

REPUBLIC OF SOUTH AFRICA

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# CUSTOMS AND EXCISE AMENDMENT BILL

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*(As introduced in the National Assembly (proposed section 75); explanatory summary of  
Bill and prior notice of its introduction published in Government Gazette No. 42216  
of 5 February 2019)*  
*(The English text is the official text of the Bill)*

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(MINISTER OF FINANCE)

[B 3—2019]

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**GENERAL EXPLANATORY NOTE:**

[                    ]      Words in bold type in square brackets indicate omissions from existing enactments.

\_\_\_\_\_                Words underlined with a solid line indicate insertions in existing enactments.

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## **BILL**

**To amend the Customs and Excise Act, 1964, so as to make provision for the administration and collection of carbon tax revenues; and to provide for matters connected therewith.**

**B**E IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

**Insertion of section 54AA in Act 91 of 1964**

1. The following section is hereby inserted in the Customs and Excise Act, 1964, after section 54A:

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**“Provisions relating to carbon tax**

**54AA.** For the purposes of the administration and collection of carbon tax revenues as contemplated in section 54A—

- |     |      |  |    |
|-----|------|--|----|
| (a) | (i)  | any reference to the Carbon Tax Act, 2019, in this Act must be regarded as including the Tables and Schedules to that Act and any regulation made in terms of that Act;  | 10 |
|     | (ii) | a word or expression in this Act to which a meaning has been assigned in the Carbon Tax Act, 2019, has the meaning so assigned, unless the context indicates otherwise;  |    |
| (b) |      | the allowances and limitation of allowances prescribed in the Carbon Tax Act, 2019, must be administered as rebates, refunds or drawbacks, as may be applicable, in terms of this Act;   | 15 |
| (c) |      | a taxpayer as defined in the Carbon Tax Act, 2019, must in terms of section 54E license any premises on which emissions as defined in the Carbon Tax Act, 2019, occur, in a manner and subject to requirements as may be prescribed by rule; and   | 20 |
| (d) |      | any administrative actions, requirements and procedures for purposes of submission and verification of accounts, collection and payment of carbon tax as an environmental levy or the performance of any duty, power or obligation or the exercise of any right must, to the extent not prescribed in the Carbon Tax Act, 2019, be prescribed by the <u>Commissioner by rule.</u> ”. | 25 |

**Short title and commencement**

**2.** This Act is called the Customs and Excise Amendment Act, 2019, and comes into operation on 1 June 2019.

**MEMORANDUM ON THE OBJECTS OF THE CUSTOMS AND  
EXCISE AMENDMENT BILL, 2019**

**1. PURPOSE OF BILL**

The Customs and Excise Amendment Bill, 2019 (the “Bill”), proposes to amend the Customs and Excise Act, 1964.

**2. OBJECTS OF BILL**

**2.1 Customs and Excise Act, 1964: Insertion of section 54AA**

The proposed amendment inserts a new provision for the purpose of the administration of allowances and limitation of allowances in relation to the Carbon Tax Act. The provision facilitates the administering of those allowances and limitation of allowances as rebates, refunds or drawbacks. The proposed provision further requires that a taxpayer as defined in the Carbon Tax Act must license premises as may be prescribed by rule. The provision also regulates actions, pertaining to submission and verification of accounts, collection and payment of the carbon tax. The proposed amendment also allows the Commissioner to make rules insofar as it is necessary to regulate duties, powers and rights not regulated by the Carbon Tax Act in relation to collection and payment of the Carbon Tax.

**2.2 Short title and commencement**

The clause makes provision for the short title and commencement of the proposed Act.

**3. CONSULTATION**

The amendment proposed by this Bill was published on National Treasury’s website for public comment as part of the proposed Carbon Tax Bill. Comments by interested parties were considered. Accordingly, the general public and institutions at large have been consulted in preparing the Bill.

**4. FINANCIAL IMPLICATIONS FOR STATE**

An account of the financial implications for the State was given in the 2018 Budget Review, tabled in Parliament on 21 February 2018.

**5. PARLIAMENTARY PROCEDURE**

5.1 The State Law Advisers and the National Treasury and South African Revenue Service are of the opinion that this Bill must be dealt with in accordance with the procedure established by section 75 of the Constitution of the Republic of South Africa, 1996, since it contains no provision to which the procedure set out in section 74 or 76 of the Constitution applies.

5.2 The State Law Advisers are of the opinion that it is not necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), since it contains no provision pertaining to customary law or customs of traditional communities.