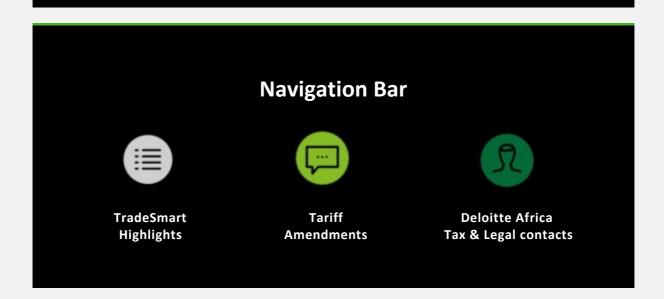
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Highlights

This edition of TradeSmart highlights:

 Liability for carbon emissions licence in South Africa

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Liability for carbon emissions licence in South Africa

With effect from 02 January 2020, taxpayers liable for the payment of carbon tax must apply for a licence for an emission facility or a combination of emission facilities with the South African Revenue Services (SARS).

A person is liable for the payment of carbon tax in South Africa when that person conducts an activity resulting in greenhouse gas emissions equal to or above the tax threshold listed in Schedule 2 of the Carbon Tax Act, No.15 of 2019 (hereinafter the Carbon Tax Act). Schedule 2 to

the Carbon Tax Act lists the activities per sector and the applicable tax threshold for each activity liable for carbon tax. Taxpayers who have a basic-tax free allowance of 100% or a tax threshold indicated as 'not applicable' need not apply.

Every license application approved by SARS will be issued with effect from the date the carbon tax liability for that taxpayer arose. Liability for carbon tax for all taxpayers commenced on 01 June 2019.

As of 01 July 2020, all licensed taxpayers must submit documents and make payment for the tax period 01 June 2019 up to 31 December 2019. Thereafter, any documents and payments for carbon tax must be submitted every month of July of the year following a previous tax period (e.g. 01 January 2020 to 31 December 2020 is due not later than the end of July 2021). Failure to license and/or submit documents and payments for carbon tax is an offence and may be liable to a penalty and possible interest for outstanding amounts.

Should you require assistance with the aforementioned information, kindly reach out to any one of the Deloitte Africa Tax & Legal contacts.

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