

EXCISE

EXTERNAL

GUIDE

**VEHICLES ADAPTED FOR PERSONS
WITH PHYSICAL DISABILITIES**

TABLE OF CONTENTS

1	SCOPE	3
2	REFERENCES	3
2.1	Legislation	3
2.2	Cross References	3
2.3	Quality Records	3
3	DEFINITIONS AND ACRONYMS	3
4	BACKGROUND	5
4.1	Ad Valorem Excise Duty	5
4.2	Rebates	5
5	GOVERNING LEGISLATION	5
6	ADMINISTERING THE REBATE ITEMS	6
6.1	Procedure	6
6.1.1	Client	6
6.1.2	NCPDSA	6
6.1.3	SARS Head Office	7
6.1.4	Dealer	8
6.1.5	Adaption Centres	8
6.1.6	SARS Branches	8
6.2	Example of amount to be rebated	9
7	DOCUMENT MANAGEMENT	10

1 SCOPE

- a) The purpose of this document is to assist permanently disabled persons qualifying to obtain motor vehicles, which have been specially adapted, under partial rebate of Excise duty in terms of Rebate Items 630.20 and 630.22 and to ensure that they comply with the legislation and provisions of the relevant Rebate Items.
- b) This document only applies to Rebate Items 630.20 and 630.22, which relates to the adaption of locally produced vehicles for permanently disabled persons, and does not include adapted vehicles which are imported for permanently disabled persons under Rebate Item 460.17.

2 REFERENCES

2.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Customs and Excise Act No. 91 of 1964: Sections 36A, 37A(1)(a) and 75(15) Customs and Excise Rules: Rule 36A.01 and 201.00 Customs and Excise Schedule 1 Parts 1, 2, 2B, 3, 5A and B and Schedules 4, and 6
Other Legislation:	None
International Instruments:	None

2.2 Cross References

DOCUMENT #	DOCUMENT TITLE
SE-AV-02	Ad Valorem Excise Duty – External Policy
SE-AV-05-M01	DA 75 Ad valorem Excise duty account – External Completion Manual
SE-FS-12	Provisional Payment - External Policy
SE-FS-12-S01	Provisional Payment - External SOP
SE-FS-15	Special or Extra Attendance – External Policy

2.3 Quality Records

NUMBER	TITLE
DA 73	Application for Special/Extra Attendance

3 DEFINITIONS AND ACRONYMS

Ad Valorem	It is a Latin term meaning: “on the value”
Clearance declaration	Applicable SAD form (e.g. SAD 500, 501, 502, 503, 504, 505, 506, etc.) or CD 1 (Customs Declaration)
Commissioner	Commissioner for SARS
Controller/Branch Manager	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.
Environmental levy	a) A levy imposed in terms of Part 3 of Schedule 1 and the Notes thereto, which includes levies on: <ul style="list-style-type: none"> i) Plastic bags; ii) Filament lamps; iii) Electricity; iv) Carbon dioxide; and v) Tyres.
Excise duty	Any duty leviable under Part 2 of Schedule 1 on any goods imported into or manufactured in SA.
Explanatory Notes	The Explanatory Notes are the official classification guidelines of the trade community, and are essential to the correct classification of goods. Text covers the General Rules of Interpretation, Section Notes, Chapter and Subheading.

Extra attendance	An application made, by a client, on DA 73 for any attendances outside the specified working hours. (Schedule to the rules, Paragraph 201.00)
Fuel Levy	Any duty leviable under Part 5A of Schedule 1 on any fuel levy goods which have been manufactured in or imported into South Africa (SA).
Fuel Levy goods	Any goods specified in Part 5A of Schedule 1, except any goods specified in any item of that Part for which a free rate of duty is prescribed as contemplated in section 37A(1)(a), which have been manufactured in or imported into SA.
Manufacture	<p>a) As defined in Chapter 1, 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>
Road Accident Fund (RAF) levy	Any duty leviable under Part 5B of Schedule 1 on any Road Accident Fund (RAF) levy goods which have been manufactured in or imported into South Africa (SA).
Road Accident Fund Levy goods	Any goods specified in Part 5B of Schedule 1.
SACU	<p>a) The Southern African Customs Union, consisting of:</p> <p>i) The Republic of South Africa;</p> <p>ii) The Republic of Botswana</p> <p>iii) The Kingdom of Lesotho;</p> <p>iv) The Republic of Namibia; and</p> <p>v) The Kingdom of Swaziland</p>
Schedule 1 Part 1	Ordinary Customs Duty
Schedule 1 Part 2	Specific Excise duties on locally manufactured or on imported goods of the same class or kind.
Schedule 1 Part 2B	Ad Valorem Excise Duties and Ad Valorem Customs Duties on imported goods of the same class or kind.
Schedule 1 Part 3	Environmental Levy
Schedule 1 Part 5A	Fuel Levy
Schedule 1 Part 5B	Road Accident Fund Levy (RAF)
Schedule 4	General Rebates of Customs Duties, Fuel Levy and Environmental Levy
Schedule 6	Refunds and Rebates of Excise Duties, Fuel Levy and Environmental Levy
Special attendance	An application made, by a client, on DA 73 for specific attendances within the specified working hours. (Schedule to the rules, Paragraph 201.00)
Tariff	Harmonised Nomenclature System

Value-Added Tax	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 for 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.
ZGR	South African Products General Rebate

4 BACKGROUND

- a) The main function of Excise is to protect and collect revenue due to the State on certain specified goods, locally manufactured or imported. In principle, such revenue is collected only if the product is actually consumed locally; i.e. within the borders of the Southern African Customs Union (SACU), thus Ad Valorem Excise duties on certain essential items e.g. motor vehicles become payable.
- b) Excisable goods may, subject to the provisions of Section 75 and the rules thereto, be entered under rebate of the Excise duty specified in Section B of Part 2 of Schedule 1 in respect of such goods at the time of entry for home consumption thereof.

4.1 Ad Valorem Excise Duty

- a) Schedule 1 Part 2B of the tariff specifies the goods on which duty is levied, each with its own applicable rate of duty. These goods include, amongst others, motor vehicles.
- b) This means that a local manufacturer, would pay the duty specified under the "Excise" column of Schedule 1 Part 2B whilst an importer of the same product has to pay the duty specified in Schedule 1 Part 1 (ordinary Customs duty normally levied on imported goods), but only if specified in that schedule, as well as the duty specified under the "Excise" column in Schedule 1 Part 2B.
- c) Duties, whether imported or locally manufactured, are payable at the rates shown in Schedule 1 Part 2B of the (Tariff Harmonised Nomenclature).
- d) This guide is not exhaustive and the Schedules in question as well as the explanatory notes **must** always be consulted, as the Schedules are subject to amendment.

4.2 Rebates

- a) Rebate Items 630.20 and 630.22 of Part 2 of Schedule 6 provides for a rebate of the full duty on motor vehicles which have been principally designed **and/or adapted, and/or to be adapted** for persons with physical disabilities.

5 GOVERNING LEGISLATION

- a) Under Section 75(15), Schedule 6 makes provision for Rebates and Refunds of Excise duties, Fuel Levy, Road Accident Funds Levy and Environmental Levy.
- b) Schedule 6:
 - i) **Rebate Item 630.20** provides for motor vehicles principally designed for the transport of physically disabled persons, including station wagons (excluding racing cars), adapted or to be adapted to be **used for the transport of physically disabled persons** at such times and under such conditions as the Commissioner, after consultation with the National Council for Persons with Physical Disabilities in South Africa (NCPD), may allow by specific permit, provided that:
 - A) Such permit may only be issued to a person or organisation who is registered to care for and to transport physically disabled persons; and
 - B) If such motor vehicle is offered, advertised, lent, hired, leased, pledged, given away, exchanged, sold or otherwise disposed of within a period of **three (3) years** from the date of entry under this rebate item, such foregoing acts shall render such vehicle liable to the payment of duty on a pro rata basis.

- ii) **Rebate Item 630.22** provides for motor cars and other motor vehicles, principally designed for the transport of persons, including station wagons (excluding racing cars), adapted or to be adapted to be **driven solely by a physically disabled person**, at such times and under such conditions as the Commissioner, after consultation with the NCPPDSA may allow by specific permit, provided that:
- A) The adaptation of the motor car or vehicle is of such a nature that the physically disabled driver of the motor vehicle has easy access to all controls necessary to drive such vehicle;
 - B) Such permit may not be issued within a period of **three (3) years** of the issue of a previous permit to such disabled person;
 - C) Permits may, however, be issued within a shorter period provided that proof is submitted that the motor vehicle previously entered under rebate of duty was stolen or was written off by the licensing authorities; and
 - D) If such vehicle is offered, advertised, lent, hired, leased, pledged, given away, exchanged, sold or otherwise disposed of within a period of **three (3) years** from the date of entry under this rebate item, such forgoing acts shall render such vehicle liable to the payment of duty on a pro rata basis.

6 ADMINISTERING THE REBATE ITEMS

6.1 Procedure

6.1.1 Client

- a) The client decides on a suitable vehicle (make and model) to purchase.
- b) Application form(s) for a permit to obtain a vehicle under rebate of duty can be obtained from the NCPPDSA at www.ncppdsa.org.za or alternatively be contacted on telephone number (011) 452 2774.
- c) After completion of the respective application form(s), the client or the various office's of the NCPPDSA where the client applied, **must** forward the relevant documentation to the office of:
 - i) The National Council for Persons with Physical Disabilities
Private Bag X10041
Edenvale
1610
Or
 - ii) Courier it to (and informing the NCPPDSA of the tracking number)
82 Andries Pretorius Road
Eastleigh
1609
- d) On receiving the relevant permit, the client will provide the dealer with the permit and will deliver the motor vehicle to the adaption centre. After adaption, the adaption centre will contact the client to collect the motor vehicle.
- e) The client then contacts the office of the local Controller/Branch Manager to make an appointment for the vehicle to be examined. In this regard, the client will have to apply for Special/Extra Attendance. **Refer to SE-FS-15.**
- f) The client will receive written confirmation from the Controller/Branch Manager that the vehicle was examined.

6.1.2 NCPPDSA

- a) Upon receipt of the application received from the client, the NCPPDSA will scrutinise **the** documentation submitted.
- b) In the case of Rebate Item **630.22**, the person with a physical disability who will be driving the vehicle will appear before an Association for Persons with Disabilities (APD) panel of adjudicators.

- c) If the application(s) is in line with the provision(s) of Rebate Item **630.20** or **630.22**, the NCPPDSA will submit the application form plus supporting documents as mentioned in paragraph 6.1.3 to **the Commissioner for the South African Revenue Service (SARS)** for consideration and approval.

6.1.3 SARS Head Office

- a) In terms of Rebate Item **630.20** (for the transport of a person with a physical disability), the following documents must be submitted:

- i) Application form for rebate of ad valorem Excise duty in terms of Rebate Item 630.20;
- ii) Motivation letter from the NCPPDSA;
- iii) Nominated driver(s) declaration forms of registered organisations or registered persons;
 - A) The identity documents of the owner of the organisation as well as all the nominated drivers; and
 - B) A registered person (Guardian) must enclose a copy of the identity document of the person with a physical disability as well as all the nominated driver(s) and applicant.
- iv) A copy of all nominated driver(s) licence(s), which will be transporting persons with physical disabilities;
- v) Motor manufacturers brochure of specifications (The brochure can be obtained from the dealership);
- vi) Quotation from the company/person that will perform the adaption; and
- vii) A Homologation certificate can be obtained from the Dealership's Head Office or Manufacturer of the vehicle.

- b) A Rebate permit will be issued if:

- i) After adaption, the vehicle will be right-hand-drive and will be suitable to be certified (homologated) by the South African Bureau of Standards (SABS) to comply with the road safety requirements in order to register the vehicle with the licensing authorities;
- ii) The organisation or individual that applies for the rebate permit is registered with the NCPPDSA;
- iii) The vehicle will be structurally adapted, i.e. the floor pan of the vehicle has been modified to incorporate clamps/clips and an anchorage for the safety harness to hold the wheelchair and person with a physical disability steady and in position when the vehicle is driven;
- iv) Railings are fitted to the door and sides of the vehicle for a person with a physical disability to hold onto when the vehicle is in motion; or
- v) The vehicle has to be fitted with medical equipment, such as an oxygen cylinder, to allow the person with the physical disability to be transported.

- c) A Rebate permit will **NOT** be issued if:

- i) After adaption, the vehicle will be a left-hand-drive vehicle and will not be suitable to be certified (homologated) by the SABS that it complies with the road safety requirements of the licensing authorities;
- ii) No structural adaption will or has already been made to the vehicle to transport persons (Fitting only of a hoist to the vehicle is considered to be insufficient on its own); and/or
- iii) The vehicle will be used only occasionally by a non-registered person / organisation to transport the person with a physical disability.

- d) In terms of Rebate Item **630.22** (Motor vehicle to be driven solely by a person with a physical disability), the following documents **must** be submitted with the application form:

- i) Application for rebate of ad valorem Excise duty in terms of Rebate Item 630.22;
- ii) Motivation letter from the NCPPDSA;
- iii) APD Panel Report;
- iv) Medical Report form;
- v) A copy of a driver's license of a person with a physical disability;
- vi) A copy of an identity document of the person with a physical disability;
- vii) Motor manufacturers brochure of specifications (The brochure can be obtained from the dealership); and
- viii) Quotation from the company/person that will perform the adaption.

- e) A Rebate permit will be issued if:
- i) After adaption, the vehicle will be right-hand-drive and will be suitable to be certified (homologated) by the SABS to comply with the road safety requirements in order to register the vehicle with the licensing authorities;
 - ii) Hand controls will be fitted to the accelerator and brake pedals;
 - iii) Brake and accelerator pedals have to be swapped; or
 - iv) Brake and accelerator pedals have to be extended.
- f) A Rebate permit will **NOT** be approved if:
- i) After adaption, the vehicle will be a left-hand-drive vehicle and will not be suitable to be certified (homologated) by the SABS that it complies with the road safety requirements of the licensing authorities;
 - ii) The person is merely too tall to drive an ordinary vehicle and the only adaption required is that the steering wheel folds away to allow access into the vehicle; this being a standard design feature of the vehicle for all persons; or
 - iii) The person merely has a back problem or disease that has not progressed to such an extent that a special adaption, except an automatic gearbox or options such as a power steering, is required to drive the vehicle.
- g) SARS Head Office will issue the client with a permit under the conditions mentioned in either item 630.20 or 630.22 once the documents submitted are in order.
- h) The **Customs and Excise Licensing, Registration and Cancellation Committee** will within four (4) weeks [twenty (20) working days] contact the client in order to establish if:
- i) the permit will be collected;
 - ii) be mailed; or
 - iii) **sent by** courier.

6.1.4 Dealer

- a) When placing an order for a vehicle the client wishes to purchase, the dealer will inform him/her of the acquisition of the permit to qualify for a rebate.
- b) Once the client has identified the motor vehicle he/she wishes to purchase, an order is placed with the dealer at the motor vehicle manufacturer. At this stage the dealer will also inform the motor vehicle manufacturer that a rebate permit has been issued by the Commissioner of SARS and that the vehicle in question is to be adapted.
- c) On receipt of the motor vehicle from the motor vehicle manufacturer, the dealer will inform the client who will take delivery of the vehicle.
- d) The dealer will be informed by the client on the completion of the adaption process. The dealer will inform the client to make an appointment with the office of the Controller/Branch Manager for examination of the adapted motor vehicle.

6.1.5 Adaption Centres

- a) Upon receipt of the motor vehicle from the dealer, the client will deliver the motor vehicle to the adaption centre.
- b) Once the vehicle has been adapted, the client will be contacted to collect the vehicle.

6.1.6 SARS Branches

- a) Once the Controller/Branch Manager receives the application to clear the vehicle under rebate of Excise duty from the motor vehicle manufacturer, a letter of permission is issued to the motor vehicle manufacturer to pass a **Clearance** Declaration (CD) with procedure code ZGR and to lodge a Provisional Payment (PP) pending the adaption.

- b) After adaption the client will drive the motor vehicle him/herself to the office of the Controller/Branch Manager for examination or request.
- c) The Controller/Branch Manager informs the client by means of an official letter that the adaption to the vehicle qualifies it for a rebate of duty. A copy of this letter is forwarded to the motor vehicle manufacturer/clearing agent for information purposes and to confirm that the PP will be liquidated.

6.2 Example of amount to be rebated

- a) Below is a calculation on local manufactured vehicles:

RATE OF DUTY

Recommended Retail Price (RRP) [Excluding Value-Added Tax (VAT), Less 20%]

RRP – VAT = R 100 000.00

R 100 000.00 Less 20% (R 20 000.00) = R 80 000.00

$(R\ 80\ 000.00 \times 0.00003) - 0.75$

2.400 – 0.75

1.650% Rate of duty

Excise value

0.72 x Recommended Retail Price

$1 + (0.72 \times \text{Rate } \%)$

0.72 x R 100 000.00

$1 + (0.72 \times 1.650 \%)$

R 72 000.00

$1 + 0.01188 = 1.01188$

= R 71 154.682

= R 71 155

Ad Valorem Excise duty

Excise Value x Rate of Duty %

R 71 155 x 1.650 %

R 1 174.06

- b) The amount of **R 1,174.06** may thus be rebated by the vehicle manufacturer.
- c) The motor vehicle manufacturer will through the dealer be instructed to apply to the Controller/Branch Manager for approval to pass a CD with procedure code ZGR on the identified vehicle.
- d) The Controller/Branch Manager will issue the motor vehicle manufacturer with written confirmation to pass a CD with procedure code ZGR and to lodge a PP pending the adaption process. (Refer to SE-FS-12).
- e) The Controller/Branch Manager will issue the motor vehicle manufacturer with written confirmation of the completed adaption and examination process. The PP may now be liquidated and the amount may be refunded.

7 DOCUMENT MANAGEMENT

Business Owner	Executive: Excise Audit Enforcement
Document Owner	Executive: Governance
Author	C. Botha
Detail of change from previous revision	<p>Various parts in the document have been updated/amended:</p> <p>Complete Review;</p> <p>Business Owner has been changed from Compliance, VAT and Excise to Excise Audit Enforcement;</p> <p>Document Owner has been changed from Process Solutions Customs and Support Services to Governance;</p> <p>Document reference number changed from SE-AV-04 to SE-ADV-02-G01; and</p> <p>The Template number changed from ECS-TM-07 to GC-TM-07.</p>
Template number and revision	GC-TM-07 - Rev 9