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Submission File

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The National Treasury  
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Dear Ms Baig and Ms Legote

National Treasury

**BUDGET 2025 ANNOUNCEMENT OF ADJUSTMENT TO THE DIESEL REFUND FOR THE PRIMARY SECTOR**

1. The 2025 Budget Review<sup>1</sup> includes a comment by National Treasury ('NT') that, with regards to the diesel rebate, government *"proposes to align with the original policy intent and apply the refund for all eligible diesel purchases declared to SARS, effective from 1 April 2026"*.
2. At the 2018 public consultation workshops<sup>2</sup> held by NT to discuss comments made by stakeholders to the 2017 Discussion Paper on the Review of the Diesel Fuel Tax Refund, NT noted that it had held numerous consultative workshops with taxpayers, including specific industries, and that the discussion remarks would be incorporated into a comprehensive review document of the Diesel Rebate system. NT further noted that a new draft Diesel Rebate reform design would thereafter be introduced<sup>3</sup>.
3. Unfortunately this updated policy document was never published.
4. Clarity is still sought by stakeholders on matters such as the inclusion of other sectors into the diesel refund system, the practical challenges concerning the use of logbooks and proof of diesel usage. Previous comments made by stakeholders also questioned the exclusion of repairs and maintenance fuel from the rebate.
5. NT's official stance on this matter thus remains uncertain.

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<sup>1</sup> Page 45

<sup>2</sup> Annexure A of this document

<sup>3</sup> We previously raised this point in our 24 March 2021 [submission to SARS on the Draft Diesel Refund Rules, Schedule and Forms](#)



6. Another matter worth noting is the interaction between the diesel refund and carbon emissions and carbon tax, especially given that NT and SARS have previously expressed views, that from a policy perspective, Carbon Taxes are the future and that inefficient fossil fuel subsidies should be phased out.
7. It thus remains unclear what the official government policy intent is in this regard.
8. We would therefore like to enquire whether NT plans to publish an updated policy document on the diesel refund system.
9. If this is not the case, we humbly request that NT publish said document prior to the 1 April 2026 date mentioned in the 2025 Budget Review.

## CONCLUSION

10. We once again thank National Treasury for the ongoing opportunity to provide constructive comments. SAICA continues to believe that a collaborative approach is best suited in seeking solutions to complex challenges and should you wish to clarify any of the above matters please do not hesitate to contact us.

Yours sincerely

**Lesedi Seforo**  
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*The South African Institute of Chartered Accountants*