancer or notary) practising for his or her own account as contemplated in section 34(5)(a) of that Act; or
- (ii) an advocate contemplated in section 34(2)(a)(ii) of that Act.

(b) A commercial juristic entity, as contemplated in section 34(7) of the Legal Practice Act, 2014.

2(a) A **person** who carries on the business of preparing for, or carrying out, transactions for a client, where–

(i) the **client** is assisted in the planning or execution of–

- (aa) the organization of contributions necessary for the **creation, operation or management** of a company, or of an external company or of a foreign company, as defined in the Companies Act, 2008 (Act 71 of 2008);
- (bb) the **creation, operation or management** of a company, or of an external company or of a foreign company, as defined in the Companies Act, 2008; or
- (cc) the **operation or management** of a close corporation, as defined in the Close Corporations Act, 1984 (Act 69 of 1984).

FICA Schedule 1 (cont.)

- b) A person who carries on the business of—
 - (i) acting for a client as a nominee as defined in the Companies Act, 2008; or
 - (ii) arranging for another person to act for a client as such a nominee.

- (c) A person who carries on the business of creating a trust arrangement for a client.

- (d) A person who carries on the business of preparing for or carrying out transactions (including as a trustee) related to the investment, safe keeping, control or administering of trust property within the meaning of the Trust Property Control Act, 1988 (Act 57 of 1988).



Issues for consideration

The term “**person**”

- The amendment refers to a “person who carries on a business of preparing for or carrying out transactions for a client” concerning certain specified activities:
- FICA in Section 1 does not define the term “person” but defines the term “legal person” instead as:
- “Any person, other than a natural person, that establishes a business relationship or enters into a single transaction, with an accountable institution, and includes a person incorporated as a company, close corporation, foreign company or any other form of corporate arrangement or association, but excludes a trust, partnership or sole proprietor.”

The phrase “carries on a business”

- Company services ancillary and not primary to service offering regarded as “carrying on a business” ?
- Are firms regarded as accountable institutions where only some in a practice perform primarily “company services”

FICA Schedule 1 (cont.)

3. An estate agent as defined in the Estate Agency Affairs Act, 1976 (Act 112 of 1976).
4. An authorised user of an exchange as defined in the [Securities Service Act, 2004 (Act 36 of 2004)] **Financial Markets Act, 2012 (Act 19 of 2012)**.
5. A manager registered in terms of the Collective Investment Schemes Control Act, 2002 (Act 45 of 2002), but excludes managers who only conduct business in Part VI of [the Collective Investment Schemes Control] that Act [(Act 45 of 2002)].
6. A person who carries on the “business of a bank” as defined in the Banks Act, 1990 (Act 94 of 1990).
7. A mutual bank as defined in the Mutual Banks Act, 1993 (Act 124 of 1993).
- 7A. A co-operative bank as defined in the Co-operative Banks Act, 2007 (Act 40 of 2007).
8. A person who carries on a “[long-term] life insurance business” as defined in the [Long-Term Insurance Act, 1998 (Act 52 of 1998)] Insurance Act, 2017 (Act 18 of 2017), but excludes reinsurance business as defined in that Act.
9. A person who carries on the business of making available a gambling activity as contemplated in section 3 of the National Gambling Act, 2004 (Act 7 of 2004) in respect of which a license is required to be issued by the National Gambling Board or a provincial licensing authority.

FICA Schedule 1 (cont.)

10. A person who carries on the business of dealing in foreign exchange.

11. (a) A person who carries on the business of [lending money against the security of securities] a credit provider as defined in the National Credit Act, 2005 (Act 34 of 2005).

(b) A person who carries on the business of providing credit in terms of any credit agreement that is excluded from the application of the National Credit Act, 2005 by virtue of section 4(1)(a) or (b) of that Act.

12. A person who carries on the business of a financial services provider requiring authorisation in terms of the Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002), to provide advice [and] or intermediary services in respect of the investment of any financial product (but excluding a [short term insurance contract or policy referred to in the Short-term Insurance Act, 1998 (Act 53 of 1998)] non-life insurance policy, reinsurance business as defined in the Insurance Act, 2017 (Act 18 of 2017) and [a health service benefit provided by] the business of a medical scheme as defined in section 1(1) of the Medical Schemes Act, 1998 (Act 131 of 1998).)

13. A person who issues, sells or redeems travelers' cheques, money orders or similar instruments.

14. The South African Postbank Limited referred to in section [51] 3 of the [Postal Services Act, 1998 (Act No. 124 of 1998)] South African Postbank Act, 2010 (Act 9 of 2010).

FICA Schedule 1 (cont.)

19. A person who carries on the business of a money [remitter] or value transfer provider.

20. A person who carries on the business of dealing in high-value goods in respect of any transaction where such a business receives payment in any form to the value of R100 000,00 or more, whether the payment is made in a single operation or in more than one operation that appears to be linked, where “high-value goods” means any item that is valued in that business at R100 000,00 or more.

21. The South African Mint Company (RF) (Pty) Ltd, only to the extent that it distributes non-circulation coins in retail trade and where in respect of such transactions it receives payment in any form to the value of R100 000,00 or more, whether the payment is made in a single operation or in more than one operation that appears to be linked.

FICA Schedule 1 (cont.)

22. A person who carries on the business of one or more of the following activities or operations for or on behalf of a client:

(a) Exchanging a crypto asset for a fiat currency or vice versa;

(b) exchanging one form of crypto asset for another;

(c) conducting a transaction that transfers a crypto asset from one crypto asset address or account to another;

d) safekeeping or administration of a crypto asset or an instrument enabling control over a crypto asset; and

(e) participation in and provision of financial services related to an issuer's offer or sale of a crypto asset,

where “crypto asset” means a digital representation of perceived value that can be traded or transferred electronically within a community of users of the internet who consider it as a medium of exchange, unit of account or store of value and use it for payment or investment purposes but does not include a digital representation of a fiat currency or a security as defined in the Financial Markets Act, 2012 (Act 19 of 2012).

23. A clearing system participant as defined in section 1 of the National Payment System Act, 1998 (Act 78 of 1998) that facilitates or enables the origination or receipt of any electronic funds transfer and or acts as an intermediary in receiving or transmitting the electronic funds transfer

Compliance* Obligations

FICA Amendments



Compliance obligations include:

- Register with the FIC **within 90 days from becoming and accountable institution**
- Submit regulatory reports to the FIC
- Implementing a risk-based approach to customer due diligence
- Develop a risk management and compliance programme (RMCP)
- Record-keeping
- Implement a compliance function and appoint a person responsible for compliance
- Train employees on how to comply with the FIC Act



Considerations

- **NOCLAR and Reportable Irregularity**

***Compliance is not dependent on registration with the FIC but on becoming of an accountable institution on 19 December 2022**

Beneficial ownership



In brief the beneficial owner is the person entitled to the benefit.

Amendments include various definitions of BO in TPCA, Cos ACT, FSRA and FICA.

CIPC and Master's Office are required to have electronic BO Registers by 1 April 2023.

Interesting fact: Since 2015, South Africa endorsed the G20 countries' High-Level Principles on Beneficial Ownership Transparency (BOT) and committed the country to take concrete action to implement these principles and improve the effectiveness of its legal, regulatory and institutional frameworks for Beneficial Ownership Transparency.



Consequences of non-compliance

Chapter 4 of the FIC Amendment Act

Administrative sanctions may be imposed in instances of non-compliance, with the following factors considered:

- The nature, duration, seriousness and extent of the relevant non-compliance
- Whether previous failure exist to comply with any law;
- Remedial steps taken to prevent a recurrence of the non-compliance;
- any other relevant factor, including mitigating factors.

Administrative sanctions

The following sanctions may be imposed by the FIC:

- A caution not to repeat the conduct which led to the non-compliance
- A reprimand;
- A directive to take remedial action or to make specific arrangements;
- The restriction or suspension of certain specified business activities;
- A financial penalty not exceeding R50 million in respect of legal persons. FIC may also direct that the penalty be paid by a natural person or persons for whose actions the business is accountable for in law, if that person or persons were personally responsible for the non-compliance.

Penalties

A person convicted of an offence mentioned in this Chapter:

- Is liable to imprisonment for a period not exceeding 15 years or to a fine not exceeding R100 million.
- An administrative sanction contemplated in this section may not be imposed if the respondent has been charged with a criminal offence in respect of the same set of facts.

.....effect on grey listing status

Resources



Financial
Intelligence Centre



South African Revenue Service



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

A large, abstract graphic on the left side of the slide. It consists of overlapping circles in shades of green and blue. The blue circles contain white line art icons representing a person, a globe, and a group of people. A hand is shown reaching out from the right, with a bright light emanating from the index finger, pointing towards the center of the graphic.

**Update – Master & CIPC
Recent court case – business
rescue**

Juanita Steenekamp

To launch BO 1 April 2023

Companies Act - Regulation 30 Annual return

Co & External Co file
Annual return +
securities register+
AFFECTED CO
register of disclosure of
BI

Co & External Co must file
changes (within 10 business
days)

1. Name of co
2. Legal type and status
3. Address (5 days before)
4. MOI
5. Directors

AR – electronic access to ANY person
Documents filed with AR – electronic access as
determined

NOT an affected company
Record of each person holding BO for

1. Full name
2. Date of birth
3. ID / passport
4. Residential address & postal address
5. Email address
6. Confirmation of extent of ownership

Update after
5 days

Companies Act, 2008

Affected company - regulated company as set out in section 117(1)(i) and a private company that is controlled by or a subsidiary of a regulated company as a result of circumstance contemplated in section 2(2)(a) or 3(1)(a).

117(1)(i) means a company to which this part, Part C and the Takeover Regulations apply, as determined in accordance with section 118(1) and (2)

- S 118(1) and (2)
- Public company
 - SOC
 - Private company, but only if the percentage of the issued securities of that company that have been transferred, other than by transfer between or among related or inter-related persons, within the period of 24 months immediately before the date of a particular affected transaction or offer exceeds the percentage prescribed in terms of subsection OR MOI

AFFECTED CO

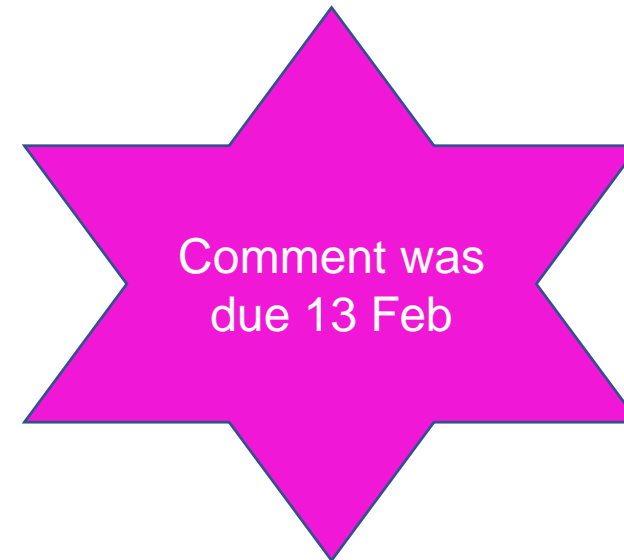
Register of BI >5%

1. Natural person – full name, date of birth, ID / passport nu
2. Juristic person – full name and registration nu
3. Business/ residential or postal address
4. Email address
5. Confirmation of extent of ownership

Update after 5 days

TRUSTEE must keep information on BO

- Name
- Date of birth
- Nationality
- Official ID, indicating type and country of issues
- Residential address
- Address for service notice
- Other mean of contact
- Grounds on which person is BO
- Date on which person became BO
- Date on which person ceased to be BO
- Certified copy of ID of EACH BO



MASTER's register (electronic)

- Access through username & password
- Security measures
- Trustee to load and update info on each BO
- Trustee to upload documents

Master's office to publish regulations and
interim measures
Expect it to be released this week

Henque 3935 CC t/a PQ Clothing Outlet (in Business rescue)

Henque 3935 CC t/a PQ Clothing Outlet (in Business Resue) and SARS

Case no : 2020/36790

South Gauteng High Court

Can SARS set-off a tax liability of a company against VAT refunds due to the company in circumstances where the tax liability concerns a period prior to the company entering into business rescue but was only determined after business rescue

Business rescue

SARS preference in business rescue - has been an issue of contention for some time

CSARS versus Beginsel NO and Others (2013)

Insolvency Act – SARS preferent creditor

Companies Act - no statutory preferences, SARS concurrent creditor
SARS is a concurrent creditor with voting interest as set out in Section 145(4)(b)

Business rescue

Tax debts in business rescue – when does the liability arise?

Income Tax-

Obligation arises when assessments issued

IT liabilities which are due and payable before BR

IT liabilities which arise after BR begin

IT liabilities on post commencement

VAT and PAYE

Self-assessments

Liability arises on continual basis

Business rescue

Section 133(1) of the Act provides as follows:

- “(1) During business rescue proceedings, no legal proceedings, including enforcement action, against the company, or in relation to any property belonging to the company or lawfully in its possession, may be commenced or proceeded with in any forum, except –
- a) with the written consent of the practitioner;
 - b) with the leave of the court and in accordance with any terms the court considers suitable;
 - c) as a set-off against any claim made by the company in any legal proceedings, irrespective of whether those proceedings commenced before or after the business rescue proceedings began;
 - d) criminal proceedings against the company or any of its directors or officers;
 - e) proceedings concerning any property or right over which the company exercises the powers of a trustee; or
 - f) proceedings by a regulatory authority in the execution of its duties after written notification to the business rescue practitioner.”

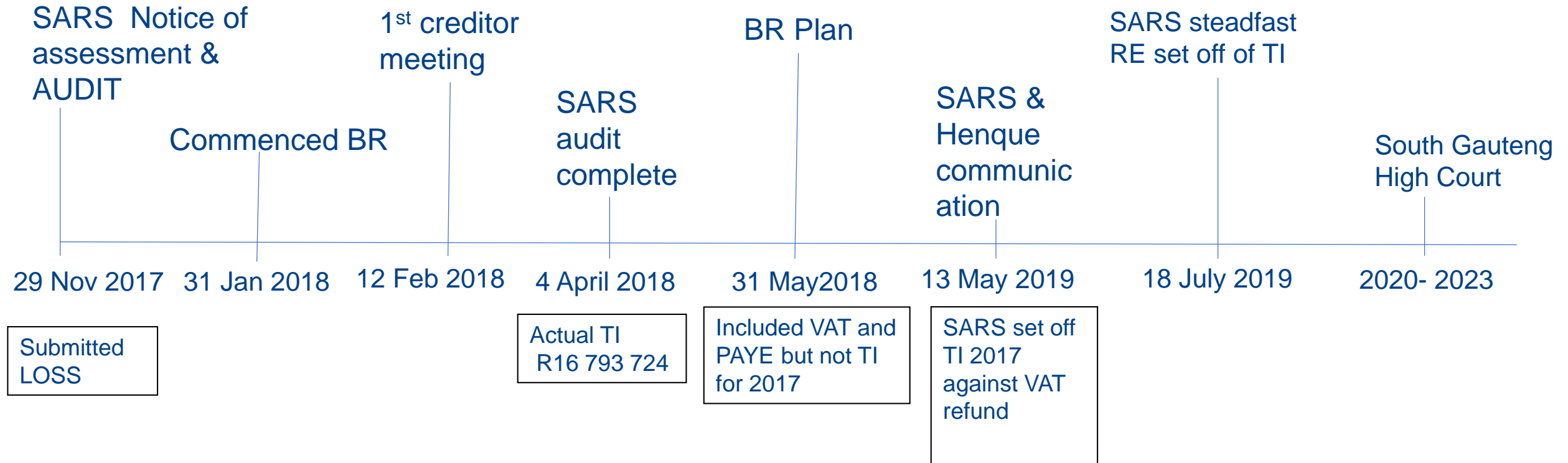
Business rescue

Claims rank in the following order of preference:

1. The practitioner, for remuneration and expenses, and other persons (including legal and other professionals) for costs of business rescue proceedings.
2. Employees for any remuneration which became due and payable after business rescue proceedings began.
3. Secured lenders or other creditors for any loan or supply made after business rescue proceedings began, i.e. post-commencement finance.
4. Unsecured lenders or other creditors for any loan or supply made after business rescue proceedings began, i.e. post-commencement finance.
5. Secured lenders or other creditors for any loan or supply made before business rescue proceedings began.
6. Employees for any remuneration which became due and payable before business rescue proceedings began.
7. Unsecured lenders or other creditors for any loan or supply made before business rescue proceedings began.

Merchant West Working Capital Solutions (Pty) LTD v Advanced Technologies and Engineering Company (Pty) Ltd and Another (13/12406) [2013] ZAGPJHC 109 (10 May 2013)

Henque 3935 CC t/a PQ Clothing Outlet (in Business rescue)



Henque 3935 CC t/a PQ Clothing Outlet (in Business rescue)

Question:

If TI pre-business rescue then SARS gets 15c in the Rand – pre commencement finance

If TI post business rescue – post commencement finance

Piet Nel – will deal with tax aspects of the case

When a tax debt becomes due and payable

Piet Nel

Henque 3935 CC t/a PQ Clothing Outlet (In Business Rescue) v the Commissioner for the SA Revenue Service

GET *the* FACTS



Henque is a close corporation. Section 5(1)(d) of the Income Tax Act requires it to pay tax on its income earned or accrued during each of its financial years. The tax is payable for the specific year that the income was earned. The tax is owed once the financial year is completed.

Henque is required to furnish SARS with a return indicating the profit it has earned as well as self-assess the tax liability arising from the said profit. It is required to pay the tax over to SARS. The onus is on Henque to honestly and correctly assess its tax liability and to pay over the amount it believes is owed to SARS.

Henque 3935 CC t/a PQ Clothing Outlet (In Business Rescue) v the Commissioner for the SA Revenue Service

GET *the* FACTS



It filed a tax return for 2017 with SARS where it claimed to have made a loss of R46 000. It was therefore not obliged to pay income tax.

At the same time, it had accumulated tax credits for VAT and was therefore entitled to a refund.

In terms of s 96 of the TAA, SARS would then issue a notice of assessment on the tax liability, which would specify the amount to be paid as well as the date when payment should be made.

On 29 November 2017 SARS issued a notice of assessment in which it recognised that Henque was due a refund.

The assessment was based solely on the claims made by Henque in its return.

Henque 3935 CC t/a PQ Clothing Outlet (In Business Rescue) v the Commissioner for the SA Revenue Service



INCOME TAX

Notice of Assessment

Type of assessment: **Original Assessment**

ITA34



In the same notice, SARS informed Henque that it was to be subjected to an audit.

Henque commenced business rescue on 31 January 2018.

In terms of s 92 of the TAA, SARS is obliged to make an additional assessment if the original assessment 'does not reflect the correct application of a tax to the prejudice of SARS or the fiscus'.

Henque 3935 CC t/a PQ Clothing Outlet (In Business Rescue) v the Commissioner for the SA Revenue Service



INCOME TAX

Notice of Assessment

Type of assessment: **Original Assessment**

ITA34

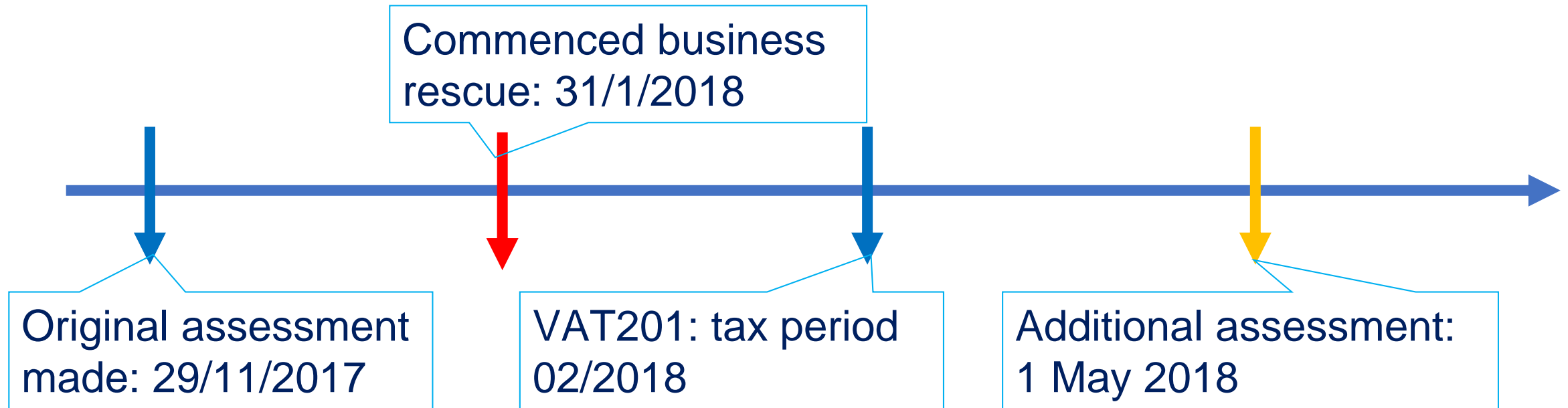


The audit was only completed on 4 April 2018. It revealed that Henque's claim that it had made a loss during the 2017 year was false. In fact, the audit revealed that Henque had actually produced a taxable income of R16 793 724.00 for the 2017 year. The additional assessment was issued to Henque on 1 May 2018.

On the same day an employee of SARS informed the BRP that Henque's income tax liability for 2017 was R5 334 123.13. This amount included penalties and interest. The actual notice reflects the amount payable as R5 620 571 .03. It is not clear why the amounts are different, ...

Tax specific facts

Dates of events



Finally, in terms of s 154(2), no creditor, including SARS, if owed unpaid taxes which were due and payable pre the commencement of business rescue, can enforce the debt except in terms of the plan.



Tax specific facts

What lead to the tax debt

At first SARS held on to its view that the refund could be set-off against the R3 029 894.53, but after some exchanges of letters with Henque's attorneys SARS agreed that its view was wrong and that the refund was due and payable to Henque.

SARS claimed that the income tax for the 2017 year had only become due and payable on 31 May 2018 when the additional assessment with regard thereto was completed. This liability constituted a post commencement debt¹. And so, it said that in terms of s 191 of the TAA it was entitled to set-off the VAT refund from the amount owing to it. SARS' latest stance was a complete volte face from its earlier one.



Tax related comments relevant to this dispute

See section 191(1) of the Tax Administration Act

SARS can only treat a refund, that the taxpayer is entitled to receive, as a payment made by the taxpayer of an outstanding tax debt.

Section 169(1) of the Act, then defines a tax debt as *an amount of tax due or payable in terms of a tax Act*.

In my view, SARS incorporated the Singh judgement in section 169(1) and section 191.

The conclusion from all of this is that the set-off, of the refund, can only be done by SARS if there is tax due and payable and this amount that is due, must follow from an assessment that the taxpayer received notification of.

Tax related comments relevant to this dispute

P J J OLIVIER



Anil Singh v The Commissioner for the South African Revenue Service (Case Number : 500 / 2001)

The ordinary meaning of 'due' is that ' . . . there must be a liquidated money obligation presently claimable by the creditor for which an action could presently be brought against the debtor. Stated another way, the debt must be one in respect of which the debtor is under an obligation to pay immediately.'

Section 169(1) ... a tax debt as *an amount of tax due or payable in terms of a tax Act.*

The Act does not couple the word due and payable, in s 40, with and. They are distinguished by or. It follows that a separate meaning must be given to the two terms.

Tax related comments relevant to this dispute

P J J OLIVIER



Anil Singh v The Commissioner for the South African Revenue Service (Case Number : 500 / 2001)

From what has been stated above,

'due' must be given, in s 40 of the Act, the meaning of '... a liquidated money obligation presently claimable by the creditor for which an action could presently be brought against the debtor'.

'Payable in order to distinguish it from 'due' must be given the meaning of a '... future or contingent liability'.

Tax related comments relevant to this dispute

Section 96(1)(f) of the TAA, as we have already noted, provides that SARS must issue a notice of assessment which is to include 'the date for paying the amount assessed'.

The notice of the additional assessment identified the 'due date' to be 1 May 2018 and the 'second date' to be 31 May 2018. The second date is the date by when it is to be paid.

The amount assessed, thus, only became due and payable on 31 May 2018. Until then it was not a 'debt'.

Thus it constitutes a post-commencement debt or finance (in the parlance of the Companies Act).



Tax related comments relevant to this dispute

On the basis of the analysis of the various tax legislations and authorities referred to above ... I hold the view that Becker CJ's single sentence dictum concerning liability for income tax applies with equal force to our tax legislations: that s 5(1) of the Income Tax Act only establishes 'generally the liability' but that in terms of the relevant provisions of the TAA ... the tax became due and payable when the additional assessment was made.

Only when it was quantified and became due and payable did it become a debt. The additional assessment constitutes the important event that transforms a general liability into an actual one.

To conclude: the 2017 additional assessment is not a pre-business rescue debt.





AI Everywhere

Exploring Generative AI

Msizi Gwala

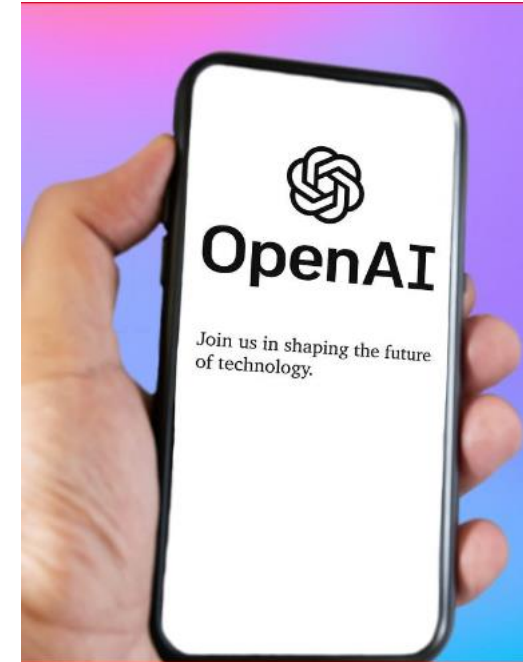
OVERVIEW

- A technology that uses machine learning to generate new and unique data, images, text, or other outputs based on patterns found in existing data.
- It relies on deep neural networks and can be used in a variety of applications, from art and design to healthcare and accountancy.
- Differs from other AI – classify and predict, generative AI can create new content or outputs.
- Powerful, statistical beasts creating human like output.
- Lack real understanding of the real world, logic, facts, can be good liars



OVERVIEW

- Keeping up with generative AI will help you keep up with developments, identify new opportunities for improvements and business opportunities.
- Create new products, services or processes that leverage this technology or save costs
- Better prepare for the inevitable change > Conversational AI
- AI technologies will automate many tasks/jobs, but the effect on employment is not obvious



HOW DOES IT WORK



Generative AI is a type of artificial intelligence (AI) that uses machine learning algorithms to create new and original content like images, videos, text, and audio.

1 Forming a Database

A neural network, consisting of various information or media files like images, text, data, sounds, etc., forms the basis of artificial intelligence.



2 Inputting a Prompt

The user provides the AI with a description or sample of the desired content.



Prompts can be any user-submitted material, like words, numbers, or photos

3 Generating Content

...and the AI uses its neural network to generate new examples that are similar to the ones it has trained from.



This image was created on Midjourney using the following text prompt:
a technical illustration of a woman sitting behind a desktop computer on a long table, isometric view, 3D rendering, realistic, 4k

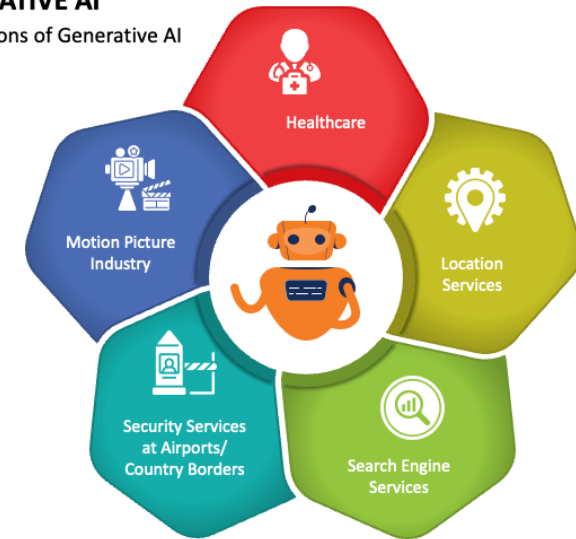
- Relies on Big Data to learn and generate outputs,
- Uses deep learning called generative adversarial networks (GAN), which consists of two neural networks (generator and discriminator)
- Training the model - unsupervised, unstructured data: Identify and learns patterns and characteristics among the data, and scrutinize data
- User experience: Prompt (input) > AI processes > Output.
- User can refine and improve the output, customize, etc.
- Techniques e.g., Natural Language Processing (NLP),

GENERATIVE AI USE CASES

- Chatbots for customer service and technical support.
- Deploying deep fakes for mimicking people.
- Improving dubbing for movies and educational content in different languages.
- Writing email responses, profiles, resumes and other communication.
- Creating photorealistic art in a particular style.
- Operations, processes, design (material, parts, etc.)
- Synthetic data creation

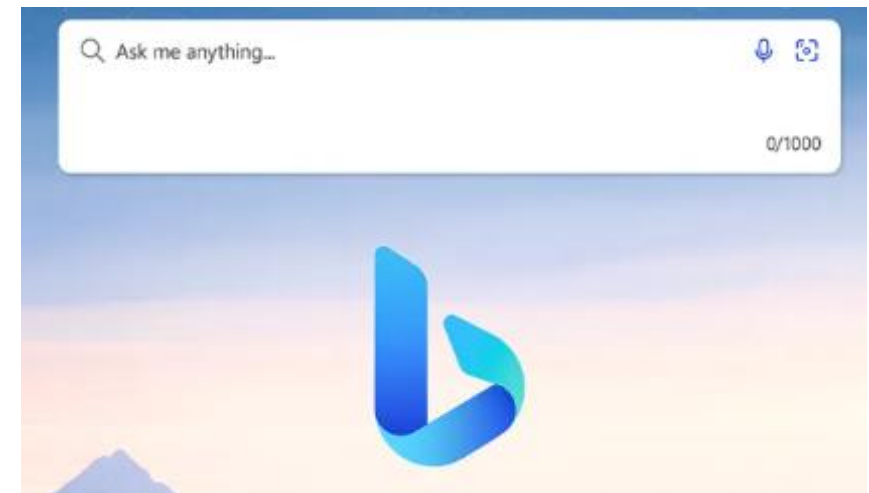
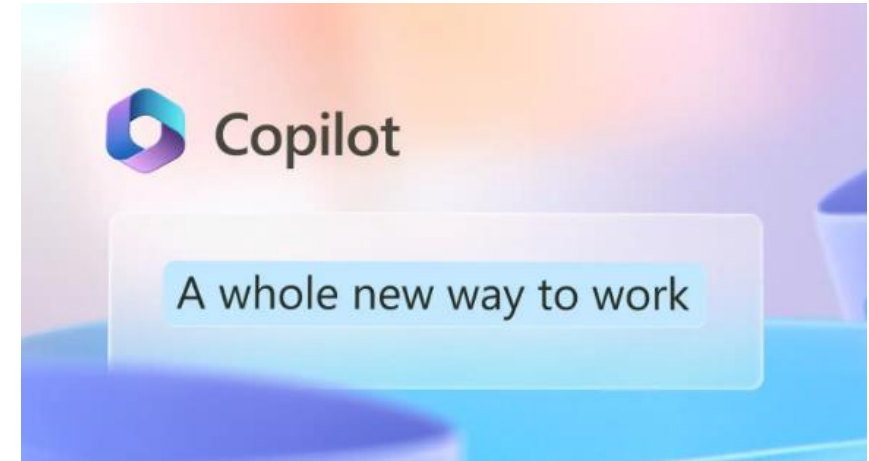
GENERATIVE AI

Applications of Generative AI



GENERATIVE AI USE CASES

- Improving product demonstration videos.
- Suggesting new drug compounds to test.
- Designing physical products and buildings.
- Optimizing new designs.
- Writing music or poems in a specific style or tone.
- Search engine improvements
- Images, art, videos, coding, 3D, audio, sentiment analysis
- Artificial Creativity



ADVANTAGES AND DISADVANTAGES

Benefits and advantages

- Improves performance and productivity
 - Automating the manual process of writing content.
 - Reducing the effort of responding to emails.
 - Improving the response to specific technical queries.
 - Creating realistic representations of people, things.
 - Summarizing complex information into a coherent narrative.
 - Simplifying the process of creating content in a particular style.

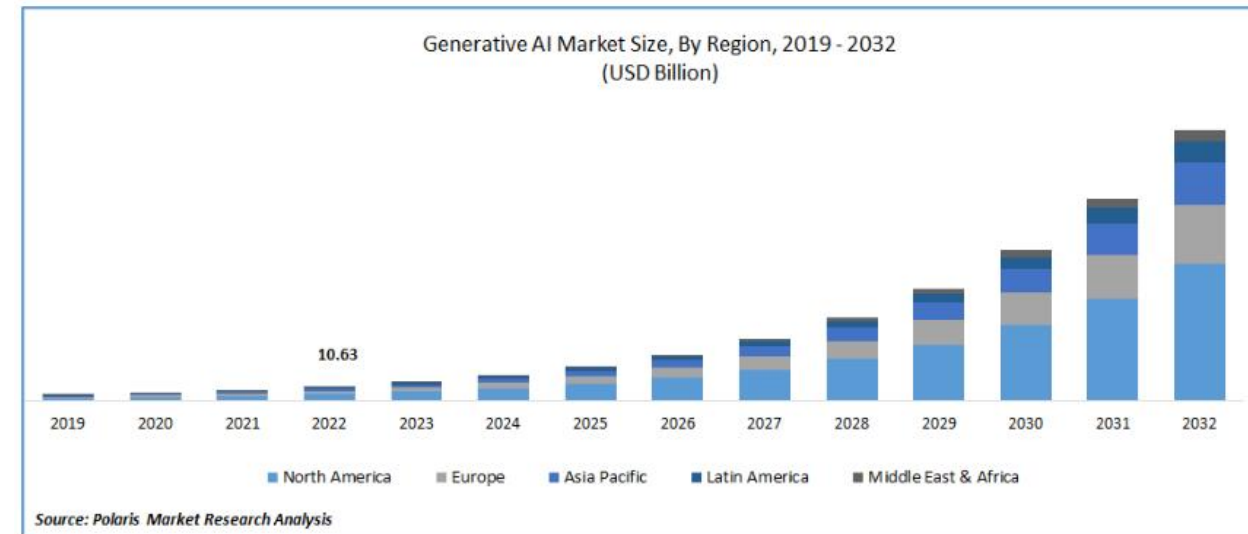
Disadvantages and limitations

- Compute costs (lots of data, expensive to train)
- Trustworthiness (bias, sources of data)
- Hard to control, behavior, output, etc.
- Relies on data, big data - can't create entirely new things
- Can be used for deceitful purposes and fraudulent activity
- Safety and security
- Not explainable and interpretable

IMPORTANT TO NOTE

- Consumer entertainment > significant business application and a new basis for competitive advantage
- Start right now to experiment with generative AI. The Google example
- Concern: Generating coherent nonsense; recreating biases; new security challenges and attacks; trust, reliability, copyright and intellectual property issues
- 94% say that AI is critical to success over the next five years (Deloitte)

Forbes



GENERATIVE AI PROJECTIONS

Timeline of Generative AI

- First Attempt
- Almost there
- Ready for prime time

	PRE - 2020	2020	2022	2023 ?	2025 ?	2030 & Beyond ?
TEXT	Spam detection Translation Basic Q&A	Basic copy writing First drafts	Longer form Second drafts	Vertical fine turning gets good (scientific)	Final drafts better than the human average	Final drafts better than professional writers
CODE	1-line auto-complete	Multi-line generation	Longer form Better accuracy	More languages More verticals	Text to product (draft)	Text to product (final), better than full-time developers
IMAGES			Art Logos Photography	Mock-ups (product design, architecture)	Final drafts (product design, architecture)	Final drafts better than professional artists, designers, photographers)
Video / 3D / Gaming			First attempts at 3D/video models	Basic / first draft videos and 3D files	Second drafts	AI Roblox Video games and movies are personalized dreams

wowmakers.com



MESSAGE FROM CHATGPT



What one thing should I tell chartered accountants about generative AI in an upcoming webcast?



One important thing to convey to chartered accountants about generative AI in an upcoming webcast is that it has the potential to significantly impact the accounting industry in the near future. As generative AI continues to develop, it will be capable of automating many routine accounting tasks, such as data entry, reconciliation, and financial analysis, which can free up accountants to focus on higher-value work that requires human judgement and expertise.



However, it is also important to note that while generative AI can be a powerful tool for accountants, it is not a replacement for human intelligence and oversight. Accountants will still need to provide guidance, review outputs, and make decisions based on their knowledge and experience. It's important to understand the strengths and limitations of generative AI and how it can be best used in the context of accounting practices.



SARS OPERATIONAL AND TAX ADMINISTRATION

Somaya Khaki

SARS OPERATIONAL AND TAX ADMINISTRATION



Issues with raising of estimated assessments



Challenges with the dispute process



eFiling functionality not aligned with legislation

Correcting (increasing) input VAT in the VAT201

Delays noted in certain processes

Other

Issues with raising of estimated assessments

1. Assessments raised after non-response to request for documentation

- SARS is supposed to send more than one request/follow up – members to log cases on the portal.
- SARS notes that some taxpayers attempt to upload documents ‘piecemeal’ – however, the SARS system expects only one submission.

2. Assessments raised prematurely – i.e. before deadline for submission of documents

- eFiling appears to set the 21 day deadline to the hour that the letter requesting documents is issued.
- Members to escalate via the portal.

SARS OPERATIONAL AND TAX ADMINISTRATION

Challenges with the dispute process

- SARS revising an assessment in terms of an objection but then making a further adjustment to the taxable income without following due process
 - A new verification should be initiated requesting supporting documents for the items to be reviewed;
 - SARS agreed that internal education is required.
- SARS concedes on disputes, but does not always issue the revised assessment
 - SARS notes that this should not be possible as a dispute case cannot be closed until the assessment is issued – members to refer examples
- Auditors not adequately prepared for some ADR meetings
 - SARS' national stakeholder team will raise this issue with legal, audit and verification teams.

SARS OPERATIONAL AND TAX ADMINISTRATION

eFiling functionality not aligned with legislation

No functionality to request a reduced assessment in terms of s93(1)(d)

- SARS plans for this to be fixed in the current filing season.

No functionality to allow upload of documentation in respect of a s95(1)(b) assessment

- SARS advised that this is currently possible and there is a 'container' available to upload documents in such circumstances – members to confirm

Suspension of payment challenges

- Still not linked to the tax compliance status system
- SoP revoked on disallowance of objection – should remain in place until the period to lodge an appeal has expired

SARS OPERATIONAL AND TAX ADMINISTRATION

Correcting (increasing) input VAT in the VAT201 for the same period

Is this the case?

- SARS disallows any increase in input tax or decrease in output tax even though such changes are made before the filing deadline for the specific period. According to tax practitioners, the functionality is available on e-filing, but the corrections are rejected by SARS.
- SARS' view is that the law does not allow for an adjustment of input VAT in the current period return that has already been submitted and the taxpayer should, instead, make the adjustment in the subsequent return in terms of the proviso to section 16(3) of the VAT Act.
- SAICA's view is that this applies only in the instance where the relevant documentation is not on hand at the time of submitting the return, but does not apply in the case of human error that needs to be corrected.

There is a fraud risk/concern – but surely this could be mitigated via a verification?

SARS OPERATIONAL AND TAX ADMINISTRATION

Delays noted in respect of certain processes

- Registration of trusts and deceased estates
 - SARS plans on automating the coding of Deceased Estates by using 3rd party data from DHA as a long term solution.
 - For now the SOQS process should be used to report new cases and if the TAT is lapsed, these cases should be escalated via the general escalation channel.
 - Clearance certificates for deceased estates
 - The volume of queries is very high and SARS is working on a new system to deal with this. In the interim, the escalation process must be used.
- Trust registrations and disputes
 - SARS to provide feedback
 - With respect to automating the dispute process, it is likely that this will be implemented in 2024

SARS OPERATIONAL AND TAX ADMINISTRATION

SARS access to bank account transaction detail?

- SMSes from SARS noting that ‘your bank account has received significant funds’ – when will the outstanding VAT201 be submitted or do you want to reconsider your declaration?
- **How prevalent is this? What are SARS’ powers in this regard?**

SARS Vision 2024

- Trust third party reporting deadline 30 September
- SARS is yet to share filing season deadlines
- Despite a roadmap/project plan been requested – none has been shared thus far

Notifications sent with no reference number or taxpayer name

- SARS is investigating specific examples

Delays in finalisation of verifications and refunds

- Ongoing issue – SARS to provide feedback



Diesel Rebate (Refunds) for Manufacturers of Food

Stephan Venter

DIESEL REBATE / REFUND

2023 BUDGET SPEECH

To ease the impact of the electricity crisis on food prices, the refund on the Road Accident Fund levy for diesel used in the manufacturing process, such as for generators, will be extended to manufacturers of foodstuffs. This takes effect from 1 April 2023 for two years.

Godongwana, 2023:14

DIESEL REBATE / REFUND

2023 BUDGET SPEECH

TAX POLICY – DIESEL REFUNDS

- **Why was the diesel refund only extended to manufacturers of foodstuffs and not retailers?**
 - The diesel refund system is **administratively onerous**, both for claimants and for SARS. The current refund is available for mining and agriculture and the approach was to extend the refund to the next point on the value chain, which are the manufacturers, to help ease food prices. It would not have been possible to extend it along the entire value chain to every retailer in the country

2023 Budget response to public hearings version 2, 2023:9

DIESEL REBATE / REFUND

What can you claim?

By the insertion of the following:

Rebate Item	Tariff Item	Rebate Code	CD	Description	Extent of Rebate	Extent of Refund
670.05	00.00	01.00	06	Distillate fuel purchased for use and used in the manufacture of foodstuffs as specified and subject to compliance with Note 14		Full Road Accident Fund levy less 20%

Per liter **USED**: RAF Levy *paid* x Liters of qualifying use x **80%**

For 01/04/2023 to 31/03/2024: **R2.18 x 1 / x 80% = R1,744/liter**

01 APRIL 20XX!

In addition to the tax measures I have announced to promote investments in renewable energy, the general fuel levy and the Road Accident Fund levy will not be increased this year.

DIESEL REBATE / REFUND

Effective 27 October 2022

EXCISE

EXTERNAL POLICY

MANAGE DIESEL REFUND CALCULATIONS

- c) Correction of litres purchased:
- i) Where the implementation date of the new rates for the general fuel and Road Accident Fund levies falls within the tax period, litres purchased and used before the rate changed must be adjusted using a factor.
 - ii) The factor can be determined by dividing the previous rate per usage type with the current rate to the 5th decimal.
 - iii) The current and historic extent of the refund can be found by:
 - A) Going to www.sars.gov.za;
 - B) Clicking on Legal Counsel;
 - C) Clicking on Secondary Legislation; and
 - D) Clicking on Tariff Amendments.
 - iv) To calculate the adjusted litres, the claimant must:
 - A) Multiply the total litres purchased and used before the rate change with the factor calculated in ii) above.
 - B) Multiply the non-eligible litres before the rate change with the factor calculated in ii) above.
 - v) To complete Part C of the VAT201, the claimants must:
 - A) For **Total purchases**: Add the total litres recalculated in iv)A) to the total litres purchased and used after the rate change.
 - B) For **Non-eligible purchases**: Add the non-eligible litres recalculated in iv)B) to the non-eligible litres purchased and used after the rate change.
 - vi) All further fields are automatically calculated and populated as described in paragraph b)ii).
 - vii) **Example**: Where a rate change during the tax period impacts a client's refund for, for example, On Land purchases, the factor must be used to adjust the litres **purchased and used** before the rate changed. The client's records indicate total litres purchased and used of 1 385 before and 4 250 after the rate changed. They also recorded non-eligible litres purchased and used of 400 before and 1 500 after the rate changed. If the previous rate for On Land purchases were, for example, R7 per litre and the current rate R8.50 per litre, the calculations would look as follows:

TRUST BUT VERIFY

- *Full and Complete Audit Trail*
- *Sufficient and Appropriate Substantiation (Supporting Documents)*
- *Who did What When Where and Why?*
- *Now prove it!*

TRUST BUT VERIFY

- *On a Balance of Probabilities?*
- *Beyond Reasonable Doubt?*
- ***BEYOND ALL DOUBT!***

DIESEL REBATE / REFUND

Do Not Be Discouraged,

BE READY!

Don't Lose Out!

Is It like a Sandwich?

*It Is! Rather Have it and Not Need it,
Than Need it and Not Have it!*

DIESEL REBATE / REFUND

REGISTRATION

- ❖ NOT via the VAT-system [RAV];
- ❖ To be administered through the separate stand-alone system;
- ❖ Refund to be paid out or equalised against any SARS Debt – election of user?
- ❖ Last update:
DIESEL REFUNDS - FARMING INDUSTRY STAKEHOLDER ENGAGEMENT – 19/10/2021

DIESEL REBATE / REFUND

REGISTRATION

- ❖ Complete and Submit Forms to SARS;
- ❖ Supporting Documents for each assertion – id est, Cellphone Number => Vodacom Statement;
- ❖ DRAFT:

DIESEL REBATE / REFUND

Government Gazette No.
No. R.

**CUSTOMS AND EXCISE ACT, 1964.
AMENDMENT OF SCHEDULE NO. 6 (NO. 6/3/.....)**

In terms of section 75 of the Customs and Excise Act, 1964, Part 3 of Schedule No. 6 to the said Act is hereby amended to the extent set out in the Schedule hereto.

**ENOCH GODONGWANA
MINISTER OF FINANCE**

SCHEDULE

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

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

DIESEL REBATE / REFUND

- (b) Application for registration and claiming of refunds:
- (i) Every person that both purchases and uses distillate fuel for the manufacture of foodstuffs must register as a refund user in respect of this item (including the manufacturing premises).
 - (ii) Application for registration must be made on form DA 185 and annexure DA 185.4A3 obtained from any SARS office or the SARS website (www.sars.gov.za).
 - (iii) Every application for registration that is approved will be issued with effect from 1 April 2023 as the date on which the refund user became eligible for the claiming of refunds.
 - (iv) No claim for a refund of levies on distillate fuel for the manufacture of foodstuffs shall be considered until the refund user and the manufacturing premises are so registered.
 - (v) The refund user must in addition to the registration required under this Act also be registered under the provisions of the Value Added Tax Act, 1991 (Act No. 89 of 1991).
 - (vi) Any claim for a refund of levies on distillate fuel must be submitted in the prescribed form (form DA 66) together with all necessary supporting documents relating to such claim.
 - (vii) A refund may only be claimed in respect of distillate fuel purchased in and for use in the Republic and for which a duly completed tax invoice was issued and retained.



DA 185

APPLICATION FORM: REGISTRATION / LICENSING OF CUSTOMS AND EXCISE CLIENTS

For official use

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

1. NOTES FOR COMPLETION OF THE DA 185 AND ITS ANNEXURES

1. Where the asterisk (*) appears, delete whichever is not applicable.
2. Indicate with an " X " in the appropriate block(s) whichever is applicable.
3. Complete the annexure listed in container 11 which is relevant to the registration or licensing type applied for.
4. Reflect the relevant customs and excise client number when updating (by amending or confirming) existing registration or licensing information.
5. Where security must be furnished, complete and submit annexure DA 185.C.

DIESEL REBATE / REFUND

11. REGISTRATION OR LICENSE TYPES AND RELEVANT ANNEXURES

Annexure	Registration	Tick box	Annexure	Licensing	Tick box
DA 185 4A3	Rebate / Refund User (Schedule Nos. 3, 4 and 6) – (Section 75 and the rules thereto)	<input type="checkbox"/>	DA 185 4B7	Distributor of Fuel – (Section 64F and the rules thereto)	<input type="checkbox"/>

DIESEL REBATE / REFUND



ANNEXURE DA 185.4A3

REGISTRATION CLIENT TYPE 4A3 - REBATE / REFUND USER (Schedule No's 3, 4 and 6)

Notes:

- It is the responsibility of the importer / rebate / refund user to ensure that the tariff headings of the goods in question are correct and that the goods comply with the terms of the rebate / refund item concerned. Should there be any doubt, the importer / rebate / refund user should apply for a formal determination on form DA 314

1. Trading Particulars:

Please supply all trade names and physical addresses if the business is conducted from a different address or under a different name as that stated in container 5 of the application form (DA 185).

DIESEL REBATE / REFUND

What's New?

- 10 August 2022 – [DA66 Automation: Frequently Asked Questions](#)

[DA66 Automation Frequently Asked Questions](#)

Which refunds does the new system cover?

Customs

- Schedule 5 Part 1 (Specific rebates)
- Schedule 5 Part 2 (Export same condition as import)
- Schedule 5 Part 3 (Motor vehicles)
- Schedule 5 Part 4 (Fuel levy for diplomats)
- Schedule 5 Part 5 (Environmental Levy)

Excise

- Schedule 6 Part 1F (Specific Excise Duties on Mineral Products)
- [Schedule 6 Part 3 \(Refunds of Fuel Levy and Road Accident Fund\)](#)
- Schedule 6 Part 4 (Refunds of Environmental Levy)
- Schedule 6 Part 5 (Refund on Health Promotion Levy)

When will the system go live?

19 September 2022.

DIESEL REBATE / REFUND

What is the next phase of the project?

- Diesel refunds will be the next phase of the project.
- Automation of EWPs.
- Issues identified during the initial run will be updated during the next phase.
- Information that will come from the technical team. Any other consideration for the optimisation of the system.

Where/to whom can subsequent questions be directed?

A dedicated mailbox will be set up and details of the mailbox will be communicated in due course.

DIESEL REBATE / REFUND



First REGISTER



Then Use and PROVE



And then only Claim

DIESEL REBATE / REFUND

"distillate fuel" means -

- (aa)
 - (A) distillate fuel, and
 - (B) biodiesel as contemplated in Section 37B (2)(a)(ii),in respect of which a fuel levy and Road Accident Fund levy is prescribed in Part 5A and Part 5B of Schedule No. 1 respectively, and which has been duly entered for home consumption or which is deemed to have been duly entered for home consumption, whether or not such distillate fuel and biodiesel have been mixed; and
- (bb) excludes the following:
 - (A) "smokeless diesel", a mixture of kerosene and a lubricity agent, normally used in underground mines;
 - (B) any mixture of distillate fuel with kerosene or any other substance except biodiesel;
 - (C) any distillate fuel entered for export or ships stores or in terms of any other procedure except for home consumption or on which the levies are not paid as contemplated in this definition.

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

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

- (aa) any beverages of Chapter 22 or products and preparations for making beverages of Chapter 22;
- (bb) goods of Chapters 5, 6, 13 and 14.

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

"manufacture" has the meaning assigned in section 1(1) of this Act, with any necessary changes as the context may require for the manufacture of foodstuffs by the refund user at the manufacturing premises, including distillate fuel used for own electricity generation in such manufacture.

"manufacturing premises" means an industrial facility for the manufacture of foodstuffs and excludes any premises at which wholesale distribution or retail sales activities occur.

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

DIESEL REBATE / REFUND

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

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

DIESEL REBATE / REFUND

(c) **Keeping of records, books, accounts and other documents:**

- (i) The refund user must keep record of each manufacturing or other operation or process performed at the manufacturing premises, including the manufacturing method or elements and ratio of distillate fuel used in relation to the manufacture of foodstuffs.
- (ii) Records, books, accounts or other documents (including purchase invoices, sales invoices, storage logbooks and usage logbooks) must show in respect of each refund claim how the quantity of distillate fuel on which a refund was claimed was calculated.
- (iii) All such records, books, accounts or other documents to substantiate the refund claim must be kept for a period of 5 years from the date of use, disposal or loss of the distillate fuel or the refund claim, whichever occurs last.
- (iv) Any such records, books, accounts or other documents must be produced for inspection to any officer in accordance with the provisions of section 4 of this Act.

DIESEL REBATE / REFUND

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

- (v) **Purchase documentation** in respect of the receipt of distillate fuel must be in the name of the refund user and original purchase invoices in the form of tax invoices must be obtained and retained by the refund user.
- (vi) **Storage documentation (including storage logbooks)** in respect of the receipt, storage, removal, disposal or loss of distillate fuel must reflect the
 - (aa) capacity of the storage tank;
 - (bb) date of receipt, removal, disposal or loss;
 - (cc) quantity received, removed, disposed or lost;
 - (dd) purpose of removal or details of disposal or loss;
 - (ee) monthly opening and closing balance of storage level.
- (vii) **Usage documentation (including usage logbooks)** in respect of the source and usage of distillate fuel for foodstuffs manufacturing or otherwise must reflect the
 - (aa) source of distillate fuel;
 - (bb) date and time of each activity of usage;
 - (cc) quantity in respect of each activity of usage;
 - (dd) purpose in respect of each activity of usage;
 - (ee) equipment powered in each activity of usage.
- (viii) **Usage logbook entries must be substantiated by the source documentation** and additional information that informed the completion of such logbooks, including the
 - (aa) serial number or identification marking of equipment;
 - (bb) manufacturer specifications of equipment;
 - (cc) distillate fuel or power usage rate of equipment;
 - (dd) frequency, intensity and duration of use of equipment;
 - (ee) any other incidents, facts and observations relevant to the measurement of distillate fuel usage.

DIESEL REBATE / REFUND



EFFECTIVE DATE
TBA

EXCISE

DIESEL STORAGE FACILITY/UNIT NUMBER

Opening metre reading		Purchase receipts			Metre reading before disposal	Disposal				Metre reading after disposal	
Date	Opening balance reading (litres)	Invoice number	Date	Litres received	Opening balance plus receipts	Date	Litres disposed (if losses occurred, also note here)	Disposed to each vehicle/unit to be indicated separately	Purpose of Disposal (State whether or eligible or non-eligible use)	Opening balance plus receipts minus disposals	
01/01/2012	20 l	D 001	20/01/2012	40 l	60 l	01/03/2012	10 l	Tractor	RX 001	Farming / Ploughing /Plot 1	50 l
01/03/2012	N/A	N/A	N/A	N/A	50 l	01/03/2012	30 l	Truck	SP 011	Farming / Transport to first point of delivery / Address	20 l
01/03/2012	20 l	D 002	07/04/2012	50 l	70 l	01/05/2012	40 l	Tractor	RX 001	Farming / Ploughing / Plot 2	30 l
01/05/2012	30 l	D 003	07/05/2012	20 l	50 l	N/A	N/A	N/A	N/A	N/A	50 l
Opening balance	20(l)	Plus	Total Received	110(l)	Minus	Total Disposed	80(l)	equals		Closing Balance	50(l)

DIESEL REBATE / REFUND



EFFECTIVE DATE
TBA

EXCISE

DIESEL USAGE LOGBOOK

(Client name and client premises (if possible) where eligible activity performed to be inserted)

Name:	Premises:
--------------	------------------

Received from storage facility/unit			Diesel used							Balance after use	Purpose				Eligible purchases (Litres)
Date	Received from storage unit number.	Quantity received (Litres)	Type of vehicle/machine	Opening balance of distillate fuel in vehicle/machine	Vehicle registration number/machine serial number.	Opening km/hour meter/engine hour	Closing km/hour meter/engine hour	Total km /hour meter/engine hour used	Total qty. of distillate fuel used (Litres)	Unused balance in vehicle/machine	Specific eligible activity performed	Non-eligible activity performed & litres used	When activity performed	Where Activity performed	Total for eligible litres
01/03/2012	Unit no. 001	10 l	Tractor	0 l	RX 001	100 km	130 km	30 km	6 l	4 l	Ploughing	N/A	01/03/2012	Plot 1	6 (l)
01/03/2012	Unit no. 001	30 l	Truck	0 l	SP 001	220 km	280 km	60 km	12 l	18 l	Transport to first point of delivery	N/A	01/03/2012	Address from and delivery point address	12 (l)
01/05/2012	Unit no. 001	40 l	Tractor	4 l	RX 001	130 km	190 km	60 km	12 l	32 l	Ploughing	N/A	01/05/2012	Plot 1	12 (l)
											TOTAL Non-eligible litres	0(l)		TOTAL Eligible litres	30(l)

Total eligible purchases (litre) = 30 (l) x 80% = 24 (l) xcents per litre

THANK YOU!

AND GOOD LUCK!