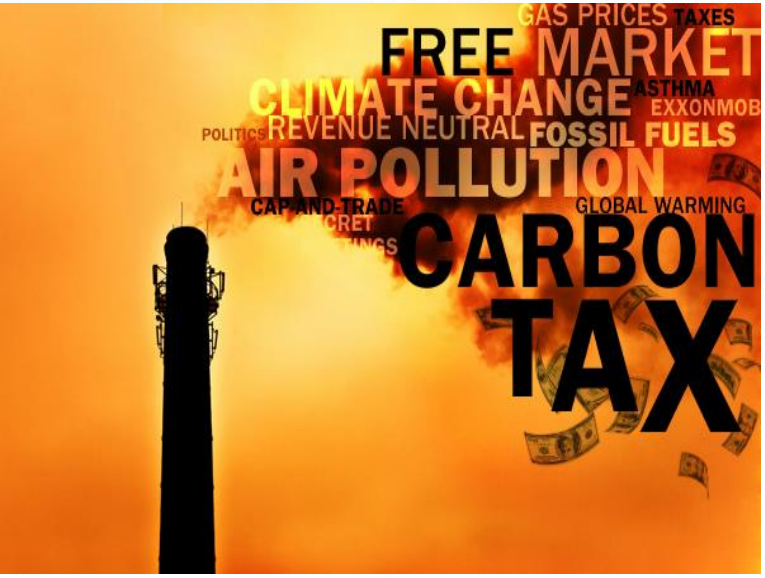


Carbon tax Implementation in South Africa

2020

environmental affairs
Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

energy
Department:
Energy
REPUBLIC OF SOUTH AFRICA

SARS
South African Revenue Service

Table of content

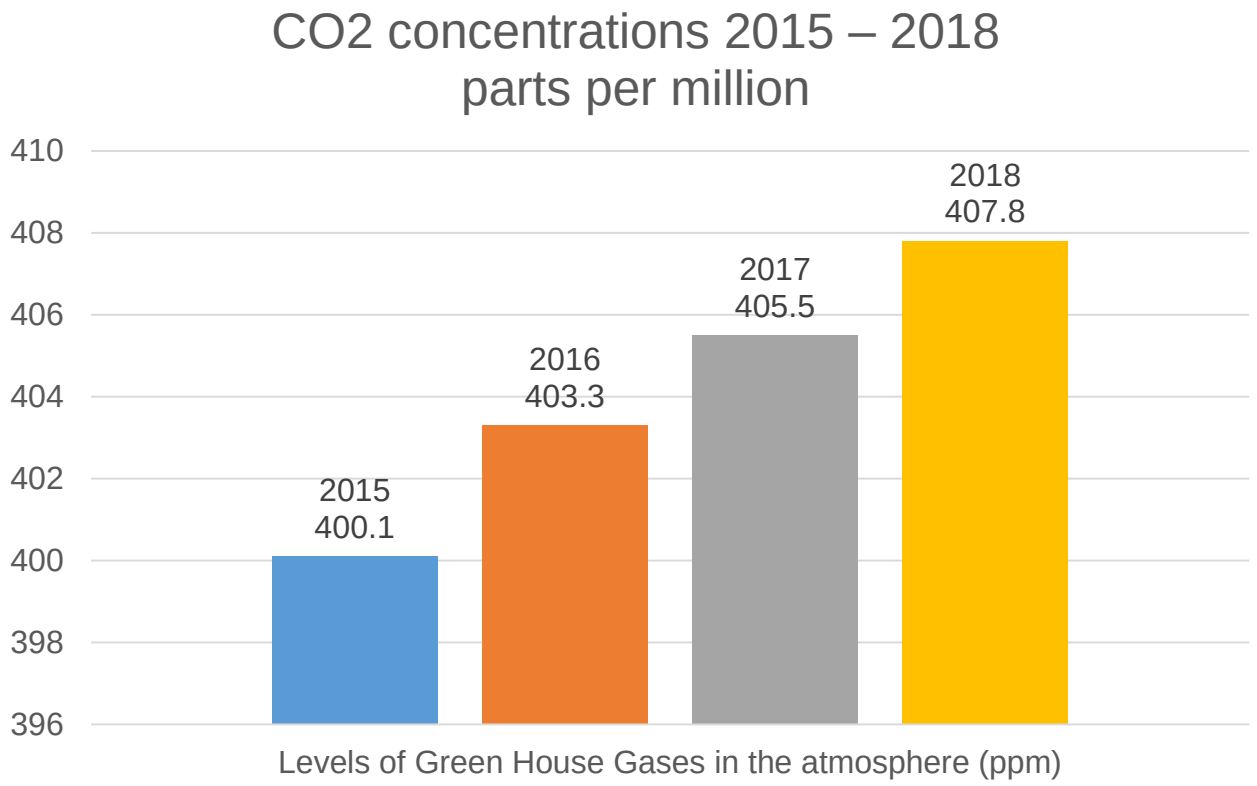
Opening & Welcome

Introduction and Background

Combating climate change

The greatest threat to humanity

- Levels of greenhouse gases in the atmosphere, the main driver of climate change, hit a new record high at 405.5 parts per million (ppm) in 2017, compared to 403.3 ppm in 2016 and 400.1 ppm in 2015.



Combating climate change

The greatest threat to humanity

- Current greenhouse gas concentrations will cause an increase of 3°C to 4°C in the Earth's temperature by the end of this century and that will see countries face as many as six climate-related crises at the same time.

- The climate is changing. Global warming – driven by greenhouse gas emissions – causes an increase in magnitude and frequency of natural hazards, such as rising sea levels, floods, droughts, tropical storms, heatwaves, wildfires, shortage of clean water and many others.

- Without rapid cuts in CO_2 and other greenhouse gases, climate change will have increasingly destructive and irreversible impacts on life on Earth. The window of opportunity for action is almost closed - United Nations World Meteorological Organisation.

South Africa's response to climate change

The need for drastic local intervention

- South Africa's annual greenhouse gas emissions have increased at a faster rate than the world average (2.3 per cent per year compared to the world average of 1.8 per cent per year).
- Greenhouse gas emissions are sensitive to the business cycle and South Africa's greenhouse gas emissions levels are expected to further increase as economic growth recovers.
- It would therefore be irresponsible to wait until growth recovers before we take action, given our increasingly high per capita emissions and the drastic need for pre-emptive action that is now more urgent than ever before - taking into account our experience with the COVID-19 health crisis and the "new normal".
- It is estimated that the phasing in of appropriate carbon taxation can reduce South Africa's greenhouse gas emissions by between 35 per cent and 44 per cent below business as usual, accompanied by a limited socio-economic impact with a real reduction in growth of only 0.05 per cent to 0.15 per cent.

Carbon Tax Policy Context

- South Africa voluntary committed (at COP 15 in 2009) to curb GHG emissions by 34% by 2020 and 42% by 2025 below the BAU trajectory subject to support from developed countries - climate finance, capacity building & technology transfers.
- South Africa **ratified** the Paris Agreement in November 2016 and **endorsed** the submission of its Nationally Determined Contribution (NDC) which requires that **emissions peak in 2020 to 2025, plateau for a ten year period from 2025 to 2035 and declines from 2036 onwards**.
- **South Africa's emissions by 2025 and 2030 will be in a range between 398 and 614 Mt CO2-eq, as defined in national policy.**
- **Paris Agreement** will require sizable reductions in energy-related greenhouse gas (GHG) emissions by large emitting countries, including in developing economies. The NDC noted **carbon tax** as an important component of our **mitigation policy** strategy to lower GHG emissions.
- Carbon tax forms an integral part of **climate change** response policy package under the National Climate Change Response Policy (NCCRP) of 2011, and in **National Development Plan (NDP)** as an important cost-effective instrument.
- **The Carbon Tax Bill gives effect to the polluter-pays-principle** and helps to ensure that firms and consumers take these costs into account in their FUTURE production, consumption and investment decisions. Assists in reducing GHG emissions and ensuring SA will meet its NDC commitments as part of its ratification of the 2015 Paris Agreement.

Design of the carbon tax

- Business entities that engage in activities that produce direct greenhouse gas emissions are required to report under the National Greenhouse Gas Emission Reporting Regulations of the Department of Environment, Forestry and Fisheries (DEFF).
- The carbon tax design is aligned to this mandatory emissions reporting to DEFF and any natural or juristic persons who exceed the DEFF thresholds for reporting, which also functions as the carbon tax threshold, are subject to the carbon tax.
- The carbon dioxide equivalent of greenhouse gas emissions of a taxpayer in respect of a tax period resulting from fuel combustion, industrial processes and fugitive emissions are taxed at a rate of R120/tCO2e for 2019 and R127/tCO2e for 2020.
- The gradual implementation of the tax provides for the first phase from 1 June 2019 to 31 December 2022 and the second phase from 2023 to 2030. The carbon tax rate increases annually by inflation plus 2 per cent until 2022 and annually by inflation thereafter.
- Significant tax-free emissions allowances ranging from 60 per cent to 95 per cent will result in a modest nett carbon tax rate ranging from R6 to R48/tCO2e to provide current significant emitters time to transition their operations to cleaner technologies through investments in energy efficiency, renewables, and other low-carbon measures.
- A review will be conducted of the impact of the carbon tax three years after implementation by 2022. Adjustments to the tax design beyond this first phase will depend on the economic circumstances at that time and how effective the tax will have been in mitigating emissions.

SOUTH AFRICA'S CARBON TAX DESIGN FEATURES: Rate, Tax-free Allowances and Recycling Measures

Revenue

- **Carbon tax at R120 per ton of CO_2e**
- 60% basic tax-free threshold
- Max of 10% tax-free allowance for trade exposure
- 10% tax-free allowance for process and fugitive emissions
- **Up to 5% performance allowance**
- 5% tax-free allowance for complying with carbon budgets information requirements
- **5 or 10% allowance for Carbon Offsets – to reduce the carbon tax liability**

- Tax-free allowances of **60-95%** - effective tax rate of

R6 - R48 t/CO_2e

- No impact on electricity prices in the first phase

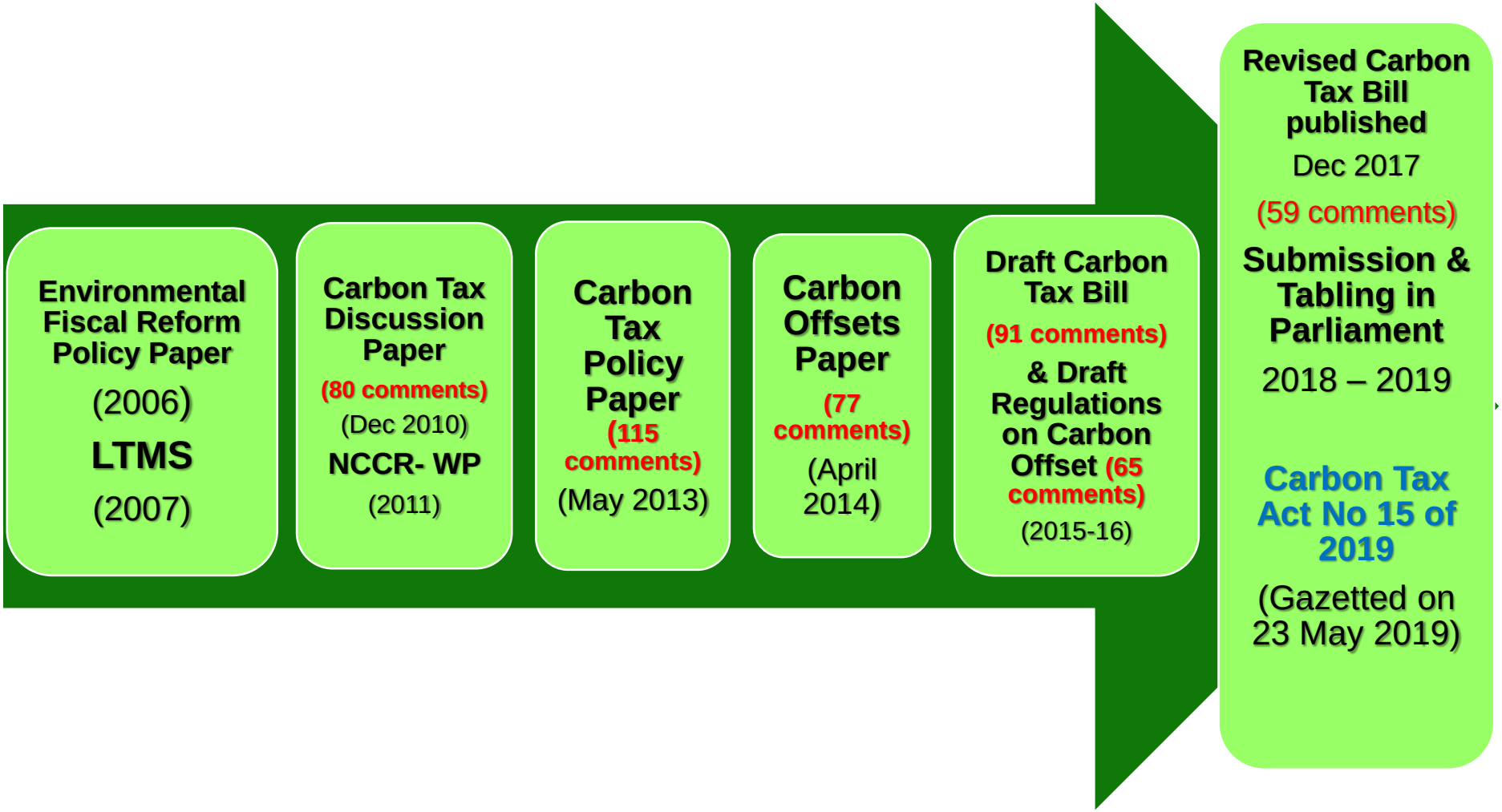
Revenue Recycling

- Energy Efficiency Savings tax incentive
- Credit against Eskom's carbon tax liability for the renewable energy premium built into the electricity tariffs
- Credit for the electricity levy
- Support for the installation of solar water geysers
- Enhanced free basic electricity / energy for low income households
- Improved public passenger transport & support for shift of freight from road to rail

GHG Inventory, 2015 – DEFF

2015 GHG Inventory (Estimates) – Categories	Emissions - CO2 Eq (Gg)	Emissions - CO2 Eq (Gg)	Total Emissions - CO2 Eq (Gg)	Percentage Contribution
1 - Energy			424104	83%
A - Fuel Combustion Activities			395139	77%
1.A.1.A - Electricity		224 009		44%
1.A.1.B - Petroleum Refining		3 388		1%
1.A.1.C - Manufacture of Liquid Fuels (Synfuel)		31 299		6%
1.A.2 - Manufacturing Industries and Construction		36 704		7%
1.A.3 - Transport		51485		
Civil Aviation	*4 258*			
Road Transport	*46 676*			9%
Rail Transport	*551*			
1.A.4 - Other Sectors		48 254		9%
B - Fugitive emissions			28 965	6%
2 - Industrial Processes and Product Use			35875	7%
2.A - Mineral Industry		6179		
Cement production	*5 205*			
Lime production	*860*			
Glass Production	*114*			
2.B - Chemical Industry		Not disclosed		
2.C - Metal Industry		37 513		
Iron and Steel Production	*14 094*			
Ferroalloys Production	*13 416*			
Aluminium production	*2 186*			
3 - Agriculture, Forestry, and Other Land Use			(48 890)	(10%)
4 - Waste			22 211	4%
Total National Emissions and Removals			512383	100%
International Bunkers			11599	

Carbon Tax Policy Consultation Process



Carbon Tax Act and Customs and Excise Amendment Act

- **Carbon Tax Act No 15 of 2019**
  - Two versions of the Carbon Tax Bill was published for public comment in 2015 and 2017
  - The Bill was processed through Parliament in February 2018 and signed into law by the President on 22nd May 2019.
  - The Carbon Tax Act was gazetted on 23rd May (Gazette No 42483) and the carbon tax became effective on 1 June 2019.

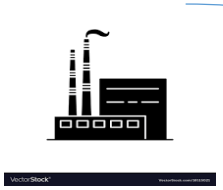
- **Customs and Excise Amendment Act No 13 of 2019**
  - To amend the Customs and Excise Act, 1964, so as to make provision for the administration and collection of carbon tax revenues
  - Insertion of provisions relating to carbon tax 54AA. For the purposes of the administration and collection of carbon tax revenues as contemplated in section 54A
  - The Customs and Excise Amendment Act was also gazetted on 23rd May (Gazette No 42480)

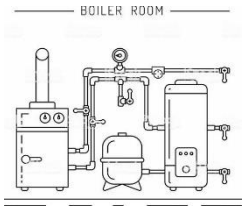
Carbon Tax Act No. 15 of 2019

Regulations and Notice

- **Carbon offset regulations (Gazette No. 42873)**
  - Initial regulations published in June 2016 and 2nd version of regulations published in November 2018 for public comments.
  - Following processing of comments and stakeholder consultation workshop held in March 2019 on 2nd Draft carbon offset regulations.
  - Final regulations gazetted by the Minister of Finance in Nov 2019.
- **Performance Benchmarks regulations (Gazette No. 43452)**
  - Gazetted on 19 June 2020 following extensive consultation process on sector GHG emission intensity benchmarks since 2014, and publication of draft regulations for public comment in December 2019.
- **Trade exposure allowance regulations (Gazette No. 43451)**
  - Initial draft regulations published for public consultation in December 2019. Stakeholder workshops held in February 2020.
  - Final regulations incorporating stakeholder comments gazetted on 19 June 2020.
  - Provides for sector based trade exposure allowances after taking into account stakeholder comments on the initial draft Carbon Tax Bill
- **Notice for the Renewable Energy Premium (Gazette No. 43453)**
  - Section 4(2)(c) of the Carbon Tax Act provides a credit for renewable energy purchased by electricity generators against their carbon tax liability for the first phase of the carbon tax
  - The applicable rates by renewable energy technology to be used to determine the amount of the offset was published in a notice in the gazette by the Minister of Finance on 19 June 2020

Carbon tax licensing requirements



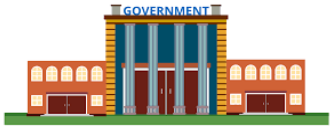


Warehouses

Company

Installed Capacity
= or >
prescribed activity threshold

License



SARS

Carbon tax administration

Licensing requirements

- The carbon tax is administered as an environmental levy under Chapter VA and the Rules thereto, and Parts 1 and 3F of Schedule No.1 of the C&E Act. The tax-free emissions allowances are applied as rebates under Part 6 of Schedule No.6, of the C&E Act.

Rebate Item	Tariff Item	Rebate Code	CD	Description	Extent of Rebate	Extent of Refund
692.01	00.00	01.00		Basic tax free allowance, subject to compliance with section 7 in Part II and section 14 in Part III of the Carbon Tax Act	As provided in the Notes hereto	As provided in the Notes hereto
692.02	00.00	02.00		Industrial process emissions allowance, subject to compliance with section 8 in Part II and section 14 in Part III of the Carbon Tax Act	As provided in the Notes hereto	As provided in the Notes hereto
692.03	00.00	03.00		Fugitive emissions allowance, subject to compliance with section 9 in Part II and section 14 in Part III of the Carbon Tax Act	As provided in the Notes hereto	As provided in the Notes hereto
692.04	00.00	04.00		Trade exposure allowance, subject to compliance with section 10 in Part II and section 14 in Part III of the Carbon Tax Act	As provided in the Notes hereto	As provided in the Notes hereto
692.05	00.00	05.00		Performance allowance, subject to compliance with section 11 in Part II and section 14 in Part III of the Carbon Tax Act	As provided in the Notes hereto	As provided in the Notes hereto
692.06	00.00	06.00		Carbon budget allowance, subject to compliance with section 12 in Part II and section 14 in Part III of the Carbon Tax Act	As provided in the Notes hereto	As provided in the Notes hereto
692.07	00.00	07.00		Offset allowance, subject to compliance with section 13 in Part II and section 14 in Part III of the Carbon Tax Act	As provided in the Notes hereto	As provided in the Notes hereto

Carbon tax administration

Licensing requirements

- A carbon taxpayer is a person who undertakes a taxable activity listed in Schedule 2 of the Carbon Tax Act in respect of which –
  (i) it has an aggregated installed capacity equal to or above the tax threshold; or
  (ii) a tax threshold indicated as ‘none’ applies.
- An emissions facility of a carbon taxpayer is the premises where such a taxable activity occurs over which it has operational control.
- Every carbon taxpayer must –
  (i) obtain a consolidated licence for the combination of each of its emissions facilities as its customs and excise manufacturing warehouse for the generation of emissions liable to carbon tax; and
  (ii) designate the premises of its operational control in the Republic as the premises for such a consolidated licence.
- No carbon taxpayer must apply to license an emissions facility where an activity listed in Schedule 2 of the Carbon Tax Act exclusively occurs in respect of which –
  (i) it has a basic tax-free allowance of 100%; or
  (ii) a tax threshold indicated as ‘not applicable’ applies.

Carbon tax administration

MW(th): Megawatt thermal

Schedule 2

IPCC Code	Activity/ Sector	Threshold	Basic tax-free allowance %	Process emissions allowance %	Fugitive emissions allowance %	Trade exposure allowance %	Perfor-mance allowance %	Carbon budget allowance %	Offsets allowance %	Maximum total allowances %
1	**ENERGY**									
1A	**Fuel Combustion Activities**									
1A1	**Energy Industries (including heat and electricity recovery from Waste)**									
1A1a	Main Activity Electricity and Heat Production (includ-ing Combined Heat and Power Plants)	10 MW(th)	60	0	0	10	5	5	10	90
1A1b	Petroleum Refining	10 MW(th)	60	0	0	10	5	5	10	90
1A3e	Other Transportation	N/A	75	0	0	0	0	5	10	90
1B1b	Uncontrolled Combustion, and Burning Coal Dumps	N/A	100	0	0	0	0	0	0	100

Carbon tax administration

Licensing procedure

- Carbon tax license applications commenced on 2 January 2020 and taxpayers have to submit their applications at their nearest Customs & Excise branch

- An interim process has been put in place for the duration of the COVID-19 economic restrictions. This process entails submission of application forms with supporting documents via email to Carbontax@sars.gov.za

- The license application pack should consist of the following two application forms with the listed supporting documents (where applicable). No site plans or bond applications are required

1. Completed DA185: Registration and Licensing of Customs and Excise Clients

2. Completed DA185.4B2: Licensing client type 4B2 – Manufacturing warehouse

Carbon tax administration

Licensing procedure (continued)

3. Supporting documents:

a) Certified copy of the Registration certificate of the business e.g. CK1 as issued by the Register of Companies or Master of the Supreme Court in the case of a Trust.

b) Certified copy of Identity or passport documents of individuals, partners, all members of close corporation, and trustee/all directors of the company (recently certified).

c) Confirmation of physical address; under the company name if it is a company or under an individual's name if it is a sole proprietor. Such proof can be:

i) An affidavit issued by the Commissioner of Oath;
ii) Utility account;
iii) Water and electricity account;
iv) Telephone account; or
v) Lease agreement.

Carbon tax administration

Licensing procedure (continued)

3. Supporting documents: (continued)

d) Confirmation of business or applicant bank details. Such proof can be:

i) A legible certified copy or original bank statement containing all the relevant information; or
ii) An original letter from the bank on a bank letterhead or a clear Auto bank statement.

e) Resolution or consent on a company letterhead (in writing what is being applied for must be dated and signed by an individual, partners, all members, trustees or all directors from a company).

f) Letter of authority/Power of Attorney (Public Officer/Representative/employee with a copy of a certified Identity document) for person submitting application on behalf of a company/director.

Carbon tax administration

Licensing procedure (continued)

Completion of the DA185 application form and DA 185.4B2 annexure

- The “DA185: Registration and Licensing of Customs and Excise Clients” form must be completed and in section “5. Annexures” the DA 185.4B2 tick box should be ticked.

- The “DA185.4B2: Licensing client type 4B2 – Manufacturing warehouse” annexure form must be completed, including the following sections:

  - Section “**Warehouse Particulars**”
    (a) Warehouse business type 58 – VM should be ticked
    (b) List rebate items if applicable

  - Section “**Completion by electricity producers only”** if applicable

  - Section “**Completion by carbon taxpayers only**”

DA185 & DA185.4B2 has been enhanced to cater for Carbon Tax licensing:

SARS

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 appropriate annexure.
4. If the space provided on form DA185 and applicable annexure(s) is insufficient, the information must be furnished on a separate page, which must be attached to the form DA185 and the annexures.
5. Reflect the relevant customs and excise client number, customs and excise warehouse number or rebate user number when applying for the amendment of existing information or for a total cancellation per client type.
6. Where security must be furnished, complete and submit annexure DA 185.C.
7. A foreign principal must complete and submit annexure DA 185.D.
8. Complete and submit (if applicable) the appropriate prescribed agreement.
9. All references to sections and rules pertain to the Customs and Excise Act, 1964 (the Act).
10. All Customs and Excise forms are available on the SARS website (www.sars.gov.za) or at any SARS branch office.

2. EXISTING REGISTRANT/LICENSEE PARTICULARS

If currently registered/licensed with SARS, please state allocated customs client number.

3. NATIONALITY

Natural person, who is:		Juristic person, that is:	
Located in the RSA:	Yes ☐ No ☐	Located in the RSA:	Yes ☐ No ☐

4. PURPOSE OF APPLICATION

New Registration/Licensee or renewal:	☐	Amendment of existing information:	☐	Cancellation:	☐

5. ANNEXURES

Annexure	Registration	Tick box	Annexure	Licensing	Tick box
DA 185 4A1	Importer (Local or Foreign)	☐	DA 185 4B1	Special Manufacturing Warehouse – (Section 21 and the rules thereto)	☐
DA 185 4A2	Exporter (Local or Foreign)	☐	DA 185 4B2	Manufacturing Warehouse – (Sections 19A, 27, 54E, 54J, 54AA and the rules thereto)	☐
DA 185 4A2	Exporter for SADC, SADC-EPA, SACU/EFTA and SACU/MERCOSUR – (rule 59A.01, rules 49A, 49B, 49D and 49E)	☐	DA 185 4B3	Storage Warehouse	☐
DA 185 4A2 (Section A) & Form DA 46A1.02	Exporter for AGOA – (rules 46A1.02)	☐	DA 185 4B4	Special Storage Warehouse (Sections 19A and 21 and the rules thereto)	☐
DA 185 4A2 (Section B) & Form DA 49A.02	Approved Exporter – SADC-EPA or SACU/EFTA – (rules 49A.18 (19), (20) and 49D.18(19)(20))	☐	DA 185 4B5	Clearing Agent – (Section 64B and the rules thereto)	☐
DA 185 4A2 (Section C) & Form DA 46A.01	Exporter for GSP (various countries) – (relevant rules for section 46A)	☐	DA 185 4B6	Remover of goods in Bond (Local or Foreign) – (Section 64D and the rule thereto)	☐

SARS

ANNEXURE DA 185.4B2

LICENSING CLIENT TYPE 4B2 – MANUFACTURING WAREHOUSE

(x) Manufacture of sugary beverages (warehouse business type 57 - VM)	☐
(xi) Generation of emissions liable to carbon tax (warehouse business type 58 – VM)	☐

(b) Please state the rebate item(s), tariff subheading(s) / item(s) (if applicable), and describe the goods that will be

Completion by electricity producers only

Installed capacity of electricity generation plant:		
Number of electricity generation units:		
Non-renewable energy source used:	Coal	☐
	Petroleum based liquid fuels	☐
	Natural gas	☐
	Nuclear	☐
	Other ☐ Specify:	
If electricity generated from co-generation, indicate type: (Rule 54FA.10(c)(ii)	Waste heat or energy from waste	
	Combined heat and power	☐
	Renewable	☐
	Solar power	☐

Completion by tyre producers only

Indicate tyre levy client type:	New tyre manufacturer	
	Re-tread tyre manufacturer	☐

Completion by carbon taxpayers only

Date carbon tax liability arose in terms of Carbon Tax Act, 2019		
Reporting method for carbon tax	Section 4(1) of Carbon Tax Act, 2019	☐
	Section 4(2) of Carbon Tax Act, 2019	☐
Details of registration as data provider in terms of the National Greenhouse Gas Emission Reporting Regulations under the National Environmental Management: Air Quality Act, 2004		
(a) Data provider name:		
(b) Data provider ID:		
Facility details (If more than one facility is registered, provide such details for each facility on a separate annexure).		
(c) Facility name:		
(d) Facility ID:		
(e) Physical address:		
(f) List the relevant IPCC code(s) for each activity conducted at the facility:		
(g) List the total installed capacity of the facility per each relevant IPCC code:		

Continues overleaf

SARS South African Revenue Service

Carbon tax administration

Licensing procedure (continued)

- Completed application forms together with supporting documents should be submitted at the nearest Customs & Excise office.
- The following branches will be available to receive the Carbon Tax licensing applications:

  Alberton
  Pretoria
  Cape Town
  Durban
  Port Elizabeth
  Bloemfontein
  Upington
  Stellenbosch

- The licensing is required under Schedule 8, specifically schedule 805.26 of the C & E Act:
  - The license period is renewable on a yearly basis before the 31st December.
  - All licensees who are required to renew their licenses in terms of Schedule 8 must submit their applications for renewal (DA 185 and relevant annex) thirty (30) calendar days before it expires manually to any Customs Branch Office. No supporting documents is required
  - No license fee is applicable.
- Applications can be sent via email to: carbontax@sars.gov.za for the duration of the COVID-19 economic restrictions
- Queries can be directed to the email address: carbontax@sars.gov.za

  or

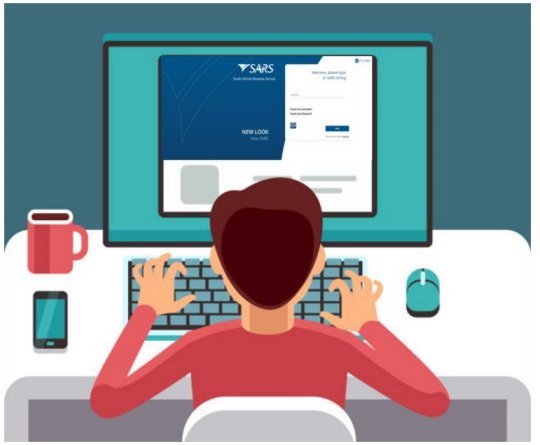
- Make use of the Contact Centre 0800 00 7277

Carbon tax account administration

1.
Completion of the
DA 180 & Annexures

DA 180 & Annexures

2.
Capture and
submission of the
carbon tax account



SARS efiling System
(EXD180)

SARS
South African Revenue Service

Carbon tax administration

Carbon tax account and payment

- The tax period and accounting period will run from 1 June 2019 to 31 December 2019 in the first year and 1 January to 31 December in subsequent years.
- The carbon tax environmental levy account, together with the payment of the carbon tax liability, is due by the penultimate working day of October 2020 for the 2019 tax period and of July of the following year for subsequent tax periods. The submission and payment must be filed before 15:00 pm of such day.
- The carbon tax filing season will open on 1 October 2020 for the 2019 tax period and on 1 July of the following year for subsequent tax periods.
- A new DA180 form (Environmental Levy Account for Carbon Tax) is available on the SARS website). This form will be used by the taxpayers to prepare a carbon tax account submission
- The DA180 form comes with six annexures and completion notes:
  a) DA180.01A.1 – Fuel Combustion (Stationary)
  b) DA180.01A.2 – Fuel Combustion (Non-Stationary)
  c) DA180.01B.1 – Fugitive (Oil and Natural Gas)
  d) DA180.01B.2 – Fugitive (Coal Mining and Handling)
  e) DA180.01C – Industrial Process
  f) DA180.02 – Carbon Tax Allowances
  g) Completion notes to DA180 carbon tax account

Carbon tax administration

Carbon tax account and payment

- The completed DA180, annexures and supporting documents must be submitted via the SARS eFiling platform through the “Excise Levies & Duties” option.

- You are advised to endeavour to submit your account as soon as possible from the 1 October 2020 to allow time for seeking advise or guidance on issues that might arise. Last day submission is a choice but may result in interest payable or penalties been raised if then late submitted.

- It should be noted that interest on late payments is calculated on a monthly basis wherein one day is regarded as a whole month.

- Every licensee must calculate the amount of environmental levy payable for each tax period in respect of its licensed customs and excise manufacturing warehouse in the manner specified in paragraphs 1 – 4 in the following slides:

Carbon tax administration

Calculation of the amount of environmental levy payable

1. The greenhouse gas emissions liable to environmental levy consists of the carbon dioxide equivalent of fuel combustion, industrial process and fugitive emissions that must be determined in accordance with:

(a) Section 4(1) of the Carbon tax Act

Notwithstanding Section 4(2), the carbon tax must be levied in respect of the sum of the greenhouse gas emissions of a taxpayer in respect of a tax period expressed as the carbon dioxide equivalent of those greenhouse gas emissions resulting from fuel combustion and industrial processes, and fugitive emissions in accordance with an emissions determination methodology approved by the Department of Environment, Forestry and Fisheries(DEFF).

Tier 3 methodology as per the DEFF Technical Guidelines for Monitoring, Reporting and Verification of Greenhouse Gas Emissions by Industry

and/or

(b) Section 4(2) of the Carbon tax Act

Where a taxpayer uses an emissions determination methodology in respect of the sum of the greenhouse gas emissions of a taxpayer in respect of a tax period—

(i) employing readily available statistical data on the intensity of processes (activity data) and emission factors as specified in the 'IPCC Guidelines For National Greenhouse Gas Inventories' (2006)); or

(ii) employing the statistical data and emission factors as specified in item (i) above including country-specific emission factors,

Tiers 1 & 2 methodologies as per the DEFF Technical Guidelines fro Monitoring, Reporting and Verification of Greenhouse Gas Emissions by Industry

Carbon tax administration

Calculation of the amount of environmental levy payable

- In the case of an emissions declaration in terms of section 4(1) of the Carbon Tax Act, the carbon tax account will appear with pre-populated emission values from DEFF (only if 3rd party data was made available to SARS). The taxpayer must either accept these values as correct or may submit different values.
- In the case of an emissions declaration in terms of section 4(2) of the Carbon Tax Act, the carbon tax account will generate the necessary annexure(s) for completion by the taxpayer to calculate the emission values in accordance with the formulas prescribed in that section.

2. The allowances that reduce the emissions contemplated in paragraph (1) above must be determined where relevant in accordance with Part 6 of Schedule No. 6 and Part II and Part III of the Carbon Tax Act.

3. The rate of environmental levy must be determined in accordance with Section F of Part 3 of Schedule No. 1 and section 5 of the Carbon Tax Act.

4. The amount of environmental levy payable must be determined in accordance with Section F of Part 3 of Schedule No. 1 and section 6 of the Carbon Tax Act

Carbon tax allowances

1. Basic tax-free allowance

(1) A taxpayer that conducts an activity that is listed in Schedule 2 of Carbon Tax Act in the column 'Activity/Sector' must receive an allowance in respect of those emissions, determined in terms of (2) below.

(2) The percentage of the allowance referred to in (1) above must be calculated by matching the line in which the activity is contained in the column 'Activity/Sector' with the corresponding line in the column 'Basic tax-free allowance %' in Schedule 2 of the total percentage of greenhouse gas emissions in respect of a tax period in respect of that activity.

Schedule 2

IPCC Code	Activity/ Sector	Threshold	Basic tax-free allowance %	Process emissions allowance %	Fugitive emissions allowance %	Trade exposure allowance %	Perfor-mance allowance %	Carbon budget allowance %	Offsets allowance %	Maximum total allowances %
1	ENERGY									
1A	Fuel Combustion Activities									
1A1	Energy Industries (including heat and electricity recovery from Waste)									
1A1a	Main Activity Electricity and Heat Production (includ-ing Combined Heat and Power Plants)	10 MW(th)	60	0	0	10	5	5	10	90

Carbon tax allowances

2. Allowance for industrial process emissions

(1) A taxpayer that conducts an activity in respect of industrial process emissions that is listed in Schedule 2 in the column "Activity/Sector" must receive an allowance in respect of those emissions, determined in terms of (2) below.

(2) The percentage of the allowance referred to in (1) above must be 10 percent of the total greenhouse gas emissions in respect of a tax period in respect of that activity.

3. Allowance in respect of fugitive emissions

A taxpayer that conducts an activity that is listed in Schedule 2 in the column 'Activity/Sector" must receive an allowance in respect of fugitive emissions equal to 10 per cent of the total greenhouse gas emissions in respect of the tax period in respect of that activity.

4. Trade exposure allowance

A taxpayer that is liable for the carbon tax in respect of greenhouse gas emissions must receive an allowance up to a maximum of ten per cent in respect of trade exposure as measured by value of exports plus imports divided by the total production by sector or subsector that must be determined in a manner prescribed by the Minister in the regulations accessible at the link: Trade Exposure Allowance

Carbon tax allowances

5. Performance allowance

A taxpayer that has implemented measures to reduce the greenhouse gas emissions of that taxpayer in respect of a tax period must receive an allowance in respect of that tax period not exceeding five per cent of the total greenhouse gas emissions of that taxpayer during that tax period, determined in accordance with the formula: **Z = (A/ B - C) x D**

in which formula—

(a) **"Z"** represents the percentage to be determined that must not be less than zero;

(b) **"A"** represents—

(i) the sector or sub-sector greenhouse gas emissions intensity benchmark as prescribed by the Minister in the regulations;

http://www.treasury.gov.za/legislation/tax%20acts%20and%20bills/CarbonTaxRegulations/

or

(ii) where no value is prescribed as required in (i) above, the number zero;

(c) **"B"** represents the measured and verified greenhouse gas emissions intensity of a taxpayer in respect of a tax period;

(d) **"C"** represents the number one; and

(e) **"D"** represents the number 100.

Carbon tax allowances

6. Carbon budget allowance

(1) Subject to (2) below, a taxpayer that conducts an activity that is listed in Schedule 2 in the column ‘‘Activity/Sector’’, and participates in the carbon budget system during or before the tax period, must receive an additional allowance of five percent of the total greenhouse gas emissions in respect of a tax period.

(2) A taxpayer must only receive the allowance as contemplated in (1) above if the Department of Environment, Forestry and Fisheries confirms in writing that that taxpayer is participating in the carbon budget system as referred to in (1) above.

7. Offset allowance

(1) Subject to (2) below, a taxpayer may reduce the amount in respect of the carbon tax for which the taxpayer is liable in respect of a tax period by utilising carbon offsets as prescribed by the Minister in the regulations accessible at the link

http://www.treasury.gov.za/public%20comments/CarbonTaxAct2019/Gazetted%20Carbon%20Offset%20Regulations%2029%20Nov%202019.pdf

(2) The reduction of the liability for the carbon tax allowed in terms of (1) above must not exceed so much of the percentage of the total greenhouse gas emissions of a taxpayer in respect of a tax period as is determined by matching the line in the column ‘‘Activity/Sector’’ with the percentage in the corresponding line of the column ‘‘Offsets allowance %’’ in Schedule 2.

Schedule 2

IPCC Code	Activity/ Sector	Threshold	Basic tax-free allowance %	Process emissions allowance %	Fugitive emissions allowance %	Trade exposure allowance %	Perfor-mance allowance %	Carbon budget allowance %	Offsets allowance %	Maximum total allowances %
2A1	Cement Production	none	60	10	0	10	5	5	5	95
2A2	Lime Production	none	60	10	0	10	5	5	5	95
2A3	Glass Production	none	60	10	0	10	5	5	5	95

Carbon tax allowances

8. Limitation of sum of allowances

A taxpayer, other than a taxpayer in respect of which the maximum total allowance stipulated Schedule 2 constitutes 100 per cent, must only receive the sum of the allowances contemplated in 1- 7 above in respect of a tax period to the extent that the sum of those allowances does not exceed 95 per cent of the total greenhouse gas emissions of that taxpayer in respect of that tax period as determined in terms of the column "Maximum total allowances %" in Schedule 2.

Schedule 2

IPCC Code	Activity/ Sector	Threshold	Basic tax-free allowance %	Process emissions allowance %	Fugitive emissions allowance %	Trade exposure allowance %	Perfor-mance allowance %	Carbon budget allowance %	Offsets allowance %	Maximum total allowances %
2A1	Cement Production	none	60	10	0	10	5	5	5	95
2A2	Lime Production	none	60	10	0	10	5	5	5	95
2A3	Glass Production	none	60	10	0	10	5	5	5	95

Completion of DA180 and annexures

DA 180 – Environmental Levy Account for Carbon Tax

Section A. Licensee particulars:

CUSTOMS & EXCISE

DA 180

Environmental Levy Account for Carbon Tax

(Chapter VA of the Customs and Excise Act, 1964, and the rules thereto)

A. Licensee particulars:

Warehouse number		Excise Client Code		Accounting Period	
Licensee				From:	To:
Trading as					
Physical address					
				Postal code	

A. Licensee particulars

Warehouse number	The relevant warehouse number allocated to the licensed business entity
Excise Client Code	The Excise code issued to the licensee
Licensee	The official business entity name of the licensee as registered with the Registrar Companies
Trading as	The official company trading name of the licensee as registered with the Registrar of Companies
Physical Address	The street address of the licensed business entity
Postal code	The postal area code of the licensed business entity
Accounting Period	The 12-month period in which the carbon emissions occurred at the registered facilities under the business entity. The 12-month period starts on 1 January and ends on 31 December of each calendar year.

Completion of DA180 and annexures

DA 180 – Environmental Levy Account for Carbon Tax

Section B Declaration of Emissions Equivalent

B.1 If section 4(1) is applicable, declare the emissions in the relevant fields below according to the corresponding IPCC codes:

IPCC Code	Fuel combustion emissions	Fugitive emissions	Industrial process emissions

Note: If space is insufficient, complete an annexure sheet.

B.1 If Section 4(1) is applicable	If section 4(1) is ticked, insert the DEFF declared figures in the relevant fields for Fuel Combustion emissions, Fugitive emissions and/or Industrial process emissions according to the corresponding IPCC codes.

B.2 If section 4(2) is applicable, select the Types of Emissions by marking the relevant tick box below with X to obtain the relevant DA180.01 annexure(s) and declare the emissions in the relevant fields below according to the corresponding IPCC codes:

IPCC Code	Fuel Combustion (Stationary) (DA180.01A.1)	Fuel Combustion (Non-Stationary) (DA180.01A.2)	Fugitive (Oil & Natural Gas) (DA180.01B.1)	Fugitive (Coal Mining & Handling) (DA180.01B.2)	Industrial Process (DA180.01C)

B.2 If Section 4(2) is applicable	If section 4(2) is ticked, indicate the Types of Emissions by marking the appropriate tick box(es) with an X and carry over The Emissions Equivalent figures as reflected in the DA 180.01 annexure(s) and declare the emissions in the relevant fields for Fuel Combustion (Stationary), Fuel Combustion (Non-Stationary), Fugitive (Oil & Natural Gas), Fugitive (Coal Mining & Handling), and/or Industrial Process according to the corresponding IPCC codes.

Completion of DA180 and annexures

DA 180 – Environmental Levy Account for Carbon Tax

Section B Declaration of Emissions Equivalent

B.3 Calculation of Net Emission Equivalent:

$$\{[(E - S) \times (1 - C)] - [D \times (1 - M)]\} + \{P \times (1 - J)\} + \{F \times (1 - K)\} = \text{Net Emission Equivalent (X)}$$

IPCC Code	E Total fuel combustion emissions	S Sequestrated emissions	C Sum of allowances under sections 7, 10, 11, 12, and 13	D Petrol and diesel emissions	M Sum of allowances under sections 7, 12 and 13	P Total industrial process emissions	J Sum of allowances under sections 7, 8, 10, 11, 12 and 13	F Total fugitive emissions	K Sum of allowances under sections 7, 9, 10, 11, 12 and 13	X Net Emission Equivalent
									Total	

Note: If space is insufficient, complete an annexure sheet.

- Each of the element in the formula under B3 above is described in the following slides

Completion of DA180 and annexures

DA 180 – Environmental Levy Account for Carbon Tax

Section B Declaration of Emissions Equivalent

B.3 Calculation of Net Emission Equivalent	**{[(E – S) x (1 – C)] – [D x (1 – M)]} + {P x (1 – J)} + {F x (1 – K)} = Net Emission Equivalent (X)** • **''X''** represents the Net Emission Equivalent amount to be determined the above formula that must not be less than zero; • **''E''** represents the number in respect of the fuel combustion related greenhouse gas emissions of the taxpayer in respect of that tax period expressed as a carbon dioxide equivalent. This figure is obtained from the sum of emissions of the values declared in DA180 container B1 column titled Fuel combustion emissions plus values declared DA180 container B2 column titled Fuel combustion emissions(Fuel Combustion Stationary (DA180.01A.1) and Fuel Combustion: Non-Stationary (DA180.01A.2) • **''S''** represents the number in respect of greenhouse gas emissions, expressed in terms of carbon dioxide equivalent that were sequestrated in respect of that tax period as verified and certified by the Department of Environment, Forestry and Fisheries. • **''C''** represents a number equal to the sum of the percentages of allowances determined under sections 7, 10, 11, 12, and 13 in respect of that tax period subject to section 14 of the Carbon Tax Act of 2019. These percentages are obtained from section B.2 of the DA 180.02 annexure; • **''D''** represents the number in respect of the petrol and diesel related greenhouse gas emissions of that taxpayer in respect of that tax period expressed as a carbon dioxide equivalent, determined in terms of section 4(2)(a); • ''M'' represents a number equal to the sum of the percentages of the allowances determined under sections 7, 12 and 13 in respect of that tax period, subject to section 14. These percentages are obtained from section B.2 of the DA 180.02 annexure;

Completion of DA180 and annexures

DA 180 – Environmental Levy Account for Carbon Tax

Section B Declaration of Emissions Equivalent

B.3 Calculation of Net Emission Equivalent (continued)	**{[(E – S) x (1 – C)] – [D x (1 – M)]} + {P x (1 – J)} + {F x (1 – K)} = Net Emission Equivalent (X)** • **"P"** represents the number in respect of the industrial process related greenhouse gas emissions of the taxpayer in respect of that tax period expressed as a carbon dioxide equivalent determined in terms of section 4(2)(c). This figure is obtained from the sum of emissions of the values declared in DA180 container B1 column titled Industrial process emissions plus values declared DA180 container B2 column titled Industrial Process (DA180.01C); • **"J"** represents a number equal to the sum of the percentages of the allowances determined under sections 7, 8, 10, 11, 12 and 13 in respect of that tax period, subject to section 14. These percentages are obtained from section B.2 of the DA 180.02 annexure; • **"F"** represents the number in respect of the fugitive greenhouse gas emissions of the taxpayer in respect of that tax period expressed as a carbon dioxide equivalent determined in terms of section 4(2)(b). This figure will be obtained from the sum of emissions of the values declared in DA180 container B1 column titled Fugitive emissions plus values declared DA180 container B2 column titled Fugitive Emission (Oil & Natural Gas) (DA180.01B.1) and Fugitive Emission (Mining & Coal) (DA180.01B; • **"K"** represents the sum of the percentages of the allowances determined in terms of sections 7, 9, 10, 11, 12 and 13 in respect of that tax period, subject to section 14. These percentages are obtained from section B.2 of the DA 180.02 annexure;

Completion of DA180 and annexures

DA 180 – Environmental Levy Account for Carbon Tax

Section C Determination of Environmental Levy payable

C.1 Calculation of Gross Levy Payable:

	Gross Levy Payable
Total Net Emission Equivalent	
Multiply by Rate of Environmental Levy	
Gross Levy Payable	

C.1 Calculation of Gross Levy Payable	
Total Net Emissions Equivalent	This figure is obtained from the Total of field of X (Net Emissions Equivalent) column
Multiply by Rate of Environmental Levy	This figure is the rate as prescribed in Schedule 1 Part 3F
Gross Levy Payable	This figure is calculated by multiplying 'Total Net Emissions Equivalent ' by 'Rate of Environmental Levy'

C.2 Calculation of Net Levy Payable:

Adjustment in respect of the generation of electricity from fossil fuels: A – B– C = X

A Gross Levy Payable	B Renewable Energy Premium	C Total of DA176 amount over tax period per company	X Net Levy Payable (May not be less than zero)

C.2 Calculation of Net Levy Payable	
A : Gross Levy Payable	This figure is obtained from C.1
B : Renewable Energy Premium	The renewable energy premium is determined by the Minister by notice in the Gazette. http://www.treasury.gov.za/legislation/tax%20acts%20and%20bills/CarbonTaxRegulations/
C : Total of DA176 amount over tax period per company	This figure is the total amount of the environmental levy in respect of electricity generated in the Republic contemplated in Section B of Part 3 of Schedule 1 to the Customs and Excise Act, 1964 (Act No. 91 of 1964), and paid by the company during the tax period
X: Net Levy Payable (May not be less than zero)	This figure is obtained from applying the formula **A- B- C= X**

Completion of DA180 and annexures

DA 180 – Environmental Levy Account for Carbon Tax

Section C Determination of Environmental Levy payable

C.3 Calculation of Total Amount Payable:

	Total Amount Payable
Net Levy Payable	
Less Overpaid on previous period	
Plus Underpaid on previous period	
Total Amount Payable	

C.3 Calculation of Total Amount Payable	
Net Levy Payable	This figure is obtained from C.2 (X)
Less Overpaid on previous period	If an amount was overpaid on a previous return, the amount must be deducted from the Net Levy Payable
Plus Underpaid on previous period	If an amount was underpaid on a previous return, the amount must be added to the Net Levy Payable.
Total Amount Payable	This is the total amount payable by the licensee

Completion of DA180 and annexures

DA 180.01A.1 – Fuel Combustion (Stationary)

Section A. Licensee particulars:

DA 180.01A.1

CUSTOMS & EXCISE
Fuel Combustion (Stationary)
Environmental Levy Account for Carbon Tax

A. Licensee particulars:

Warehouse number		Excise Client Code		Accounting Period	
Licensee				From:	To:
Trading as					
Physical address				Postal code	

A. Licensee particulars

Warehouse number	The relevant warehouse number allocated to the licensed business entity
Excise Client Code	The Excise code issued to the licensee
Licensee	The official business entity name of the licensee as registered with the Registrar Companies
Trading as	The official company trading name of the licensee as registered with the Registrar of Companies
Physical Address	The street address of the licensed business entity
Postal code	The postal area code of the licensed business entity
Accounting Period	The 12-month period in which the carbon emissions occurred at the registered facilities under the business entity. The 12-month period starts on 1 January and ends on 31 December of each calendar year.

Completion of DA180 and annexures

DA 180.01A.1 – Fuel Combustion (Stationary)

B. Carbon dioxide equivalent declaration (section 4(2) of Carbon Tax Act, 2019, methodology):

B.1 Emissions factor: {[(C x 1) + (M x 23) + (N x 296)] x D} / Y = X

Use the prescribed Schedule for Carbon Tax Fuel Combustion: Stationary to calculate the Emission factor in Carbon Dioxide equivalent per tonne (X)

B.2 Emissions equivalent: (A x B) = E

Use the Total of A (mass in tonne) multiplied by total of X (Emission factor that represents B) to calculate the Emissions Equivalent (E)

B.3 Table of emissions equivalent

IPCC Code	Source	C	M	N	D	Y	X	A	E
	Fuel Type	Carbon Dioxide Emissions CO_2 ($KGCO_2/TJ$)	Methane Emissions CH_4 ($KGCH_4/TJ$)	Nitrous Oxide Emissions N_2O (KGN_2O/TJ)	Default net calorific value (TJ/TONNE)	The number 1000	Emission factor in CO_2 equivalent per tonne	Total mass in tonne	Emissions Equivalent

Note: If space is insufficient, complete an annexure sheet.

C. The Emissions Equivalent figures as reflected in this DA180.01A.1 represented by E as above must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Fuel Combustion (Stationary) fields according to the corresponding IPCC codes.

B. Carbon dioxide equivalent declaration	
B.1 Emission factor	The greenhouse gas emission factor, in carbon dioxide equivalent per tonne that must be determined in accordance with the formula: {[(C x 1) + (M x 23) + (N x 296)] x D} / Y = X , in which formula: "X" represent the emission factor to be determined by the above formula "C" represents the carbon dioxide emissions of a fuel type determined by matching the fuel type listed in the column "fuel type" in Table 1 of Schedule 1 with the number in the corresponding line of the column "CO_2 ($KGCO_2/TJ$)" of that table; "M" represents the methane emissions of a fuel type determined by matching the fuel type listed in the column "fuel type" in Table 1 of Schedule 1 with the number in the corresponding line of the column "CH_4 ($KGCH_4/TJ$)" of that table; "N" represents the Nitrous Oxide emissions of a fuel type determined by matching the fuel type listed in the column "fuel type" in Table 1 of Schedule 1 with the number in the corresponding line of the column "N_2O (KGN_2O/TJ)" of that table;

Completion of DA180 and annexures

DA 180.01A.1 – Fuel Combustion (Stationary)

B. Carbon dioxide equivalent declaration…continued	
B.1 Emission factor	"Y" represents the number 1000. "D" represents the net default calorific value (Terra Joule per tonne) of a fuel type determined by matching the fuel type listed in the column listed in the column "fuel type" in Table 1 of Schedule 1 with the number in the corresponding line of the column "DEFAULT NET CALORIFIC VALUE (TJ/TONNE)" of that table. Use the prescribed Schedule for Carbon Tax Fuel Combustion Emission factors – Stationary to calculate the Emission factor in Carbon Dioxide equivalent per tonne.
B.2 Emissions equivalent	A number constituted by the sum of the respective numbers determined for each type of fuel in respect of which a greenhouse gas is emitted in respect of that tax period which respective numbers must be determined in accordance with the formula: E = (A x B) in which formula: "E" represents the Emissions equivalent; "A" represents the mass of any one type of the fuel expressed in tonne that is the source of the greenhouse gas emission, other than any fuel utilised for the purpose of international aviation and maritime transport; "B" represents the greenhouse gas emission factor in carbon dioxide equivalent per tonne that is determined in applying formula in B.1 to obtain "X". Use the Total of A (mass in tonne) multiplied by total of B (Emission factor) to calculate the Emission Equivalent. Note: For the conversion of volume to mass, use the appropriate density conversion factor provided in DEFF's Technical Guidelines for Monitoring, Reporting and Verification of Greenhouse Gas Emissions by Industry available at https://www.environment.gov.za/legislation/guidelines

Completion of DA180 and annexures

DA 180.01A.1 – Fuel Combustion (Stationary)

B. Carbon dioxide equivalent declaration…continued	
B.3 Table of Emissions Equivalent	Completion of the table of emissions equivalent utilising the prescribed Schedule 1 of the Carbon Tax Act, 2019

C. Emissions equivalent figures
The Emissions Equivalent figures as reflected in this DA180.01A.1 represented by E in the table of emissions must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Fuel Combustion (Stationary) fields according to the corresponding IPCC codes.

Completion of DA180 and annexures

DA 180.01A.2 – Fuel Combustion (Non-Stationary)

Section A. Licensee particulars:

DA 180.01A.2

CUSTOMS & EXCISE

Fuel Combustion (Non-Stationary)

Environmental Levy Account for Carbon Tax

A. Licensee particulars:

Warehouse number		Excise Client Code		Accounting Period	
Licensee				From:	To:
Trading as					
Physical address					
				Postal code	

A. Licensee particulars

Warehouse number	The relevant warehouse number allocated to the licensed business entity
Excise Client Code	The Excise code issued to the licensee
Licensee	The official business entity name of the licensee as registered with the Registrar Companies
Trading as	The official company trading name of the licensee as registered with the Registrar of Companies
Physical Address	The street address of the licensed business entity
Postal code	The postal area code of the licensed business entity
Accounting Period	The 12-month period in which the carbon emissions occurred at the registered facilities under the business entity. The 12-month period starts on 1 January and ends on 31 December of each calendar year.

Completion of DA180 and annexures

DA 180.01A.2 – Fuel Combustion (Non-Stationary)

B. Carbon dioxide equivalent declaration (section 4(2) of Carbon Tax Act, 2019, methodology):

B.1 Emissions factor: {[(C x 1) + (M x 23) + (N x 296)] x D} / Y = X

Use the prescribed Schedule for Carbon Tax Fuel Combustion: Non-Stationary to calculate the Emission factor in Carbon Dioxide equivalent per tonne (X)

B.2 Emissions equivalent: (A x B) = E

Use the Total of A (mass in tonne) multiplied by total of X (Emission factor that represents B) to calculate the Emissions Equivalent (E)

B.3 Table of emissions equivalent

IPCC Code	Source Fuel Type	C Carbon Dioxide Emissions CO_2 ($KGCO_2/TJ$)	M Methane Emissions CH_4 ($KGCH_4/TJ$)	N Nitrous Oxide Emissions N_2O (KGN_2O/TJ)	D Default net calorific value (TJ/TONNE)	Y The number 1000	X Emission factor in CO_2 equivalent per tonne	A Total mass in tonne	E Emissions Equivalent

Note: If space is insufficient, complete an annexure sheet.

C. The Emissions Equivalent figures as reflected in this DA180.01A.2 represented by E as above must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Fuel Combustion (Non-Stationary) fields according to the corresponding IPCC codes.

B. Carbon dioxide equivalent declaration	
B.1 Emission factor	The greenhouse gas emission factor, in carbon dioxide equivalent per tonne that must be determined in accordance with the formula: {[(C x 1) + (M x 23) + (N x 296)] x D} / Y = X , in which formula: "X" represent the emission factor to be determined by the above formula "C" represents the carbon dioxide emissions of a fuel type determined by matching the fuel type listed in the column "fuel type" in Table 1 of Schedule 1 with the number in the corresponding line of the column "CO_2 ($KGCO_2/TJ$)" of that table; "M" represents the methane emissions of a fuel type determined by matching the fuel type listed in the column "fuel type" in Table 1 of Schedule 1 with the number in the corresponding line of the column "CH_4 ($KGCH_4/TJ$)" of that table; "N" represents the Nitrous Oxide emissions of a fuel type determined by matching the fuel type listed in the column "fuel type" in Table 1 of Schedule 1 with the number in the corresponding line of the column "N_2O (KGN_2O/TJ)" of that table;

Completion of DA180 and annexures

DA 180.01A.2 – Fuel Combustion (Non-Stationary)

B. Carbon dioxide equivalent declaration…continued	
B.1 Emission factor	"Y" represents the number 1000. "D" represents the net default calorific value (Terra Joule per tonne) of a fuel type determined by matching the fuel type listed in the column listed in the column "fuel type" in Table 1 of Schedule 1 with the number in the corresponding line of the column "DEFAULT NET CALORIFIC VALUE (TJ/TONNE)" of that table. Use the prescribed Schedule for Carbon Tax Fuel Combustion Emission factors – Non-Stationary to calculate the Emission factor in Carbon Dioxide equivalent per tonne.
B.2 Emissions equivalent	A number constituted by the sum of the respective numbers determined for each type of fuel in respect of which a greenhouse gas is emitted in respect of that tax period which respective numbers must be determined in accordance with the formula: E = (A x B) in which formula: "E" represents the Emissions equivalent; "A" represents the mass of any one type of the fuel expressed in tonne that is the source of the greenhouse gas emission, other than any fuel utilised for the purpose of international aviation and maritime transport; "B" represents the greenhouse gas emission factor in carbon dioxide equivalent per tonne that is determined in applying formula in B.1 to obtain "X". Use the Total of A (mass in tonne) multiplied by total of B (Emission factor) to calculate the Emission Equivalent. Note: For the conversion of volume to mass, use the appropriate density conversion factor provided in DEFF's Technical Guidelines for Monitoring, Reporting and Verification of Greenhouse Gas Emissions by Industry available at https://www.environment.gov.za/legislation/guidelines

Completion of DA180 and annexures

DA 180.01A.2 – Fuel Combustion (Non-Stationary)

B. Carbon dioxide equivalent declaration…continued	
B.3 Table of Emissions Equivalent	Completion of the table of emissions equivalent utilising the prescribed Schedule 1 of the Carbon Tax Act, 2019

C. Emissions equivalent figures
The Emissions Equivalent figures as reflected in this DA180.01A.2 represented by E in the table of emissions must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Fuel Combustion (Non-Stationary) fields according to the corresponding IPCC codes.

Completion of DA180 and annexures

DA 180.01B.1 – Fugitive (Oil and Natural Gas)

Section A. Licensee particulars:

DA 180.01B.1

CUSTOMS & EXCISE
Fugitive (Oil and Natural Gas)
Environmental Levy Account for Carbon Tax

A. Licensee particulars:

Warehouse number		Excise Client Code		Accounting Period	
Licensee				From:	To:
Trading as					
Physical address					
				Postal code	

A. Licensee particulars

Warehouse number	The relevant warehouse number allocated to the licensed business entity
Excise Client Code	The Excise code issued to the licensee
Licensee	The official business entity name of the licensee as registered with the Registrar Companies
Trading as	The official company trading name of the licensee as registered with the Registrar of Companies
Physical Address	The street address of the licensed business entity
Postal code	The postal area code of the licensed business entity
Accounting Period	The 12-month period in which the carbon emissions occurred at the registered facilities under the business entity. The 12-month period starts on 1 January and ends on 31 December of each calendar year.

Completion of DA180 and annexures

DA 180.01B.1 – Fugitive (Oil and Natural Gas)

B. Carbon dioxide equivalent declaration (section 4(2) of Carbon Tax Act, 2019, methodology):

B.1 Emissions factor: {(C x 1) + (M x 23) + (N x 296)} x Y = X

Use the prescribed Schedule for Carbon Tax Fugitive Emission Factors to calculate the Emission factor in Carbon Dioxide equivalent per tonne (X)

B.2 Emissions equivalent: (N x Q) = F

Use the Total of N (mass in tonne) multiplied by total of X (Emission factor that represents Q) to calculate the Emissions Equivalent (F)

B.3 Table of emissions equivalent

IPCC Code	Source	C	M	N	Y	X	N	F
	Activity	CO_2	CH_4	N_2O	The number 1000	Emission factor in CO_2 equivalent per tonne (Q)	Total mass in tonne	Emissions Equivalent

Note: If space is insufficient, complete an annexure sheet.

C. The Emissions Equivalent figures as reflected in this DA180.01B.1 represented by F as above must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Fugitive (Oil and Natural Gas) fields according to the corresponding IPCC codes.

B. Carbon dioxide equivalent declaration	
B.1 Emission factor	The greenhouse gas emission factor, in carbon dioxide equivalent per tonne that must be determined in accordance with the formula: {(C x 1) + (M x 23) + (N x 296)} x Y = X in which formula: "X" represent the emission factor to be determined by the above formula "C" represents the carbon dioxide emissions of a fuel type determined by matching the fuel type listed in the column "fuel type" in Table 2 of Schedule 1 with the number in the corresponding line of the column "CO_2 " of that table; "M" represents the methane emissions of a fuel type determined by matching the fuel type listed in the column "fuel type" in Table 2 of Schedule 1 with the number in the corresponding line of the column "CH_4" of that table; "N" represents the Nitrous Oxide emissions of a fuel type determined by matching the fuel type listed in the column "fuel type" in Table 2 of Schedule 1 with the number in the corresponding line of the column "N_2O " of that table;

Completion of DA180 and annexures

DA 180.01B.1 – Fugitive (Oil and Natural Gas)

B. Carbon dioxide equivalent declaration…continued	
B.1 Emission factor	"Y" represents the number 1000. Use the prescribed Schedule for Carbon Tax Fugitive Emission Factors to calculate the Emission factor in Carbon Dioxide equivalent per tonne (X)
B.2 Emissions equivalent	A number constituted by the sum of respective numbers determined for each type of commodity, fuel or technology in respect of which the greenhouse gas is emitted in respect of a tax period which respective numbers must be determined in accordance with the formula: F = (N x Q) in which formula: "F" represents the Emissions equivalent; "N" represents the mass expressed in tonne in the case of solid fuels or volume of each type of fuel expressed in cubic metres in the case of fuels other than solid fuels, in respect of the greenhouse gas emissions; "Q" represents the greenhouse gas emission factor in carbon dioxide equivalent per tonne or cubic metres that is determined in applying formula in B.1 to obtain "X". Use the Total of N (mass in tonne) multiplied by total of Q (Emission factor) to calculate the Emission Equivalent F. Note: For the conversion of volume to mass, use the appropriate density conversion factor provided in DEFF's Technical Guidelines for Monitoring, Reporting and Verification of Greenhouse Gas Emissions by Industry available at https://www.environment.gov.za/legislation/guidelines
B.3 Table of Emissions Equivalent	Completion of the table of emissions equivalent utilising the prescribed Schedule 1 of the Carbon Tax Act, 2019
C. Emissions equivalent figures	
The Emissions Equivalent figures as reflected in this DA180.01B.1 represented by F in the table of emissions must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Fugitive (Oil and Natural Gas) fields according to the corresponding IPCC codes.	

Completion of DA180 and annexures

DA 180.01B.2 – Fugitive (Coal Mining and Handling)

Section A. Licensee particulars:

DA 180.01B.2

CUSTOMS & EXCISE

Fugitive (Coal Mining and Handling)

Environmental Levy Account for Carbon Tax

A. Licensee particulars:

Warehouse number		Excise Client Code		Accounting Period	
Licensee				From:	To:
Trading as					
Physical address					
				Postal code	

A. Licensee particulars

Warehouse number	The relevant warehouse number allocated to the licensed business entity
Excise Client Code	The Excise code issued to the licensee
Licensee	The official business entity name of the licensee as registered with the Registrar Companies
Trading as	The official company trading name of the licensee as registered with the Registrar of Companies
Physical Address	The street address of the licensed business entity
Postal code	The postal area code of the licensed business entity
Accounting Period	The 12-month period in which the carbon emissions occurred at the registered facilities under the business entity. The 12-month period starts on 1 January and ends on 31 December of each calendar year.

Completion of DA180 and annexures

DA 180.01B.2 – Fugitive (Coal Mining and Handling)

B. **Carbon dioxide equivalent declaration (section 4(2) of Carbon Tax Act, 2019, methodology):**

B.1 **Emissions factor: (M x D x 23) x Y = X**

Use the prescribed Schedule for Carbon Tax Fugitive Emission Factors to calculate the Emission factor in Carbon Dioxide equivalent per tonne (X)

B.2 **Emissions equivalent: (N x Q) = F**

Use the Total of N (mass in tonne) multiplied by total of X (Emission factor that represents Q) to calculate the Emissions Equivalent (F)

B.3 **Table of emissions equivalent**

IPCC Code	Source	M	D	Y	X	N	F
	Activity	CH_4	Density factor for coal mining and handling	The number 1000	Emission factor in CO_2 equivalent per tonne (Q)	Total mass in tonne	Emissions Equivalent

Note: If space is insufficient, complete an annexure sheet.

C. **The Emissions Equivalent figures as reflected in this DA180.01B.2 represented by F as above must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Fugitive (Coal Mining and Handling) fields according to the corresponding IPCC codes.**

B. Carbon dioxide equivalent declaration	
B.1 Emission factor	The greenhouse gas emission factor, in carbon dioxide equivalent per tonne that must be determined in accordance with the formula:{(M x D x 23) x Y = X in which formula: “X” represent the emission factor to be determined by the above formula **“**M” represents the methane emissions of a fuel type determined by matching the fuel type list in the column “fuel type” in Table 2 of Schedule 1 with the number in the corresponding line of the column “CH4” of that table; “D” represents the density factor for coal mining and handling methane emissions; “Y” represents the number 1000. Use the prescribed Schedule for Carbon Tax Fugitive Emission Factors to calculate the Emission factor in Carbon Dioxide equivalent per tonne (X)

Completion of DA180 and annexures

DA 180.01B.2 – Fugitive (Coal Mining and Handling)

B.2 Emissions equivalent	A number constituted by the sum of respective numbers determined for each type of commodity, fuel or technology in respect of which the greenhouse gas is emitted in respect of a tax period which respective numbers must be determined in accordance with the formula: F = (N x Q) in which formula: “F” represents the Emissions equivalent; “N” represents the mass expressed in tonne in the case of solid fuels or volume of each type of fuel expressed in cubic metres in the case of fuels other than solid fuels, in respect of the greenhouse gas emissions; “Q” represents the greenhouse gas emission factor in carbon dioxide equivalent per tonne or cubic metres that is determined in applying formula in B.1 to obtain “X”. Use the Total of N (mass in tonne) multiplied by total of Q (Emission factor) to calculate the Emission Equivalent F. Note: For the conversion of volume to mass, use the appropriate density conversion factor provided in DEFF’s Technical Guidelines for Monitoring, Reporting and Verification of Greenhouse Gas Emissions by Industry available at https://www.environment.gov.za/legislation/guidelines
B.3 Table of Emissions Equivalent	Completion of the table of emissions equivalent utilising the prescribed Schedule 1 of the Carbon Tax Act, 2019

C. Emissions equivalent figures
The Emissions Equivalent figures as reflected in this DA180.01B.2 represented by F in the table of emissions must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Fugitive (Coal Mining and Handling) fields according to the corresponding IPCC codes.

Completion of DA180 and annexures

DA 180.01C – Industrial Process

Section A. Licensee particulars:

DA 180.01C

CUSTOMS & EXCISE
Industrial Process
Environmental Levy Account for Carbon Tax

A. Licensee particulars:

Warehouse number		Excise Client Code		Accounting Period	
Licensee				From:	To:
Trading as					
Physical address					
				Postal code	

A. Licensee particulars

Warehouse number	The relevant warehouse number allocated to the licensed business entity
Excise Client Code	The Excise code issued to the licensee
Licensee	The official business entity name of the licensee as registered with the Registrar Companies
Trading as	The official company trading name of the licensee as registered with the Registrar of Companies
Physical Address	The street address of the licensed business entity
Postal code	The postal area code of the licensed business entity
Accounting Period	The 12-month period in which the carbon emissions occurred at the registered facilities under the business entity. The 12-month period starts on 1 January and ends on 31 December of each calendar year.

Completion of DA180 and annexures

DA 180.01C – Industrial Process

B. Carbon dioxide equivalent declaration (section 4(2) of Carbon Tax Act, 2019, methodology):

B.1 Emissions factor: {(C x 1) + (M x 23) + (N x 296) + (H x 11 900) + (T x 5 700) + (S x 22 200) = X

Use the prescribed Schedule for Carbon Tax Industrial Process Factors to calculate the Emission factor in Carbon Dioxide equivalent per tonne (X)

B.2 Emissions equivalent: (G x H) = P

Use the Total of G (mass in tonne) multiplied by total of X (Emission factor that represents H) to calculate the Emissions Equivalent

B.3 Table of emissions equivalent

IPCC Code	Source Activity	C TONNE CO_2 / tonne product	M TONNE CH_4 / tonne product	N TONNE N_2O / tonne product	H TONNE C_2F_6 / tonne product	T TONNE CF_4 / tonne product	S TONNE SF_6 / tonne product	X Emission factor in CO_2 equivalent per tonne (H)	G Total mass in tonne	P Emissions Equivalent

Note: If space is insufficient, complete an annexure sheet.

C. The Emissions Equivalent figures as reflected in this DA180.01C represented by P as above must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Industrial Process fields according to the corresponding IPCC codes.

B. Carbon dioxide equivalent declaration	
B.1 Emission factor	The greenhouse gas emission factor, in carbon dioxide equivalent per tonne that must be determined in accordance with the formula: {(C x 1) + (M x 23) + (N x 296) + (H x 11 900) + (T x 5 700) + (S x 22 200)} = X in which formula: "X" represent the emission factor to be determined by the above formula "C" represents the **carbon dioxide emissions** of a raw material or product determined by matching the fuel type listed in the column "SOURCE CATEGORY ACTIVITY / RAW MATERIAL / PRODUCT" in Table 3 of Schedule 1 with the number in the corresponding line of the column **"Tonne CO2 / tonne product"** of that table; **"**M" represents the **methane emissions** of a raw material or product determined by matching the fuel type listed in the column "SOURCE CATEGORY ACTIVITY / RAW MATERIAL / PRODUCT" in Table 3 of Schedule 1 with the number in the corresponding line of the column **"tonne CH_4 / tonne product"** of that table;

Completion of DA180 and annexures

DA 180.01C – Industrial Process

B. Carbon dioxide equivalent declaration…continued	
B.1 Emission factor	**"**N**"** represents the **Nitrous Oxide emissions** of a raw material or product determined by matching the fuel type listed in the column "SOURCE CATEGORY ACTIVITY / RAW MATERIAL / PRODUCT" in Table 3 of Schedule 1 with the number in the corresponding line of the column **"tonne N_2O / tonne product"** of that table; "H**"** represents the **Hexafluoroethane emissions** of a raw material or product determined by matching the fuel type listed in the column "SOURCE CATEGORY ACTIVITY / RAW MATERIAL / PRODUCT" in Table 3 of Schedule 1 with the number in the corresponding line of the column **"tonne C2F6 / tonne product"** of that table; "T" represents the **carbon tetrafluoride emissions** of a raw material or product determined by matching the fuel type listed in the column "SOURCE CATEGORY ACTIVITY / RAW MATERIAL / PRODUCT" in Table 3 of Schedule 1 with the number in the corresponding line of the column **"tonne CF4 / tonne product"** of that table; "S" represents the **Sulphur hexafluoride** emissions of a raw material or product determined by matching the fuel type listed in the column "SOURCE CATEGORY ACTIVITY / RAW MATERIAL / PRODUCT" in Table 3 of Schedule 1 with the number in the corresponding line of the column **"tonne SF6 / tonne product"** of that table. Use the prescribed Schedule for Carbon Tax Industrial Process Factors to calculate the Emission factor in Carbon Dioxide equivalent per tonne (X)
B.2 Emissions equivalent	A number constituted by the sum of respective numbers determined for each type of commodity, fuel or technology in respect of which the greenhouse gas is emitted in respect of a tax period which respective numbers must be determined in accordance with the formula: (G x H) = P in which formula: "P" represents the amount to be determined that must not be less than zero; "G" represents the mass of each raw material used or product produced expressed in tonne in respect of which greenhouse gas is emitted in respect of that tax period; "H" represents the greenhouse gas emission factor in carbon dioxide emissions equivalent per tonne for each raw material used or product produced that must be determined in accordance with the formula**.**

Completion of DA180 and annexures

DA 180.01C – Industrial Process

B.2 Emissions equivalent	Use the Total of G (mass in tonne) multiplied by total of X (Emission factor) to calculate P (Emissions Equivalent) Note: For the conversion of volume to mass, use the appropriate density conversion factor provided in DEFF's Technical Guidelines for Monitoring, Reporting and Verification of Greenhouse Gas Emissions by Industry available at https://www.environment.gov.za/legislation/guidelines
B.3 Table of Emissions Equivalent	Completion of the table of emissions equivalent utilising the prescribed Schedule 1 of the Carbon Tax Act, 2019

C. Emissions equivalent figures
The Emissions Equivalent figures as reflected in this DA180.01C represented by P in the table of emissions must be carried forward to the DA 180 (front-page) section B.2 to be inserted in the Industrial Process fields according to the corresponding IPCC codes.

Completion of DA180 and annexures

DA 180.02 – Carbon Tax Allowances

Section A. Licensee particulars:

DA 180.02

CUSTOMS & EXCISE

Carbon Tax Allowances

Environmental Levy Account for Carbon Tax

A. Licensee particulars:

Warehouse number		Excise Client Code		Accounting Period	
Licensee				From:	To:
Trading as					
Physical address					
				Postal code	

A. Licensee particulars

Warehouse number	The relevant warehouse number allocated to the licensed business entity
Excise Client Code	The Excise code issued to the licensee
Licensee	The official business entity name of the licensee as registered with the Registrar Companies
Trading as	The official company trading name of the licensee as registered with the Registrar of Companies
Physical Address	The street address of the licensed business entity
Postal code	The postal area code of the licensed business entity
Accounting Period	The 12-month period in which the carbon emissions occurred at the registered facilities under the business entity. The 12-month period starts on 1 January and ends on 31 December of each calendar year.

Completion of DA180 and annexures

DA 180.02 – Carbon Tax Allowances

B. Calculation of Allowances:

B.1 Performance allowance formula for column 692.05: (A / B - C) x D = Z

IPCC Code	A Benchmark as prescribed or the number zero	B Greenhouse Gas Emissions Intensity	C Prescribed as number one	D Prescribed as number one hundred	Z Performance allowance percentage should not be less than 0 or greater than 5

Note: If space is insufficient, complete an annexure sheet.

B. Calculation of Allowances	
B.1 Performance allowance formula for column 692.05 Performance (section 11)	A / B – C) x D = Z, in which formula: “Z” represents the percentage to be determined that must not be less than zero; “A” represents the sector or sub-sector greenhouse gas emissions intensity benchmark as prescribed by the Minister, or the number zero where no value is prescribed; http://www.treasury.gov.za/legislation/tax%20acts%20and%20bills/CarbonTaxRegulations/ “B” represents the measured and verified greenhouse gas emissions intensity of a taxpayer in respect of a tax period; “C” represents the number one; “D” represents the number 100.

Completion of DA180 and annexures

DA 180.02 – Carbon Tax Allowances

B.2 Determine the percentages for the relevant allowances per IPCC code as reflected in the matching activity line of the prescribed Schedule:

IPCC Code	Activity/ Sector	692.01 Basic Tax Free (section 7)	692.02 Industrial Process Emissions (section 8)	692.03 Fugitive Emissions (section 9)	692.04 Trade Exposure (section 10)	692.05 Performance (section 11)	692.06 Carbon Budget (section 12)	692.07 Offset (section 13)	G Sum of allowances for purpose of column H	H Maximum Total Allowances Percentage (G may not be > H) as prescribed

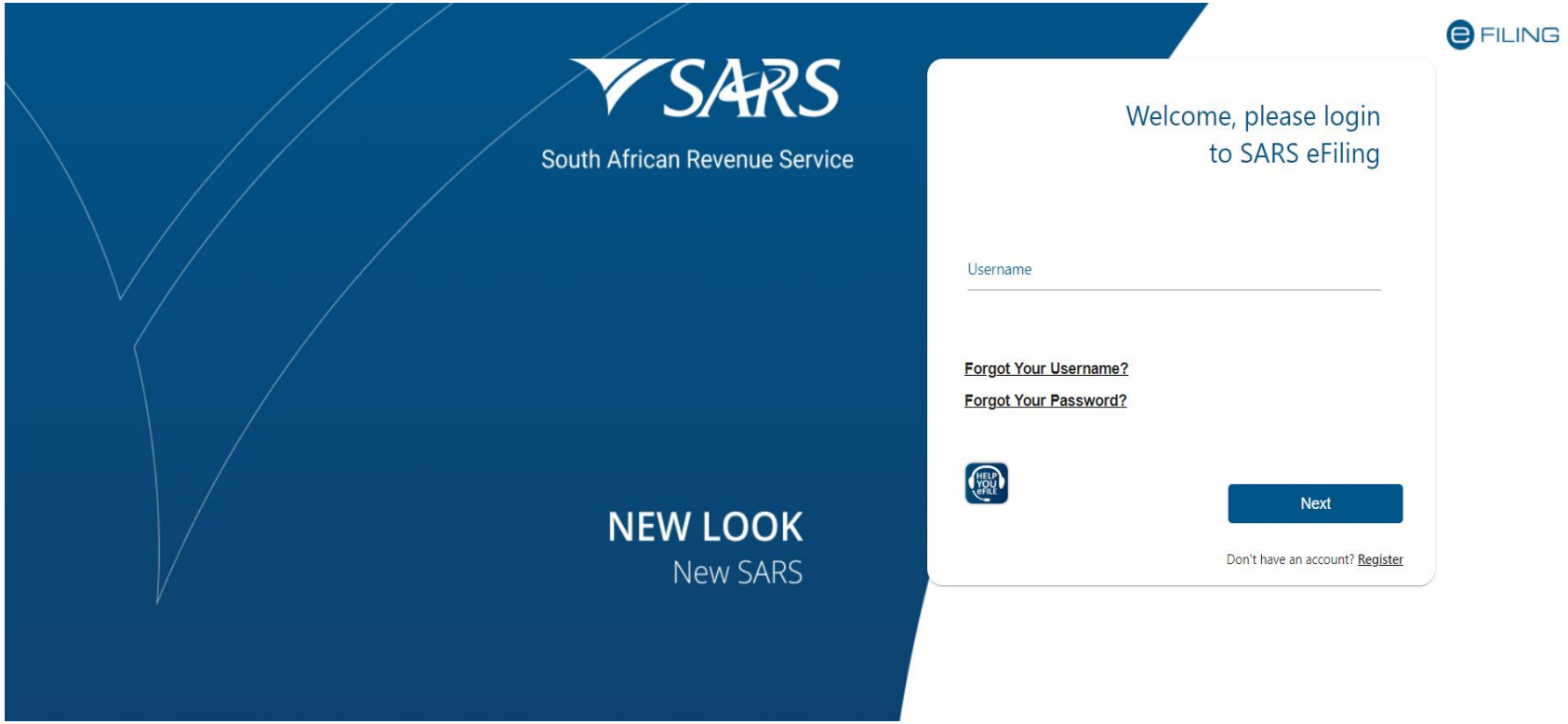
Note: If space is insufficient, complete an annexure sheet.

C. The relevant allowances in B.2 above must be carried forward for declaration in the relevant fields of section B.3 on the DA180 (front page) according to the corresponding IPCC codes.

B.2 Percentages for the relevant allowances	Determine the percentages for the relevant allowances per IPCC code as reflected in the matching activity line of the prescribed Schedule 2 of Carbon tax Act: The percentages for the relevant Basic Tax Free (692.01), Industrial Process Emissions (692.02), Fugitive Emissions (692.03), Trade Exposure (692.04), Performance (692.05), Carbon Budget (692.06) and/or Offset (692.07) allowances should be summed (G) to not exceed the prescribed maximum total percentage of allowances (H) per IPCC code.

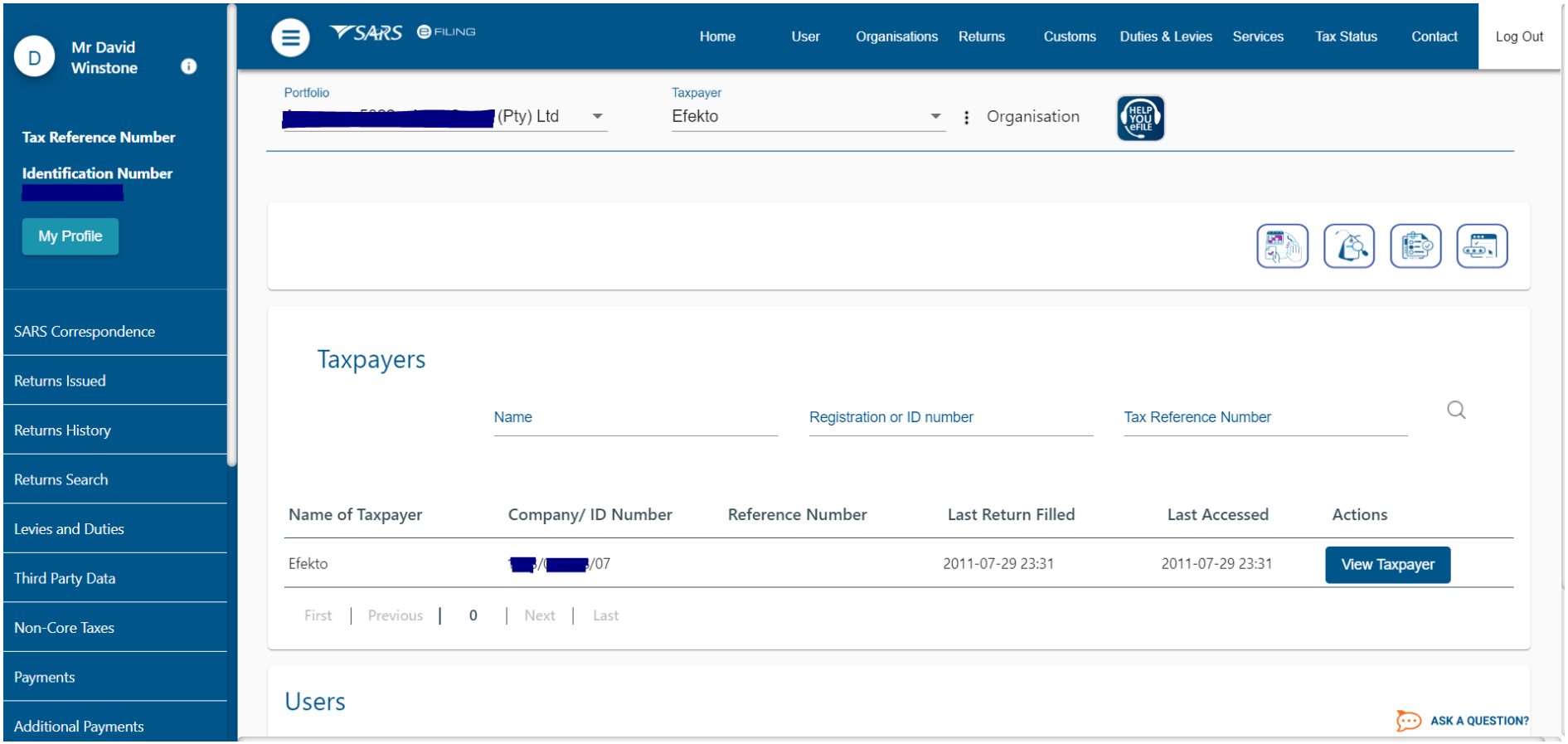
C. Determined Allowances	The relevant allowances in B.2 above must be carried forward for declaration in the relevant fields of section B.3 on the DA 180 (front page) according to the corresponding IPCC codes.

Submission of the carbon tax return



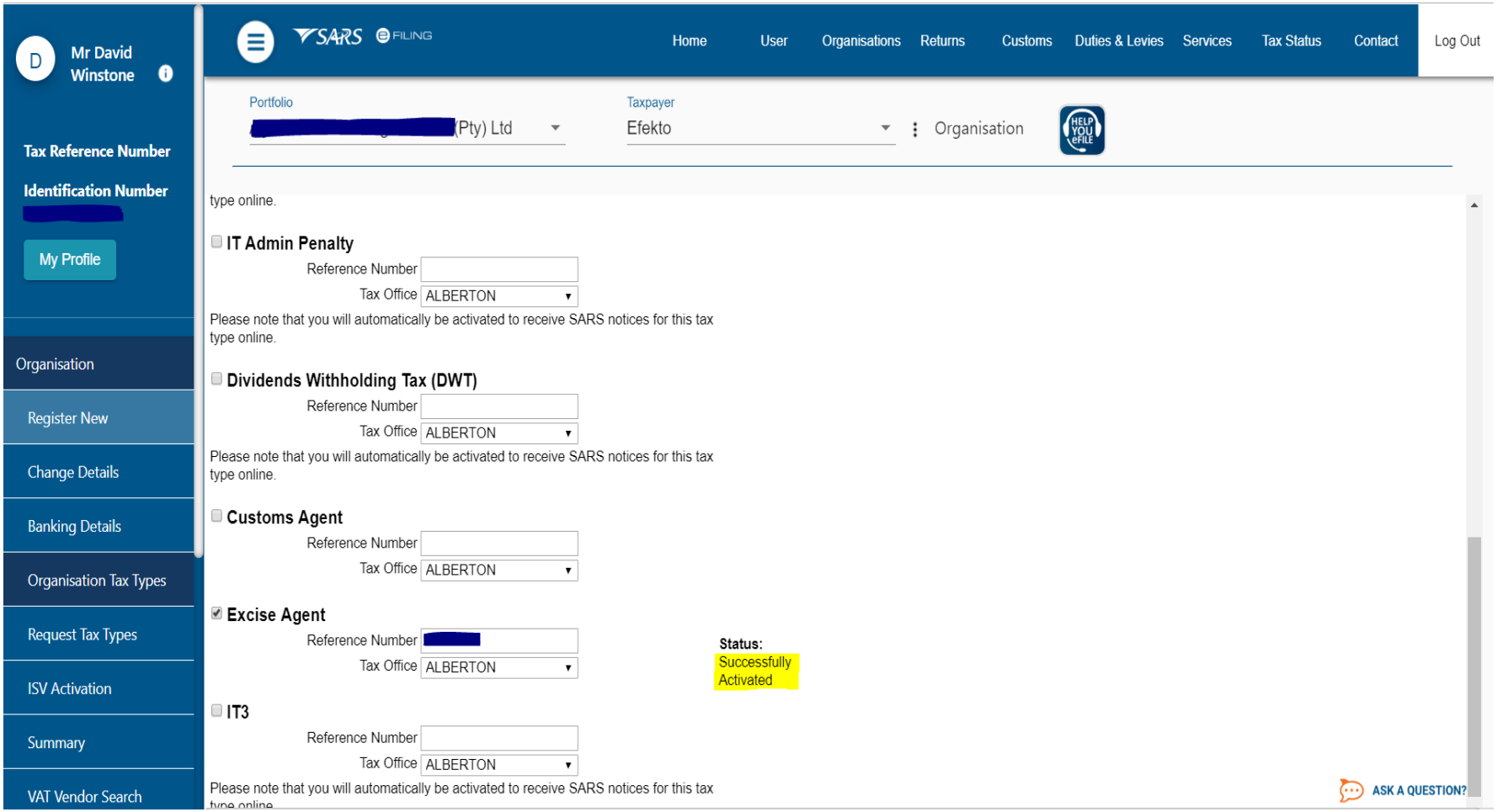
- Filing for carbon tax returns opens on 1 October 2020
- Log on to eFiling with existing username and password or Register
- The completed DA180 and annexures must be used to submit via the SARS eFiling platform through the “Excise Levies & Duties” followed by “Request Return” options.

Submission of the carbon tax return



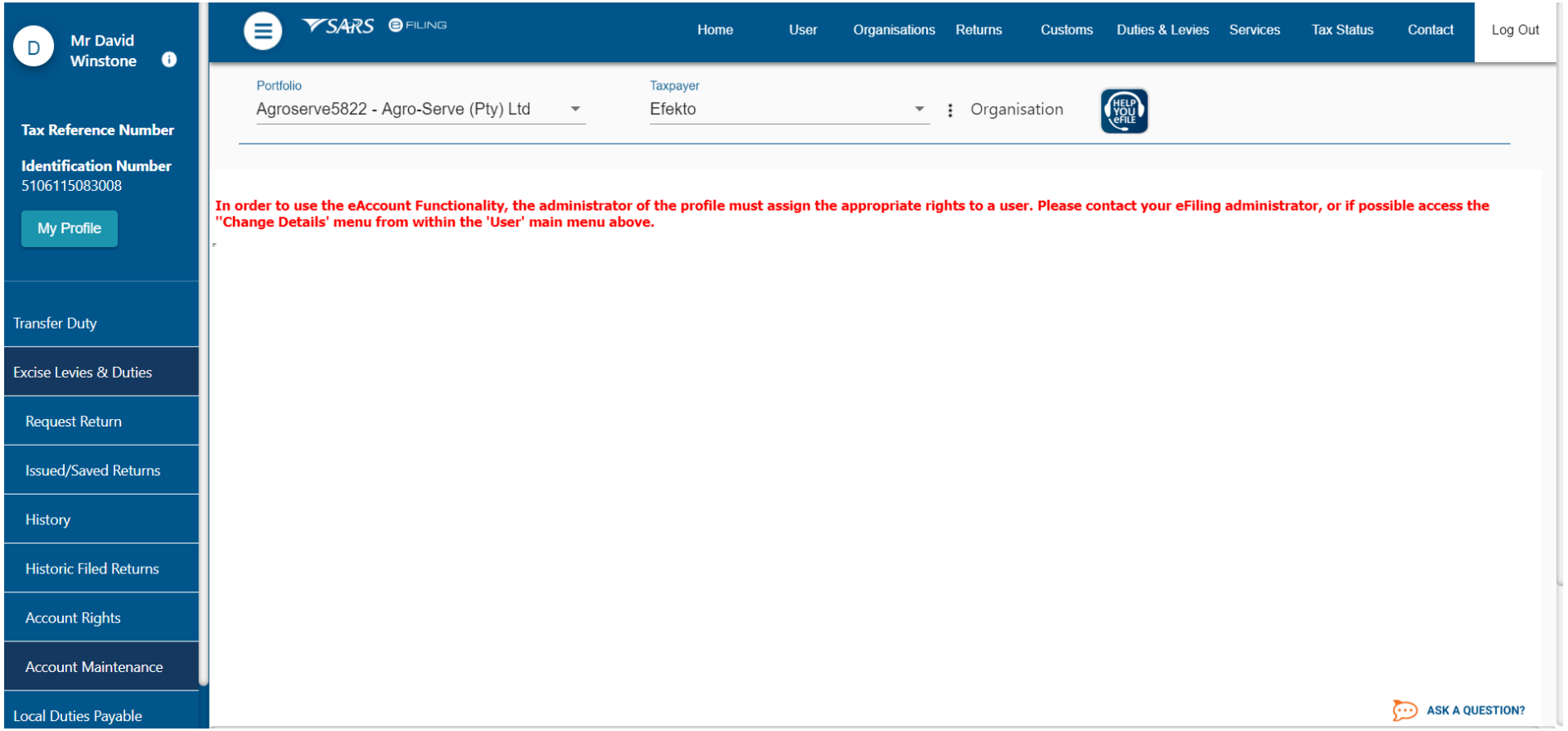
- Any Portfolio queries – please contact eFiling call centre 0800 00 7277.
- Organisations > Organisation > Organisation Tax Types Excise Agent status must set up.

Submission of the carbon tax return



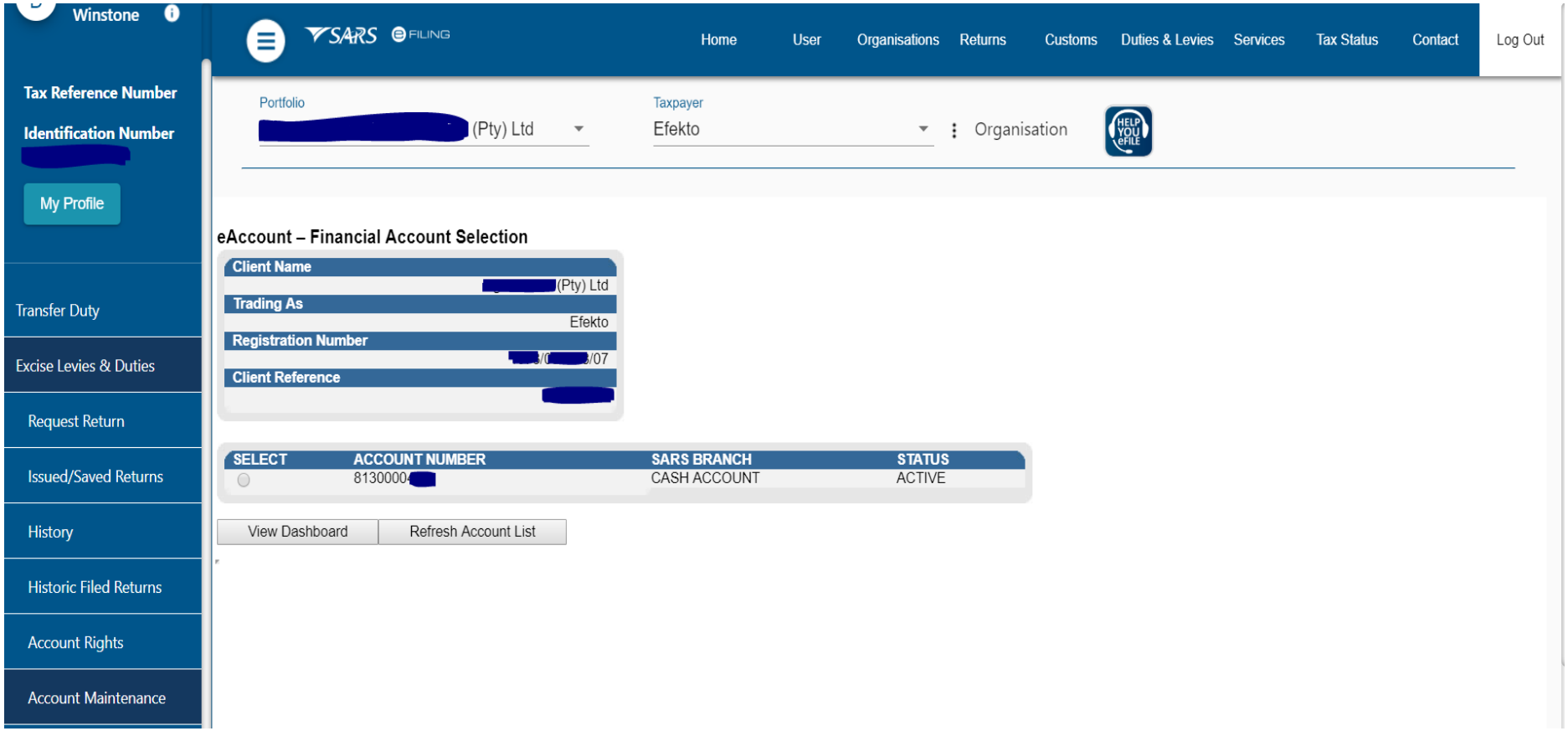
- Ensure the Excise Agent Reference Number is your Excise client code for CBT
- eAccount Management must be setup for payments

Submission of the carbon tax return



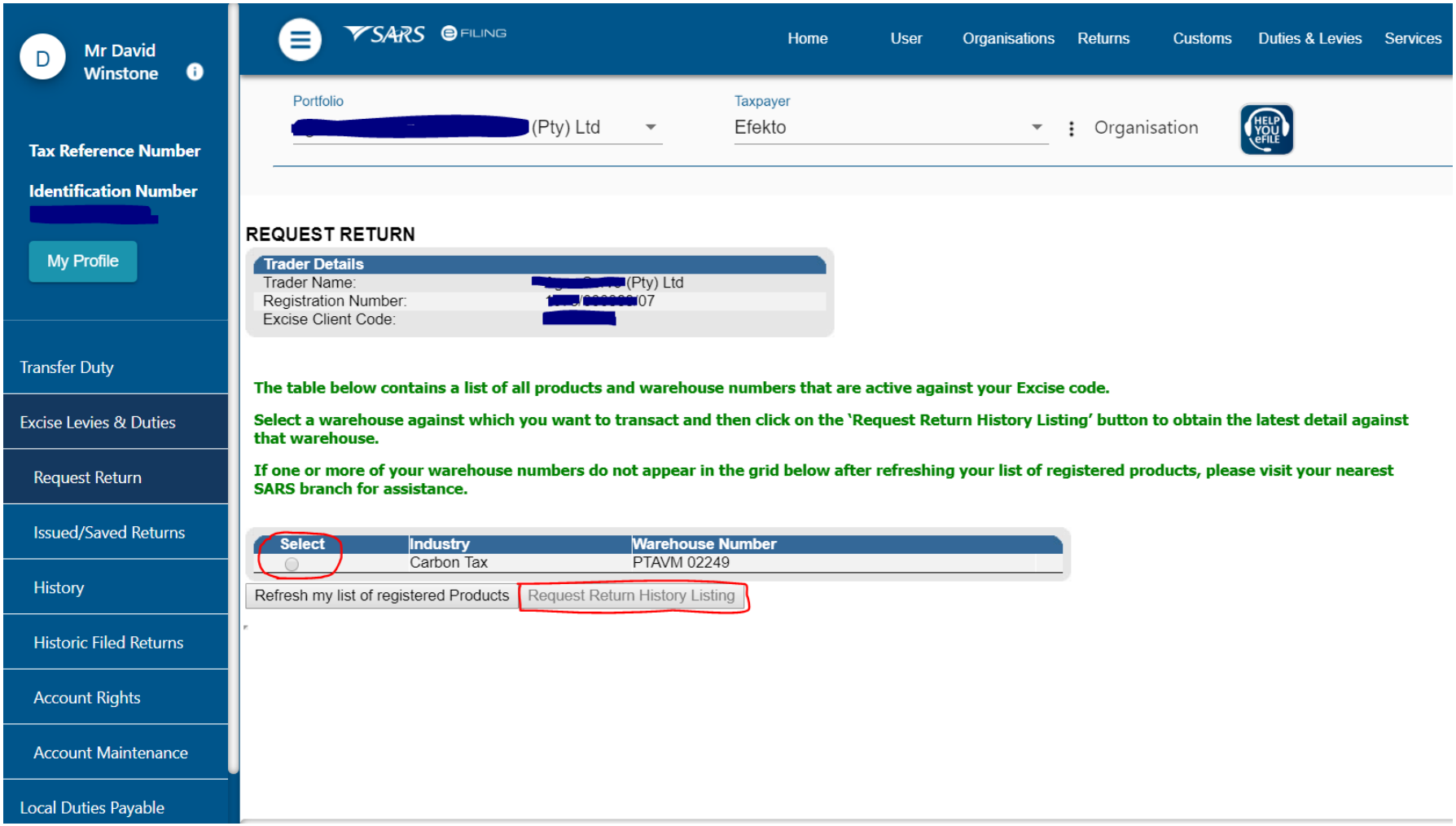
- eAccount Management must be setup for payments or you will get an error

Submission of the carbon tax return



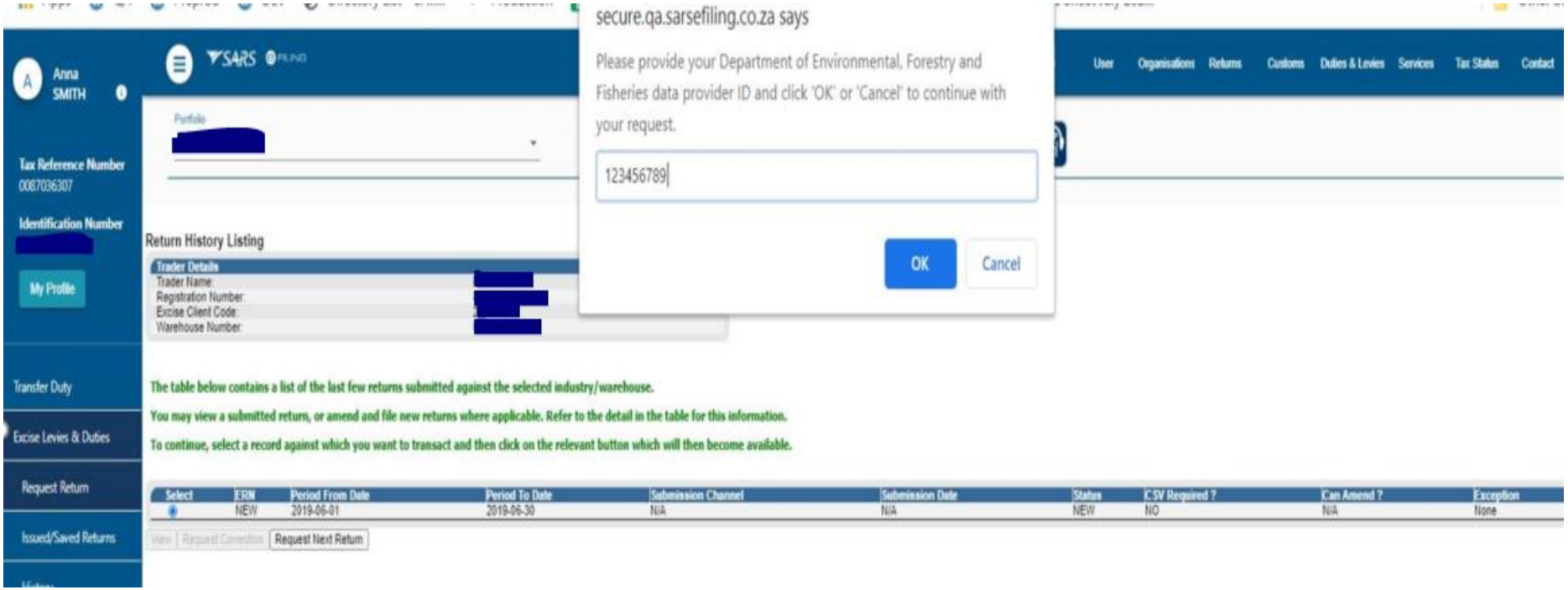
- eAccount – Financial Account Selection for Excise FAN
- Select the Account Number and click on ‘View Dashboard’ button

Submission of the carbon tax return



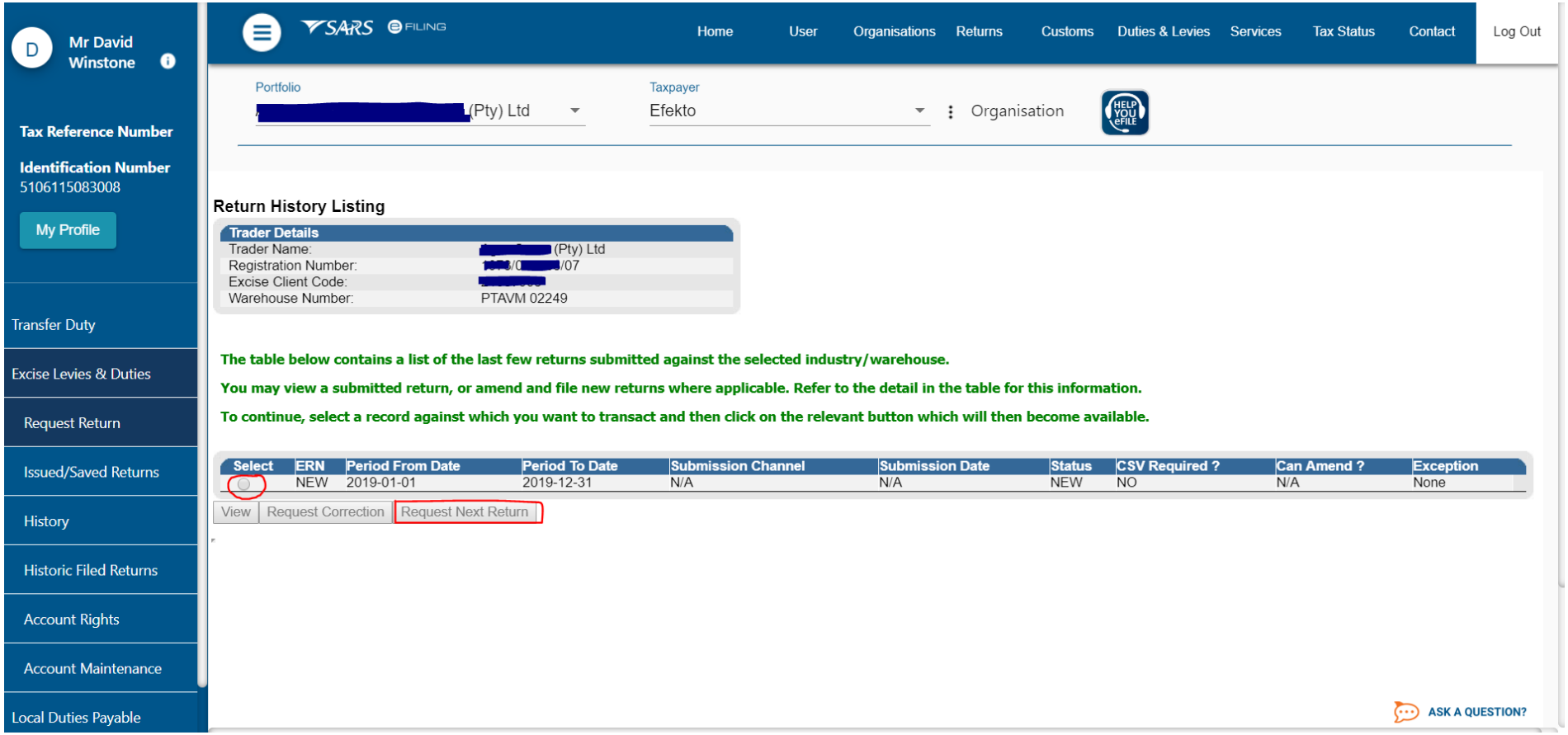
- Duties & Levies > Excise Levies & Duties > Request Return
- Select the Industry / Warehouse Number which will enable the 'Request Return History Listing' > click the button

Submission of the carbon tax return



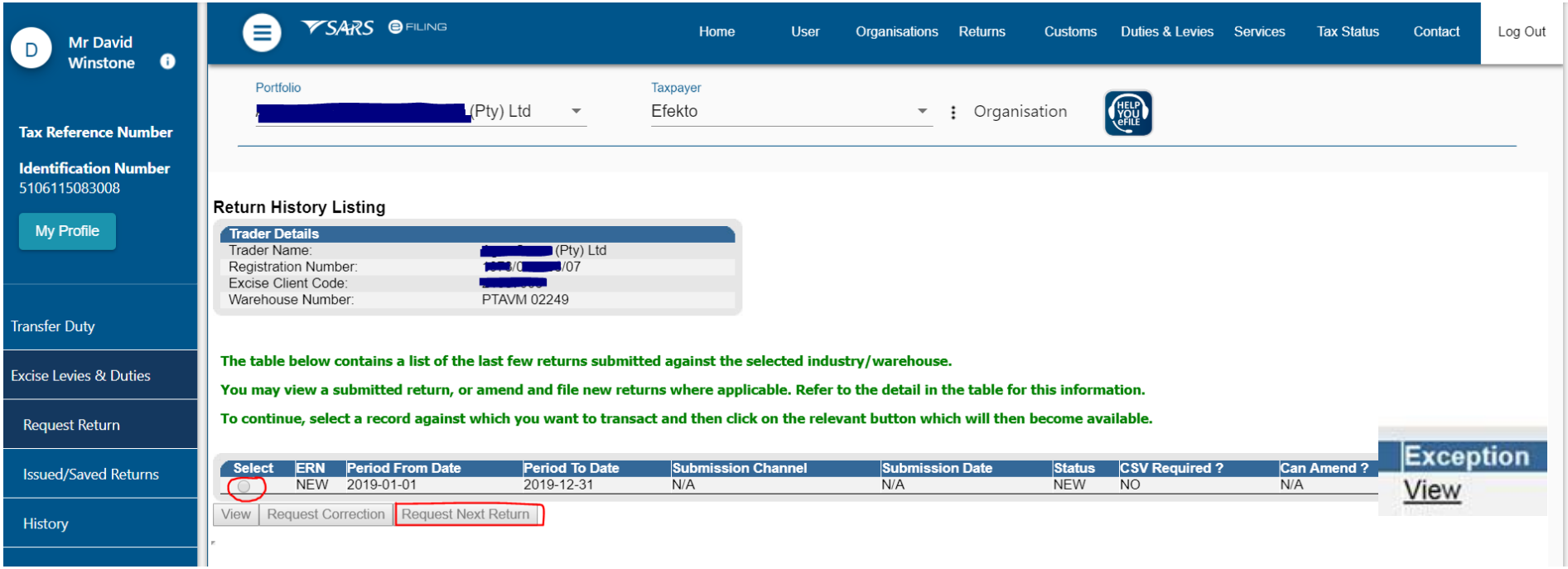
- As soon as a return is requested, a popup will display requesting the DEFF Data Provider Id of the entity submitting a return i.e. format YYMMXXXXX = 170500002
- Please ensure not typing error as this number will be used for the A3P (third-party data) extraction

Submission of the carbon tax return



- Select the New ERN / relevant Period which will enable the ‘Request Next Return’ > click the button
- ‘Request Correction’ button will only be available on the last successfully filed ERN / period with a ‘Can Amend?’ status of ‘Yes’

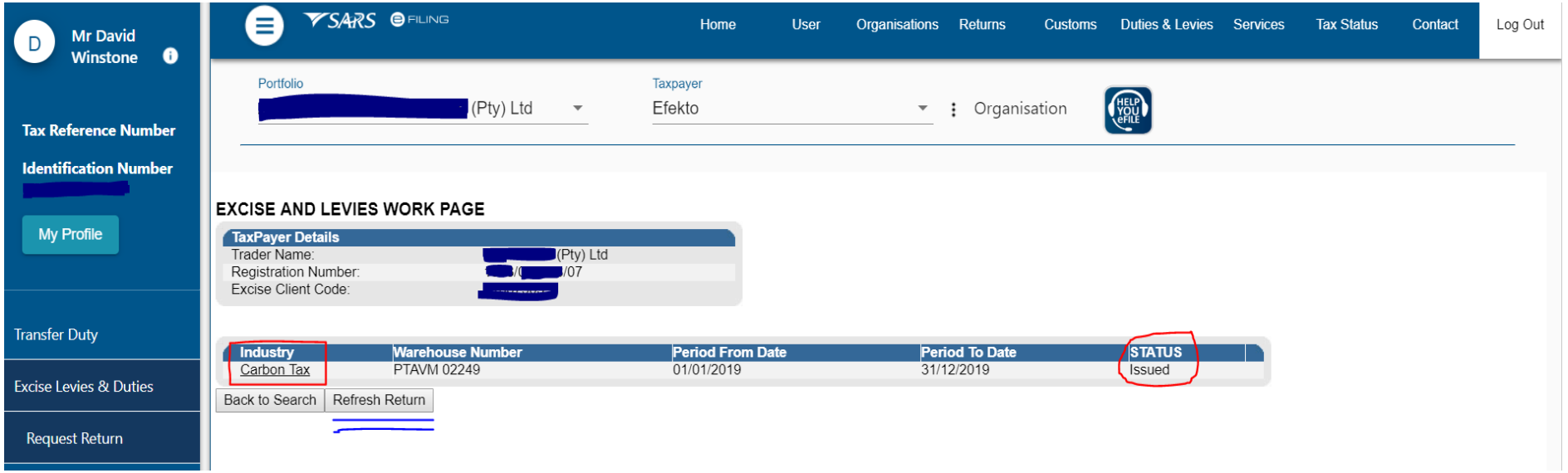
Submission of the carbon tax return



- If 'Exception' status is View as seen above the Return is locked.
- Click on the view hyperlink to view the "Exception message" displaying reason which could be one of the following:

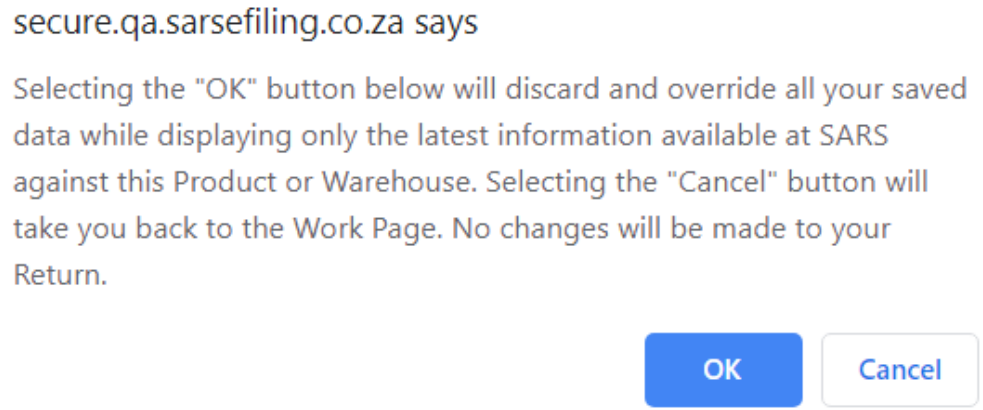
1. Next return is only due from the following date: CCYY-MM-DD = Return not yet due
2. There is currently an active intervention case (XXXXXXXXXX) on ERN: PTAVM 0224920191231000 new return / amendment not allowed = Return has triggered an Automated Intervention Case to be worked by the relevant Excise Branch

Submission of the carbon tax return



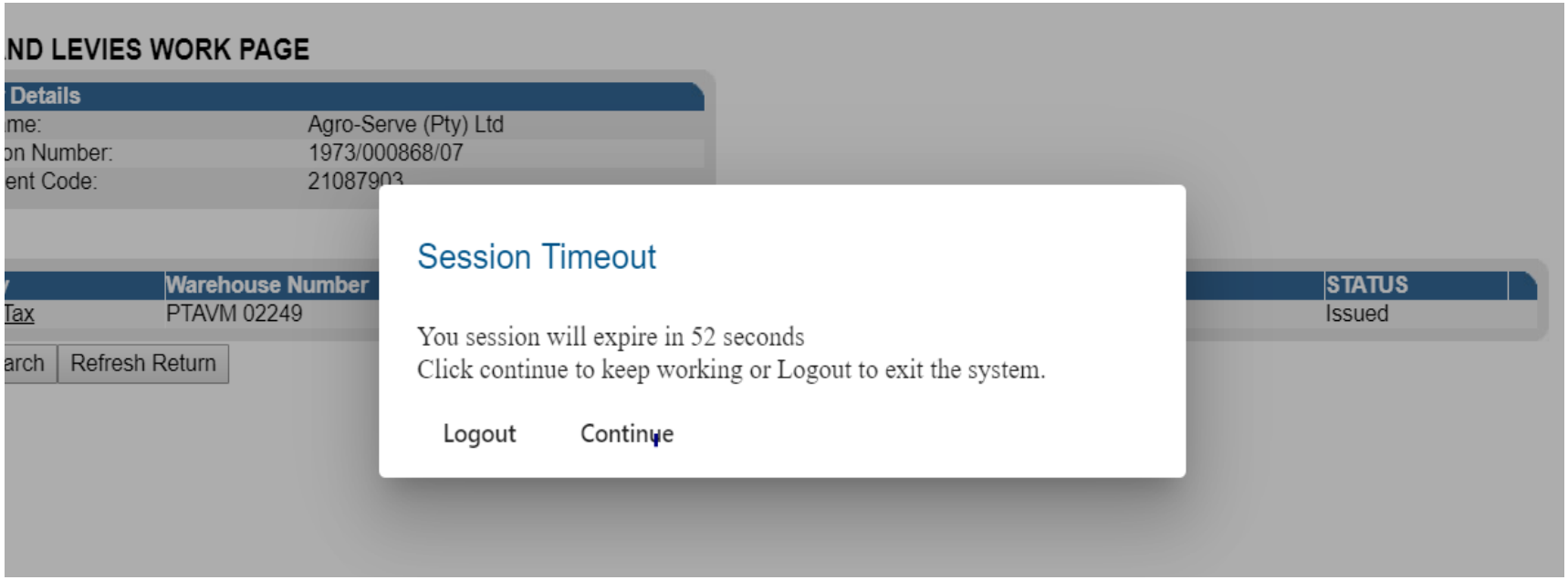
- Click on the Carbon hyperlink to access the EXD180 HTML return relevant to the warehouse number and period

- NOTE: Clicking the 'Refresh return' button will override all the work in the EXD180



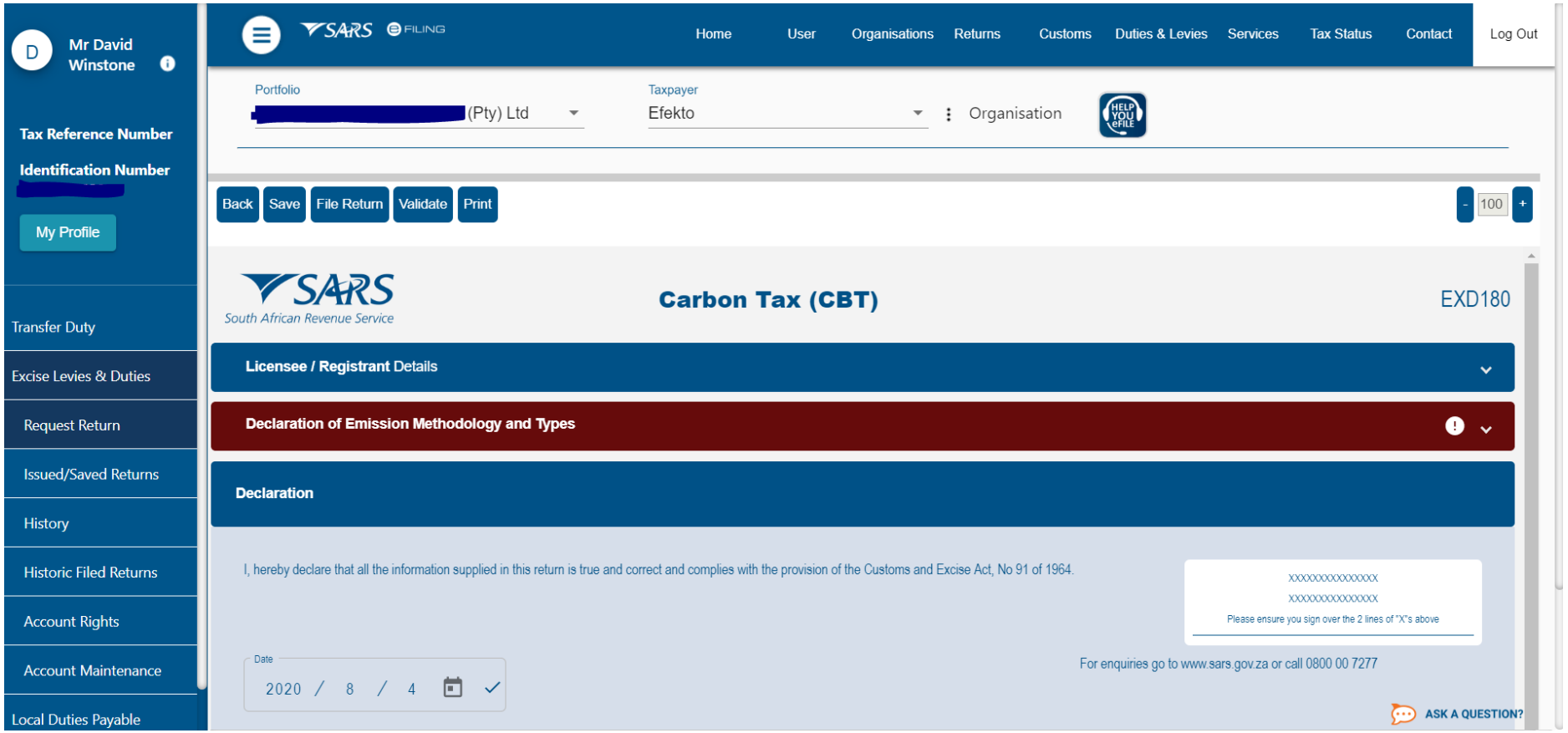
SARS South African Revenue Service

Submission of the carbon tax return



- REMINDER: eFiling will prompt you with a Session Timeout if page is inactive for 5 minutes:
- Clicking on ‘Continue’ will allow you back into the session
- Clicking on ‘Logout’ will log you out and you risk losing any work captured

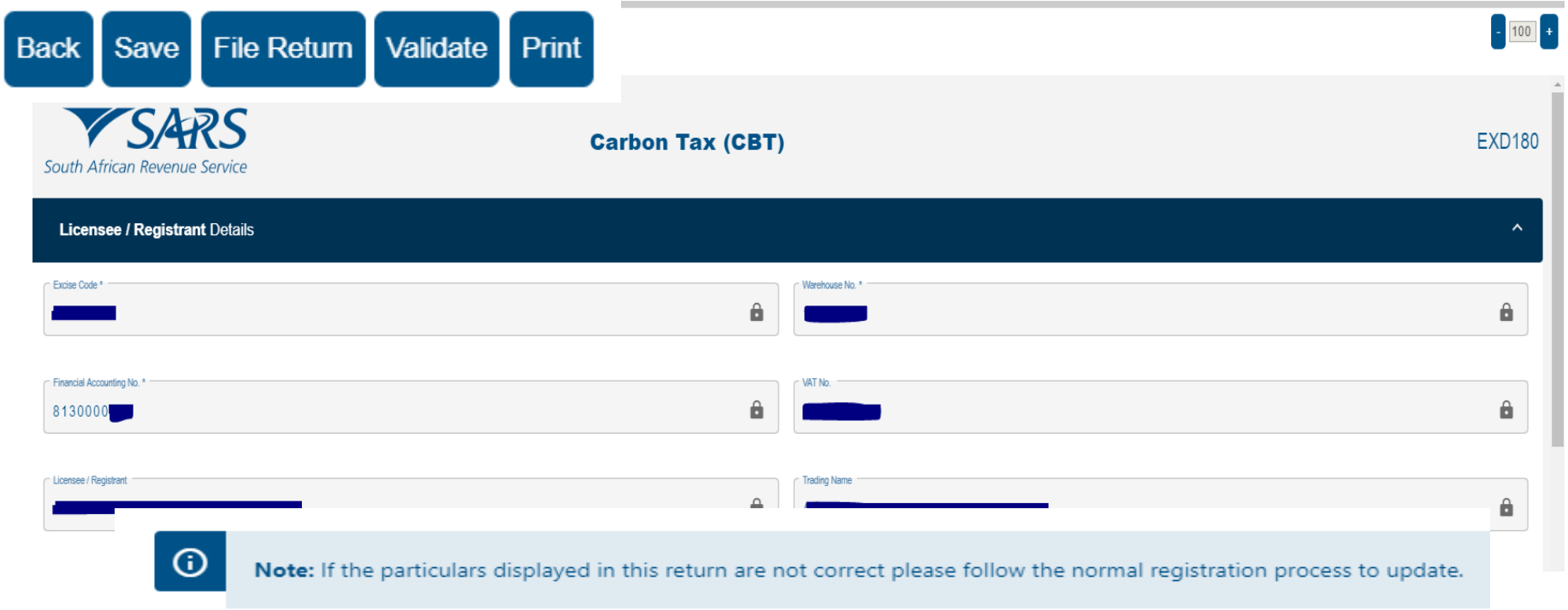
Submission of the carbon tax return



- The EXD180 HTML return will only for capturing and submission

- **<u>Note the HTML colour coding</u>**:
- Blue fields are prepopulated but must still be viewed by user for correctness
- Maroon is mandatory and requires declaring

Submission of the carbon tax return



Licensee / Registrant

All the fields are auto populated

Licensee / Registrant Address Details

All the fields are auto populated

Particulars of Representative Person / Agent

All the fields are auto populated

Warehouse Address Details

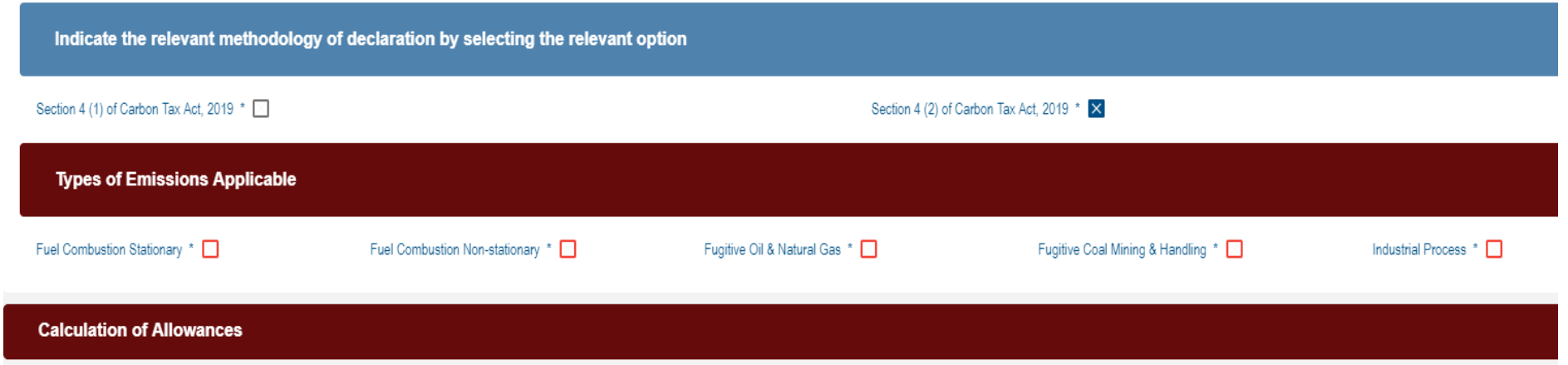
All the fields are auto populated

Submission of the carbon tax return

If Section 4(1) of Carbon Tax Act is selected, the following container will be displayed and auto populated with 3rd party data (Emissions data reported to the Department of Environment, Forestry and Fisheries)

If the 3rd party data is not available to SARS, Section 4(1) emissions declaration data must be captured from section B.1 of the DA180 form

If Section 4(2) of Carbon Tax Act is selected, the following container will be displayed the applicable types of emissions must be selected



Submission of the carbon tax return

Types of Emissions Applicable

Fuel Combustion Stationary * ☒ Fuel Combustion Non-stationary * ☐ Fugitive Oil & Natural Gas * ☐ Fugitive Coal Mining & Handling * ☐ Industrial Process * ☐

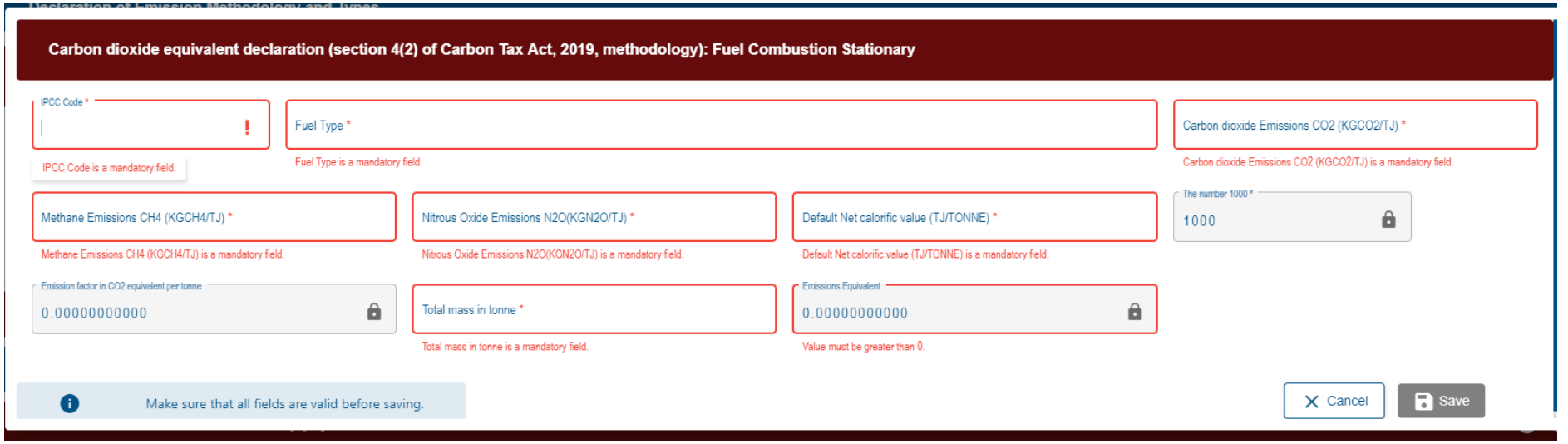
Carbon dioxide equivalent declaration (section 4(2) of Carbon Tax Act, 2019, methodology): Fuel Combustion Stationary

If Fuel Combustion Stationary emission type is selected, the following fields must be completed as per the details captured in section B.3 of the DA180.01A.1 form

IPCC Code	Fuel Type	Emission factor in CO2 equivalent per tonne	Total Mass in tonne	Emission Equivalent	Edit	Delete
N/A	N/A	0.00000000000	N/A	0.00000000000		

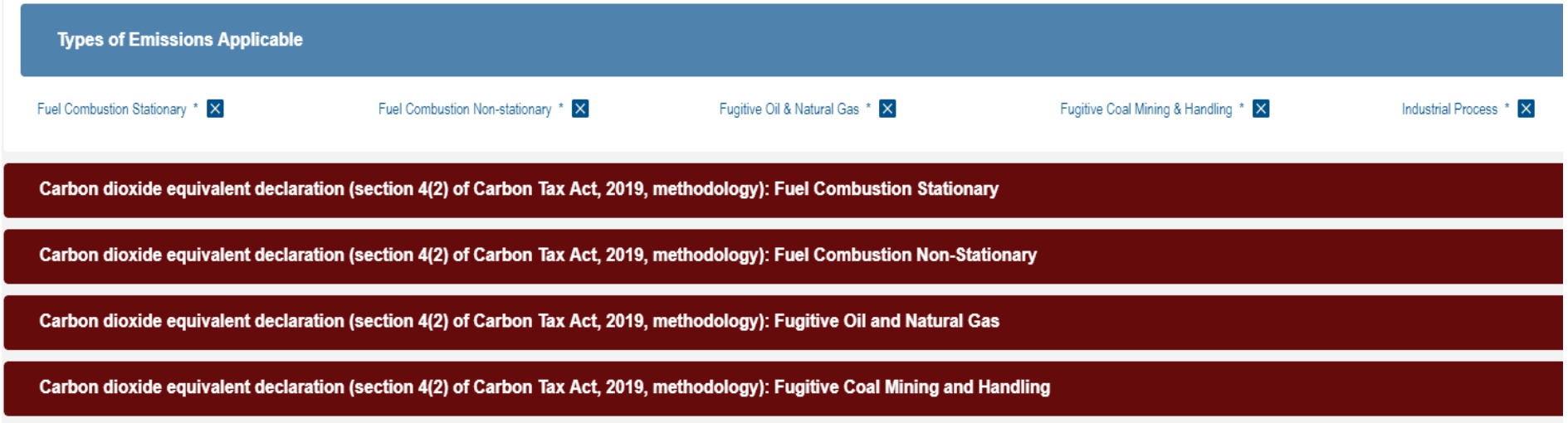
+ Add

Items per page: 10 1 - 1 of 1

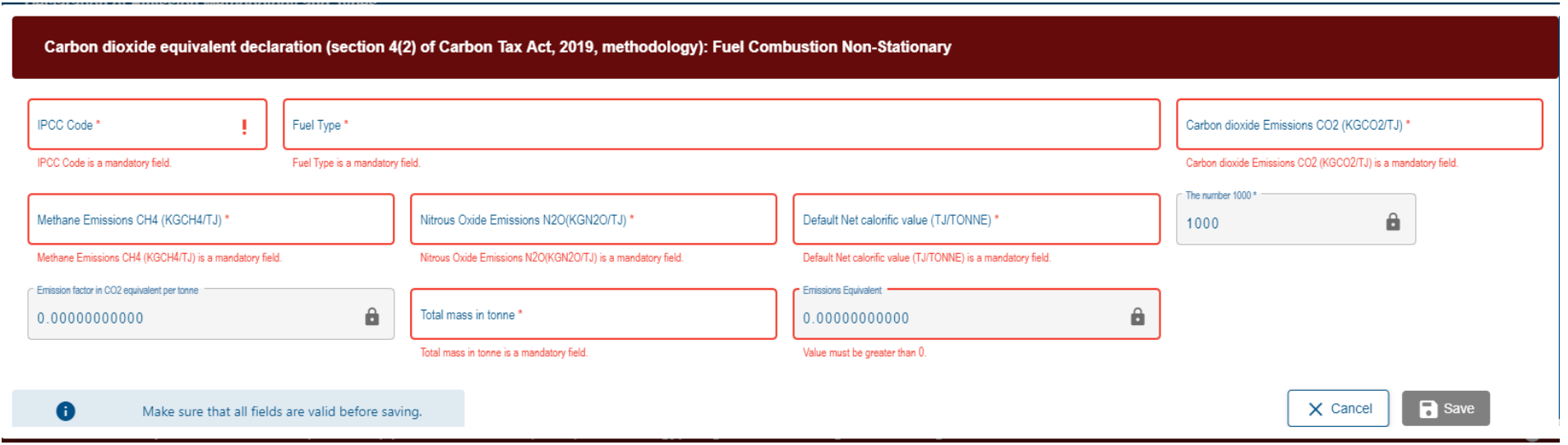


South African Revenue Service

Submission of the carbon tax return



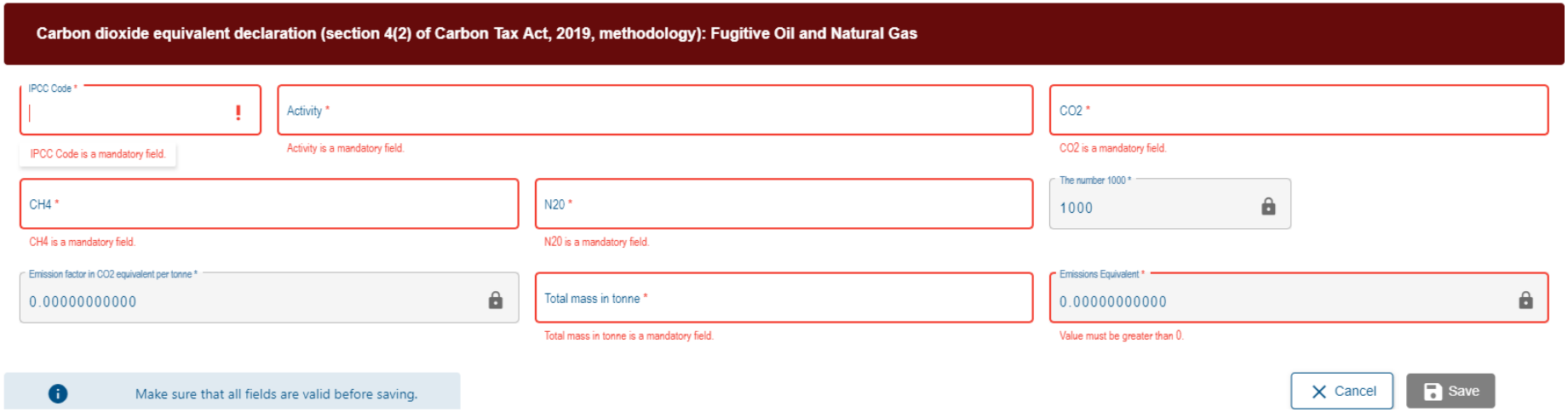
If Fuel Combustion Non-Stationary emission type is selected, the following fields must be completed as per the details captured in section B.3 of the DA180.01A.2 form



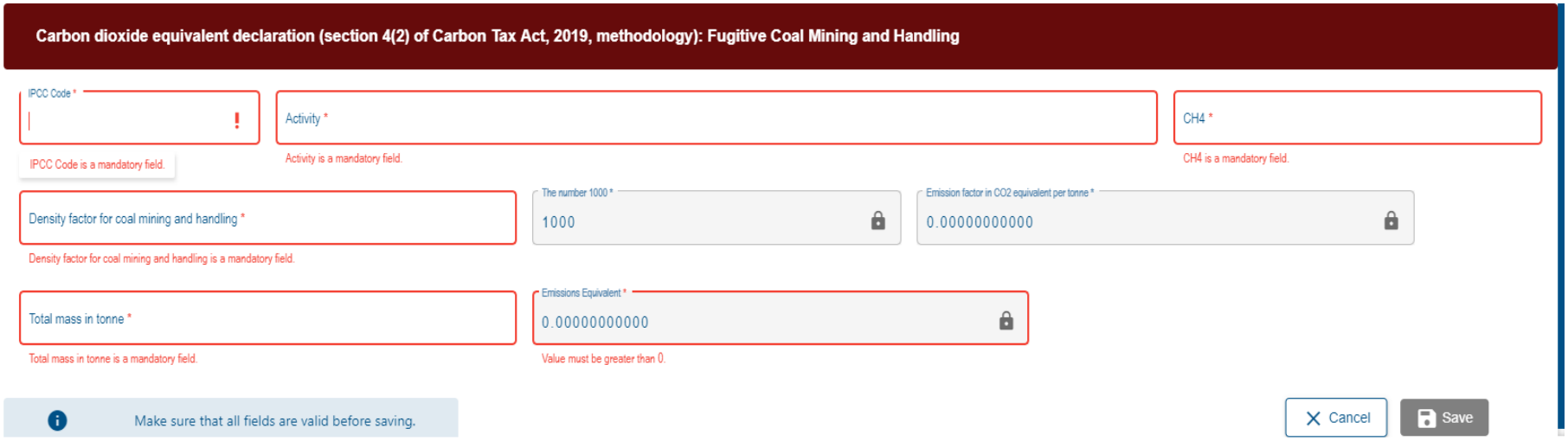
South African Revenue Service

Submission of the carbon tax return

If Fugitive Oil & Natural Gas emission type is selected, the following fields must be completed as per the details captured in section B.3 of the DA180.01B.1 form



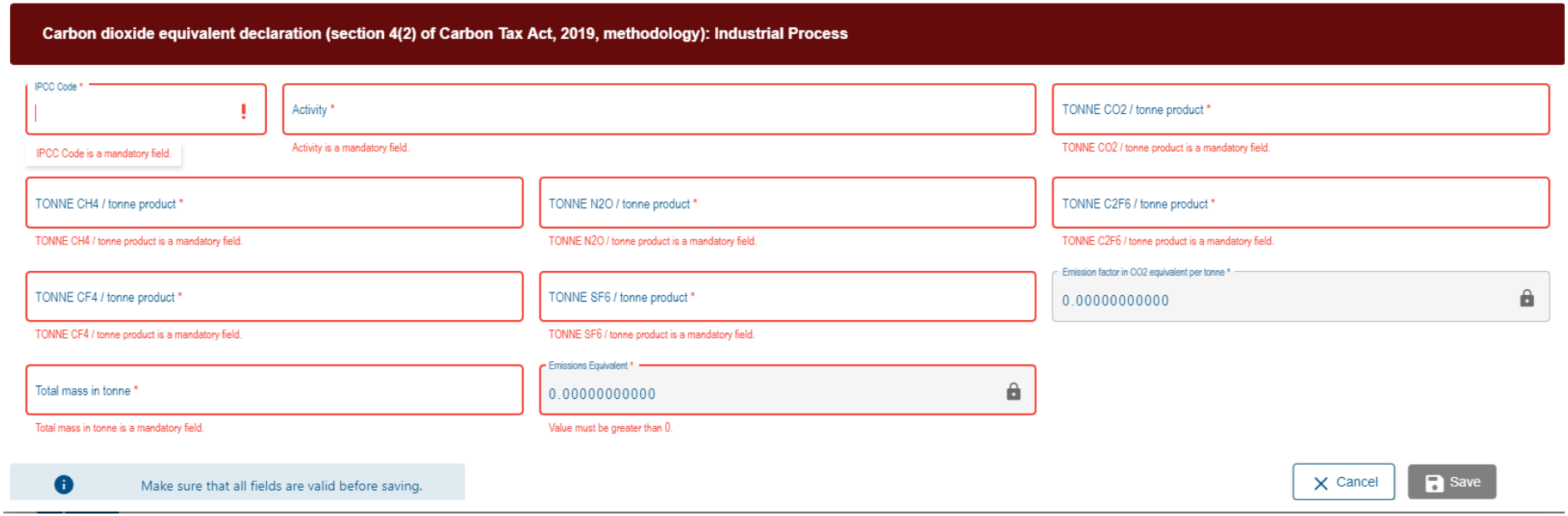
If Fugitive Coal Mining & Handling emission type is selected, the following fields must be completed as per the details captured in section B.3 of the DA180.01B.2 form



South African Revenue Service

Submission of the carbon tax return

If Industrial Process emission type is selected, the following fields must be completed as per the details captured in section B.3 of the DA180.01C form



NOTE: Each Carbon dioxide equivalent declaration container type have:

- Mandatory (exclamation icon) default line display which you must be declared by selecting the ‘edit icon’ and input relevant values
- +Add button which will add additional declaration line(s) per IPCC Code
- Delete icon which will delete the line added
- Within the line a ‘Save’ icon or ‘Cancel’ icon

IPCC Code	Activity	Emission factor in CO2 equivalent per tonne	Total mass in tonne	Emissions Equivalent	Edit	Delete
N/A	N/A	N/A	N/A	N/A		
1PA	FU	931841.00000000000	6	5591046.00000000000		
2BA	GG	1172124.00000000000	9	10549116.00000000000		

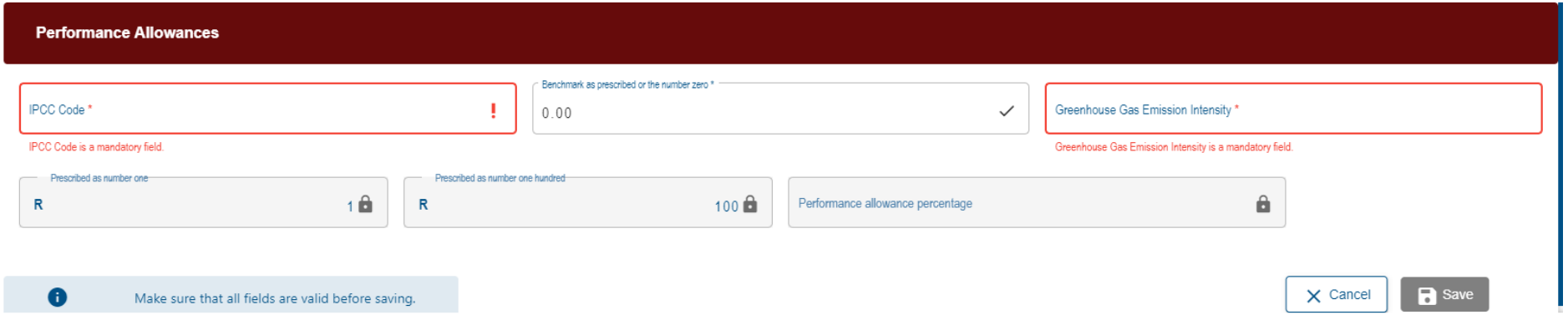
+ Add

Items per page: 10 1 - 3 of 3

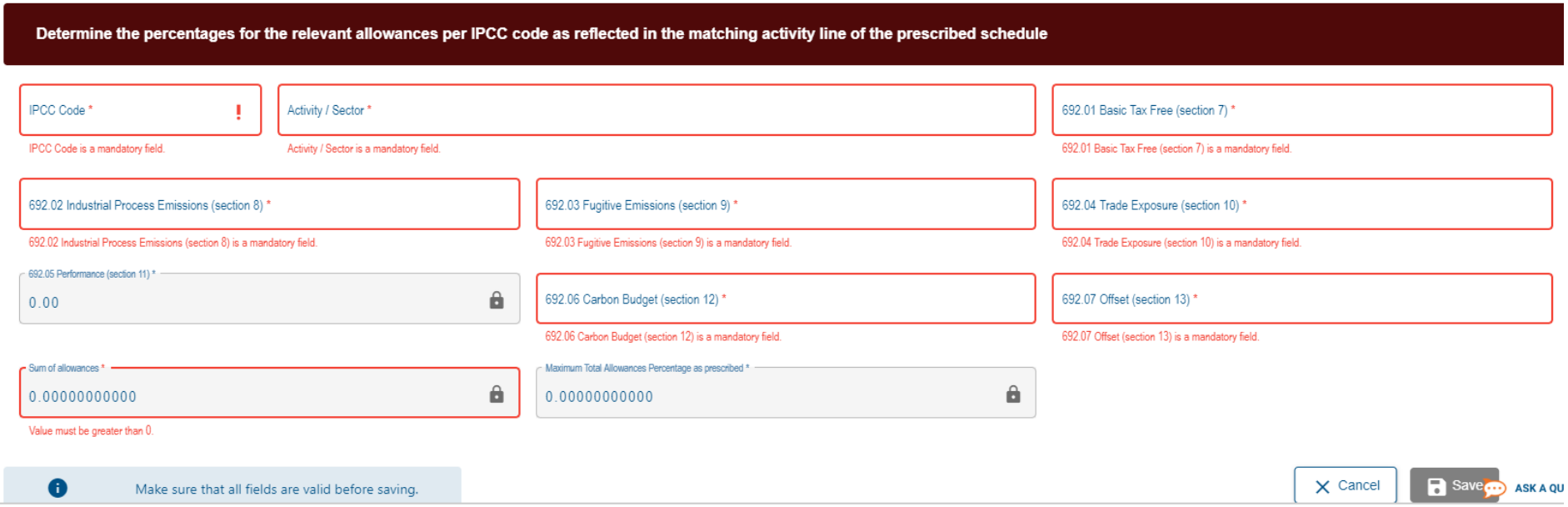
South African Revenue Service

Submission of the carbon tax return

Performance Allowance details must be captured as per section B.1 of the DA 180.02 form



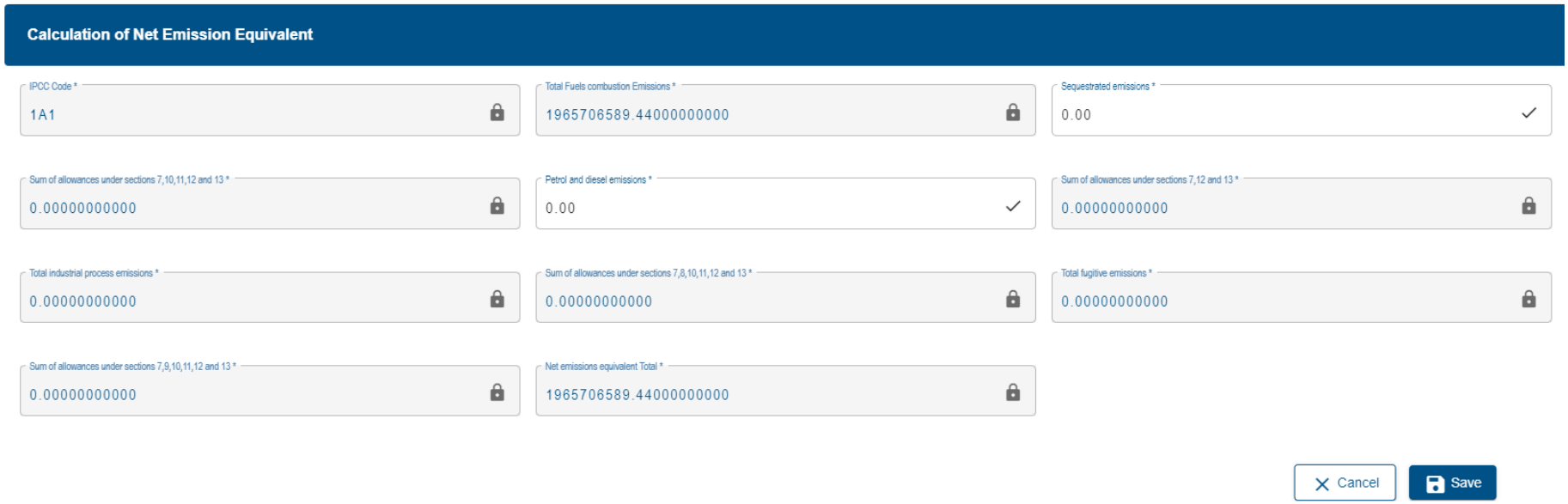
Percentages for the relevant allowances must be determined as per section B.2 of the DA 180.02 form



South African Revenue Service

Submission of the carbon tax return

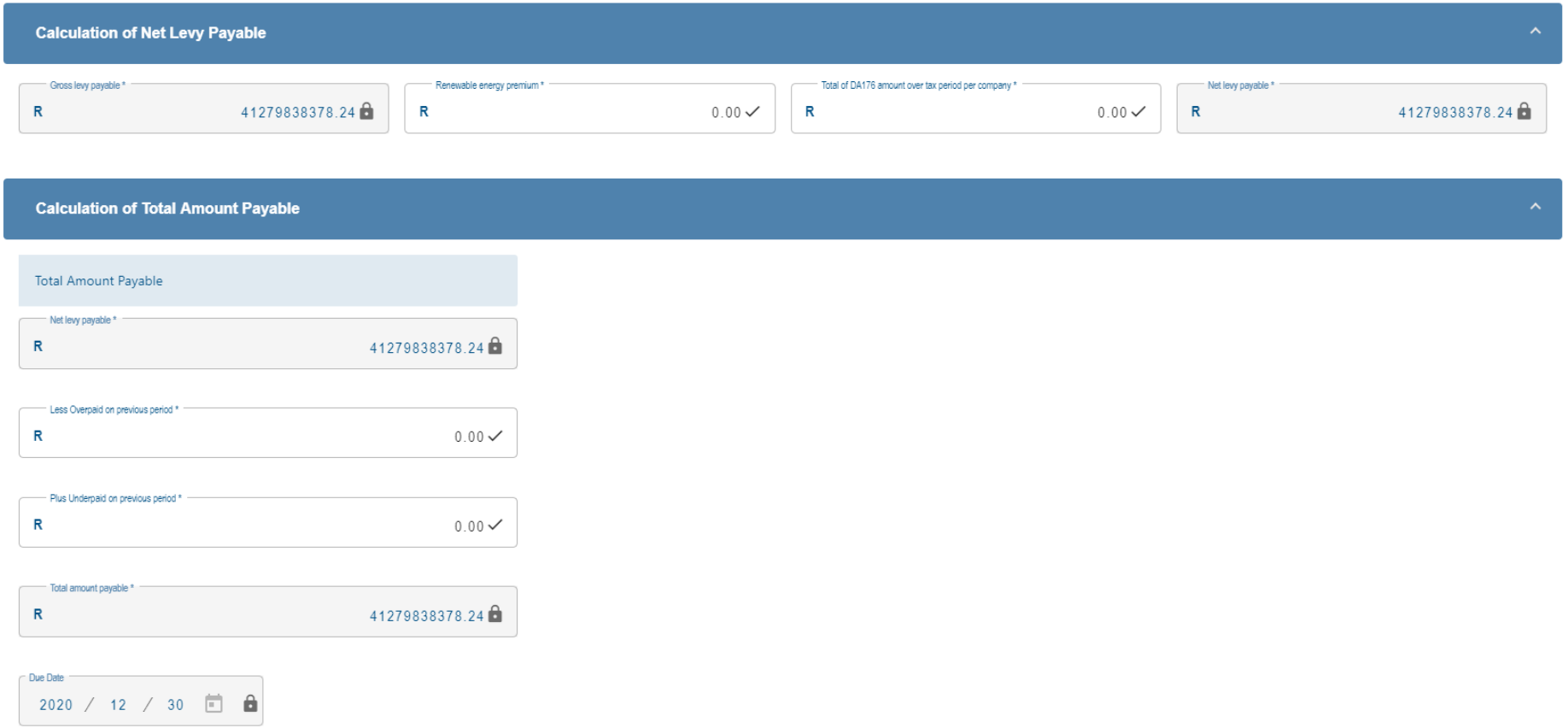
- Section 4(1) container is auto populated with 3rd party data. If 3rd party data is not available, the fields must be captured as per section B.1 of the DA180 form
- Section 4(2) container is auto populated with declared emissions equivalent for each type of emissions
- “Total fuel combustion emissions” fields will be Auto populated from Section 4 (1) and Section 4 (2) total sum of Fuel Combustion Stationary and Fuel Combustion Non-Stationary for each IPCC
- “Sequestrated emissions” must be captured as per section B.3 of the DA180 form
- “Sum of allowances” is calculated from the captured percentages for relevant allowances as per B.2 of the DA180.02 form
- “Petrol and diesel emission” this field represents the fuel combustion related emissions from petrol and diesel, this must be captured as per B.3 of the DA180 form
- “Total industrial process emissions” is auto populated from the total sum of the Section 4 (1) industrial process emissions and the Section 4 (2) industrial process emissions for each IPCC
- “Total fugitive emissions” is auto populated from the total sum of the Section 4 (1) fugitive emissions and the Section 4 (2) oil & natural gas and coal mining & handling fugitive emissions for each IPCC.
- “Net Emission Equivalent” is calculated using the formula described in B.3 of the DA180



South African Revenue Service

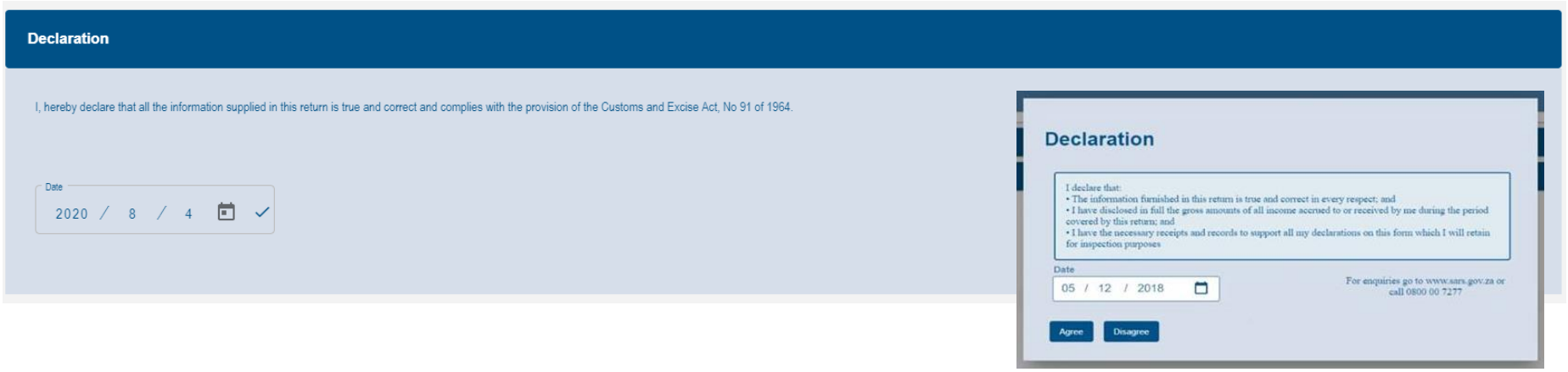
Submission of the carbon tax return

- “Renewable Energy Premium” and “Total of DA176 amount over tax period per company” can be captured to calculate Net Levy Payable
- If an amount was overpaid or underpaid on a previous return, the amount must be deducted or added from the Net Levy Payable

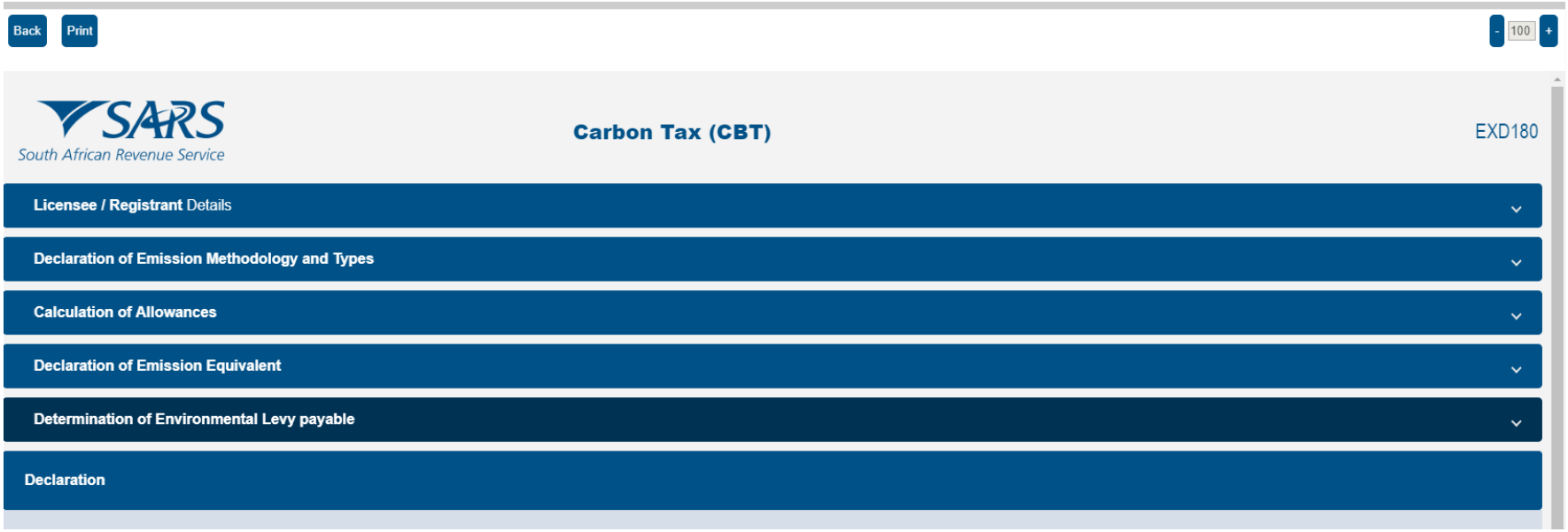


South African Revenue Service

Submission of the carbon tax return



- If the EXD180 is accessed through History then it will display a **Read Only return** with the option to **Print** or **Back**

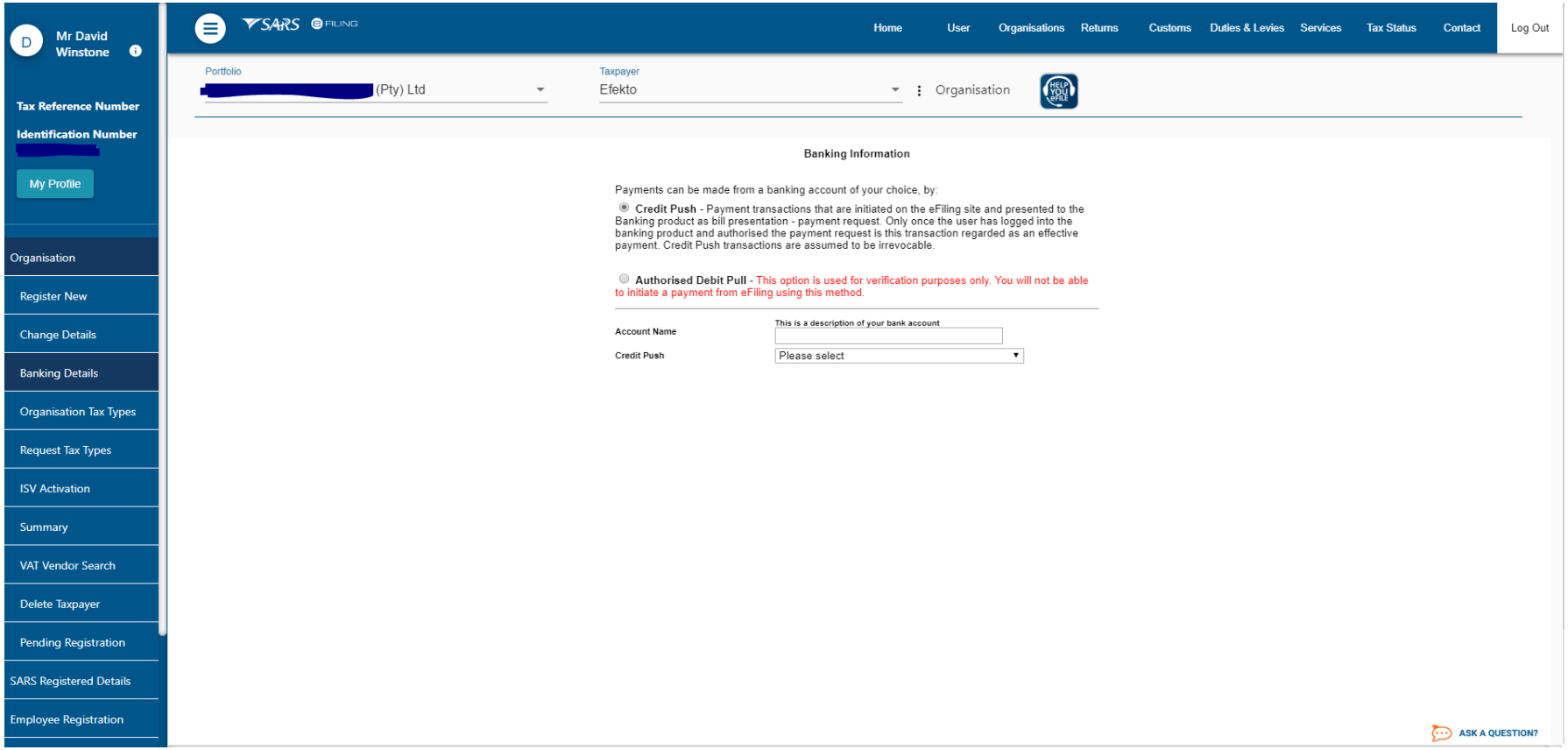


SARS
South African Revenue Service

Submission of the carbon tax return

e-Filing payments

- Prior to making a payment while logged-in on eFiling, one or more bank accounts must be setup against the profile. These banking details will be saved to the eFiling profile and can be used every time a payment is required

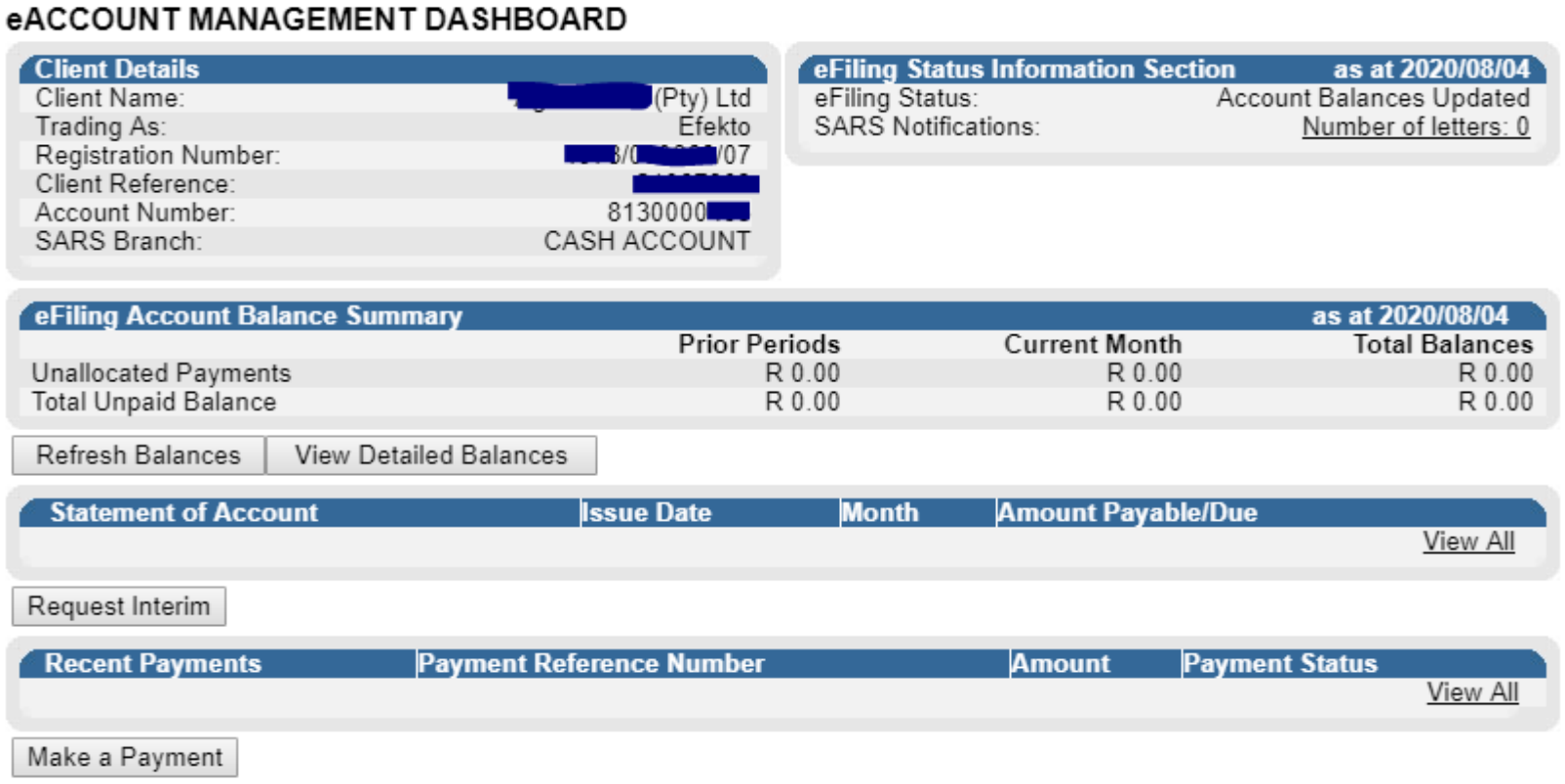


South African Revenue Service

Submission of the carbon tax return

e-Filing payments

- Excise Levies & Duties > Account Maintenance > Select 813 FAN > click ‘View Dashboard’ button > click ‘Make a Payment’ button



SARS South African Revenue Service

Submission of the carbon tax return

e-Filing payments

- Enter Declaration Reference > click ‘Proceed to make Payment’ button

NOTE: Declaration Reference will be the EXD180 ERN

EXCISE PAYMENT OPTIONS

Client Details

Client Name:	[redacted] (Pty) Ltd
Trading As:	Efekto
Registration Number:	[redacted]/07
Client Reference:	[redacted]
Account Number:	8130000[redacted]

eFiling Account Balance Summary Section as at 2020/08/04 23H37

	Prior Periods	Current Month	Total Balances
Unpaid Cash Balance	R 0.00	R 0.00	R 0.00
Unallocated Payments	R 0.00	R 0.00	R 0.00
Unallocated Credits	R 0.00	R 0.00	R 0.00
Total Unpaid Balance	**R 0.00**	**R 0.00**	**R 0.00**

Refresh Balances

I would like to make a payment by

I would like to make a Cash top up payment

Declaration Reference

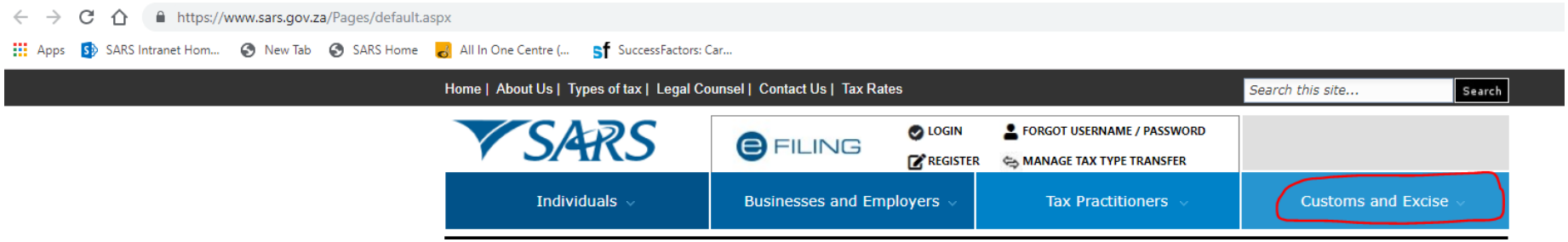
Due Date

Amount R0.00

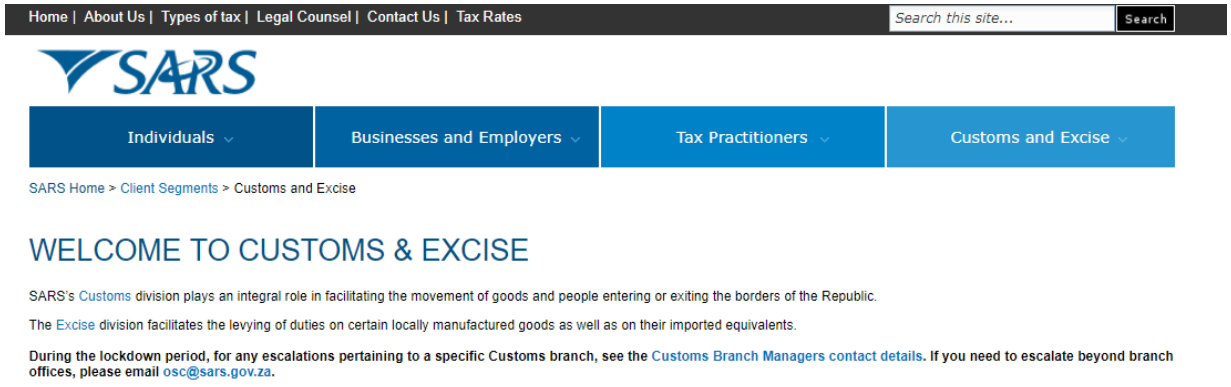
Proceed to Account Maintenance | Proceed to make Payment | Back to Dashboard

Further guidance on Carbon tax

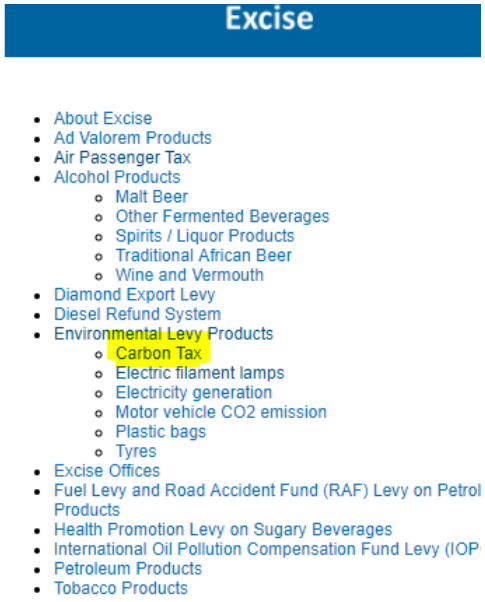
www.sars.gov.za



- Click on Customs and Excise



Scroll down to the bottom, right-hand side of the page



Carbon tax audit requirements

Carbon Tax Audit Requirements

Types of Audits

The Department of Environment, Forestry and Fisheries is mandated to verify the correctness of emissions data provided and will be responsible for auditing this information. This will take place prior to the period of submission to SARS for carbon tax purposes.

The next step in the verification value chain will be an audit function performed by SARS Excise Audit which is an important requirement to ensure the correctness of the declarations and payments made as well as allowances claimed.

There are mainly two types of audits that will be performed

1. Desk Audits
2. Compliance Audits

Carbon Tax Audit Requirements

Types of audits Continued..

Desk Audits

- A desk audit is performed by the excise auditor on the submitted DA180/EXD180 account;
- To verify and confirm the mathematical correctness of the calculations made by the licensed entity as it pertains to the rebates claimed per the schedule 2 allowances provisions,
- To verify and confirm the correctness of all other deductions made as provided for in the Carbon Tax Act, 2019
- To request and verify the supporting documents required for the purposes of allowances, deductions and other information declared.
- In most cases to qualify for an allowance or deduction the licensed entity, must be in possession of an original certificate, official letter or document that permits such allowance or deduction and will be required to submit a copy of the original certificate, letter or document for audit purposes.
- To verify the final calculation of the total levy due.

Carbon Tax Audit Requirements

Types of audits Continued…

Compliance Audits

- These audits will be conducted at the premises of the taxpayer during which the excise auditor will perform verifications (on-site) of the supporting systems, documentation and procedures deployed by the licensed entity which informed the emission equivalents declared.

- To verify and confirm the integrity of the declared emission equivalents and the levy payment on the submitted excise account as it is reflected on the entity's system, documentation and processes.

- The licensed entity will always be informed prior to the performing of such audits. This will be by means of a letter requesting the availability of the emission facility documentation, systems, procedures and for the presence of a senior official representing the License Entity will be issued to the licence entity.

Carbon Tax Audit Requirements

Sources and Supporting Documents: Allowances

Basic tax-free allowance:
Source: Section 7 and Schedule 2 of Carbon Tax Act.
Supporting documents: None.

Allowance for industrial process emissions:
Source: Section 8 and Schedule 2 of Carbon Tax Act.
Supporting documents: None.

Allowance in respect of fugitive emissions:
Source: Section 9 and Schedule 2 of Carbon Tax Act.
Supporting documents: None.

Trade exposure allowance:
Source: Section 10, Schedule 2 of Carbon Tax Act and Trade Exposure Allowance Regulations of Carbon Tax Act.
Supporting documents: Proof by taxpayer of allowance determination in terms of relevant methodology prescribed in Trade Exposure Allowance Regulations.

Carbon Tax Audit Requirements

Sources and Supporting Documents: Allowances

Performance allowance:

Source: Section 11, Schedule 2 of Carbon Tax Act, Greenhouse Gas Emissions Intensity Benchmark Regulations of Carbon Tax Act, plus verified taxpayer emissions data received from DEFF.

http://www.treasury.gov.za/legislation/tax%20acts%20and%20bills/CarbonTaxRegulations/

Supporting documents: None.

Carbon budget allowance:

Source: Section 12 and Schedule 2 of Carbon Tax Act.

Supporting document: Standard confirmation letter from DEFF.

Offset allowance:

Source: Section 13, Schedule 2 and Carbon Offset Regulations of Carbon Tax Act.

http://www.treasury.gov.za/public%20comments/CarbonTaxAct2019/Gazetted%20Carbon%20Offset%20Regulations%2029%20Nov%202019.pdf

Supporting document: Carbon offset retirement certificate from DMRE.

Carbon Tax Audit Requirements

Sources and Supporting Documents: Deductions

The calculation of the net levy payable makes provision for additional deductions as follows:

Sequestrated Emissions:
Source: Section 6(1)(c) of Carbon Tax Act, 2019.
Supporting document: Standard confirmation letter from DEFF.

Renewable Energy Premium:
Source: Section 6(2)(c) and Renewable Energy Premium Regulations of Carbon Tax Act, 2019.
Supporting document: Proof by taxpayer of deduction determination in terms of section 6(2)(c) and Renewable Energy Premium Regulations.
http://www.treasury.gov.za/legislation/tax%20acts%20and%20bills/CarbonTaxRegulations/Annex%20C%20Notice%20for%20the%20Renewable%20Energy%20Premium%2019%20June%202020.pdf

Total environmental levy on electricity (DA176):
Source: Customs and Excise Act, 1964 Schedule 1 Part 3 Section B
Supporting document: DA176 accounts for the accounting period.

Carbon tax useful links and contact details

Link to Trade Exposure Allowance Regulations –
http://www.treasury.gov.za/legislation/tax%20acts%20and%20bills/CarbonTaxRegulations/Annex%20B%20Trade%20Exposure%20Allowance%20Regulations%2019%20June%202020.pdf
Link to trade data to be used in Trade Exposure Regulations –
http://www.treasury.gov.za/legislation/tax%20acts%20and%20bills/CarbonTaxRegulations/

Link to Greenhouse Gas Emissions Intensity Benchmark Regulations –
http://www.treasury.gov.za/legislation/tax%20acts%20and%20bills/CarbonTaxRegulations/Annex%20A%20GHG%20Emission%20Intensity%20Benchmarks%20Regulations%20for%20Performance%20Allowance%2019%20June%202020.pdf

Link to Carbon Offset Regulations –
http://www.treasury.gov.za/public%20comments/CarbonTaxAct2019/Gazetted%20Carbon%20Offset%20Regulations%2029%20Nov%202019.pdf

Link to Renewable Energy Premium Regulations -
http://www.treasury.gov.za/legislation/tax%20acts%20and%20bills/CarbonTaxRegulations/Annex%20C%20Notice%20for%20the%20Renewable%20Energy%20Premium%2019%20June%202020.pdf

Link to Tariff amendments
https://www.sars.gov.za/Legal/Secondary-Legislation/Tariff-Amendments/Pages/2020.aspx

Carbon Tax website

Carbon Tax Act

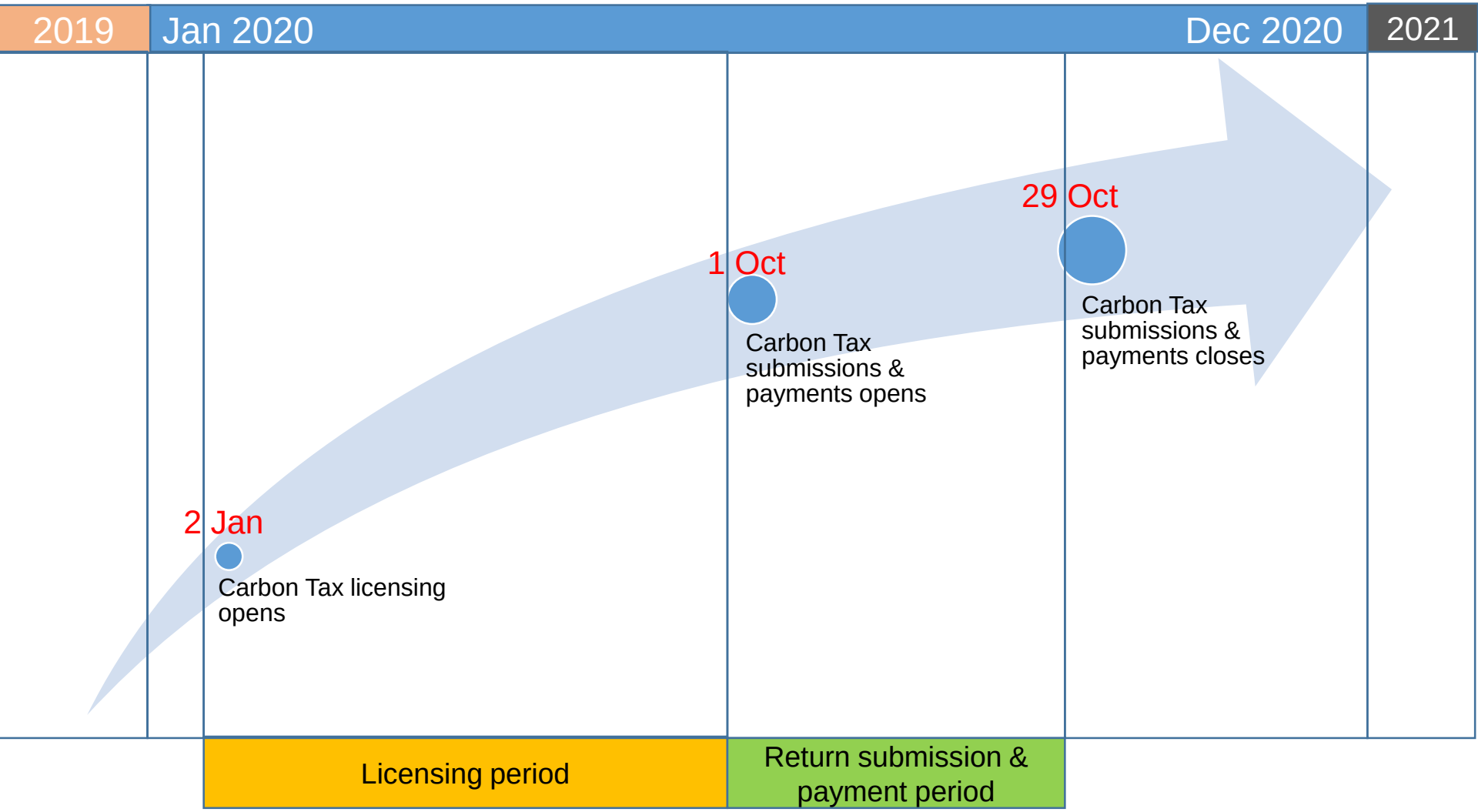
Taxation laws amendment Act:

National Greenhouse Gas Emission Reporting Regulations

Technical Guideline for Monitoring, Reporting and Verification of GHG Emissions By Industry

Queries: carbontax@sars.gov.za (email) or 0800 00 7277 (Contact Centre)

Way forward



South African Revenue Service

Questions