REPUBLIC OF SOUTH AFRICA

DIAMOND EXPORT LEVY
(ADMINISTRATION) BILL

(As introduced in the National Assembly (proposed section 75): explanatory summary of
Bill published in Government Gazette No. 29063 of 7 November 2006)
(The English text is the official text of the Bill)

(MINISTER OF FINANCE)

[B 23—2007]
BILL

To provide for administrative matters in connection with the imposition of an export levy on unpolished diamonds (but not including synthetic diamonds).

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows—

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**SCHEDULE**

**Part I**

**Interpretation**

**Definitions**

1. (1) In this Act, unless the context indicates otherwise—
   - "assessment period" means an assessment period as described in section 4(2);
   - "Commissioner" means the Commissioner for the South African Revenue Service;
   - "Income Tax Act" means the Income Tax Act, 1962 (Act No. 58 of 1962);
   - "Levy Act" means the Diamond Export Levy Act, 2007;
   - "notice of assessment" means a notice of assessment as described in section 10;
   - "registered person" means a person registered by the Commissioner as described in section 2(4).

(2) Unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Diamonds Act, 1986 (Act No. 56 of 1986) or the Levy Act bears the meaning so assigned for purposes of this Act.

**Part II**

**Registration, returns and payments**

2. (1) A person qualifies for registration in terms of this Act if that person is a producer, dealer, diamond beneficiator or holder of a permit to export pursuant to section 26(6) of the Diamonds Act.

(2) A person who qualifies for registration on the promulgation date of this Act must apply to register with the Commissioner within 60 days of the promulgation date of this Act.
A person who qualifies for registration after the proclamation date of this Act must apply to register with the Commissioner within 60 days of qualifying for registration.

The Commissioner must register a person who qualifies for registration and that registration takes effect from the beginning date of the assessment period during which that person qualified for registration.

Cancellation of registration

A registered person who no longer qualifies for registration or who anticipates that he or she will no longer qualify for registration from a specified date may apply to the Commissioner for cancellation of registration.

Upon receipt of an application in terms of subsection (1), the Commissioner may cancel a registered person’s registration with effect from the date after the ending date of the assessment period in which that registered person no longer qualifies for registration.

The obligations and liabilities under this Act or the Levy Act of a person in respect of anything done, or omitted to be done, by that person while that person is a registered person shall not be affected by the fact that the Commissioner has cancelled that person’s registration.

Returns and assessment period

4. (1) A registered person must submit a return within 30 days of the ending date of each assessment period described in subsection (2).

(2) For purposes of this Act, each registered person’s assessment period—

(a) in the case of a natural person—

(i) begins on 1 March and ends on 31 August; and

(ii) begins on 1 September and ends on the last day of February; and

(b) in the case of any other person—

(i) begins on the first day of the financial year for which financial accounts are prepared and ends six calendar months after that date; and

(ii) begins on the following day immediately after the period described in subparagraph (i) and ends on the last day of that financial year, and if any financial year begins on any day other than the first day of a calendar month, the financial year will be deemed to begin on the first day of that month.

(3) The Commissioner may make rules in respect of circumstances when an assessment period may be shorter or longer than six months.

Payment of levy

5. (1) A registered person must submit payment of any levy due in respect of a return to which that payment relates on the date that return must be submitted as described in section 4(1).

(2) To the extent a value described in section 2(2) of the Levy Act in respect of an unpolished diamond is determined in a foreign currency, that value will be translated into the currency of the Republic at the selling rate on the date of shipment of that unpolished diamond as determined by the Commissioner, in consultation with the South African Reserve Bank, or if no such rate is determined for such date, the latest rate determined before that date.

Form, manner and place determined by Commissioner

6. All registrations, returns, forms, payments and elections required in terms of this Act must be submitted in the form, manner (including electronically) and place as determined by the Commissioner in respect of any matter necessary to administer this Act or Levy Act.

Maintenance of records

7. (1) Every registered person must retain records necessary to observe the requirements of this Act and the Levy Act, including—

(a) the original note of receipt or purchase in respect of a unpolished diamond as described in section 56 of the Diamonds Act;

Creamer Media Pty Ltd +27 11 622 3744 polity@creamermedia.co.za www.polity.org.za
(b) a register in respect of unpolished diamonds as described in section 57 of the
Diamonds Act;
(c) a record of all unpolished diamonds imported into or exported from the
Republic by the person with sufficient detail to identify diamonds, values, 
purchasers and sellers involved;
(d) a copy of any debarment certificate described in section 5 of the Levy Act;
(e) a copy of any exemption from section 48A of the Diamonds Act pursuant to 
section 74 of that Act;
(f) a copy of any permit to export granted pursuant to section 26(h) of the 
Diamonds Act;
(g) any ledger, cash book, journal, cheque book, bank statement, deposit slips, paid 
cheque, invoice, other book of account, or financial statement; and
(h) any other information required by the Commissioner or the Regulator.

(2) Every registered person’s records must be retained (either in their original form or 
in any other form, including any electronic form as may be prescribed by the 
Commissioner) for five years after the date of the submission of the return to which 
those records relate.
(3) Notwithstanding subsection (2), a registered person that notes an objection or 
appeal against a notice of assessment must retain all records relevant to that objection or 
appeal until that notice of assessment becomes final.

Part III

Election for producers and diamond beneficiators

Election procedure

8. (1) Notwithstanding section 2(1) of the Levy Act, any producer or diamond 
beneficiator may elect pursuant to section 6 of the Levy Act in respect of an assessment 
period that any person purchasing an unpolished diamond at a diamond exchange and 
export centre from that producer or diamond beneficiator during that assessment period 
is not subject to the levy in respect of that diamond.
(2) In order for the election described in subsection (1) to apply in respect of a 
particular assessment period, that election must be submitted to the Commissioner in the 
assessment period immediately preceding the assessment period for which that election 
will apply.
(3) The election described in subsection (1) is deemed to be immediately granted 
upon submission as described in subsection (2).

Penalties

9. (1) If during any assessment period in respect of which an election described in 
section 7 applies a producer fails to be exempt (in terms of sections 7, 8 or 9 of the Levy 
Act, as the case may be) from the levy otherwise imposed under the Levy Act, that 
producer must—
(a) be deemed to be subject to the levy as if that producer had delivered a bill of 
entry for export in respect of all diamonds purchased during that period from 
that producer at a diamond exchange and export centre; and
(b) take into account the unpolished diamonds subject to the levy described in 
subparagraph (a) for purposes of determining its total gross sales value as 
described in section 11(1)(b) of the Levy Act in terms of sections 7, 8 or 9 of 
the Levy Act (as the case may be).
(2) If during any assessment period in respect of which an election described in 
section 7 applies, a diamond beneficiator fails to be exempt (in terms of section 11 of the 
Levy Act) from the levy otherwise imposed under the Levy Act, that diamond 
beneficiator will be deemed to be subject to the levy as if that diamond beneficiator had 
delivered a bill of entry for export in respect of all diamonds purchased during that 
period from that diamond beneficiator at a diamond exchange and export centre.
Assessments to re-determine, recalculate and estimate amounts

10. (1) If—
(a) a registered person fails to furnish a return;
(b) the Commissioner is not satisfied with a return furnished by a registered person; or
(c) the Commissioner has reason to believe that any registered person has failed to pay a levy for which that registered person is liable,
the Commissioner may issue to that person a notice of assessment of the levy payable for the assessment period concerned, notwithstanding the provisions of section 83(5), 83(8) and 83A(12) of the Income Tax Act.

(2) If a registered person defaults in furnishing any return or information or the Commissioner is not satisfied with the return or information, the Commissioner may estimate the amount upon which the levy is payable.

(3) The Commissioner must, in the notice of assessment, give notice to the registered person that any objection to the notice of assessment must be noted as described in section 81 of the Income Tax Act.

(4) Any person receiving a notice of assessment must pay the amount of the levy so assessed to the Commissioner within 30 days following the date of the notice of assessment.

Reduced assessments

11. (1) The Commissioner may, notwithstanding the fact that no objection or appeal has been noted, reduce any notice of assessment—
(a) to rectify any processing error made in issuing the notice of assessment; or
(b) where it is proved to the satisfaction of the Commissioner that in issuing the notice of assessment any amount which—
(i) was taken into account by the Commissioner in determining the registered person’s liability in respect of the levy, should not have been taken into account; or
(ii) should have been taken into account in determining the registered person’s liability in respect of the levy, was not taken into account by the Commissioner:
Provided that such assessment, wherein the amount was so taken into account or not taken into account, as contemplated in subparagraph (i) or (ii), as the case may be, was issued by the Commissioner based on information provided in the registered person’s return for the current or any previous year of assessment.

(2) The Commissioner shall not reduce an assessment under subsection (1)—
(a) after the expiration of five years from the date of that assessment; or
(b) if the amount was assessed in terms of an assessment accepted by the registered person and which was made in accordance with the practice generally prevailing at the date of that notice of assessment.

Withdrawal of assessments

12. (1) The Commissioner may withdraw a notice of assessment that is—
(a) issued to an incorrect person; or
(b) issued in respect of an incorrect assessment period.

(2) For purposes of this Act, any withdrawn notice of assessment described in subsection (1) is deemed not to have been issued.

Time limit for assessments

13. (1) The Commissioner may not issue a notice of assessment more than five years after the submission of a return to which the assessment relates.

(2) The five-year limit with respect to a notice of assessment described in subsection (1) does not apply if the Commissioner has reason to believe that a person failed to pay
the levy to which the notice of assessment relates due to fraud, misrepresentation or non-disclosure of material facts.

Part V

Refunds and interest

14. (1) A registered person may claim a refund of any amount paid in respect of an assessment period to the extent that the amount exceeds—

(a) in the case where that amount was paid in respect of a notice of assessment, the amount so assessed; or

(b) in any other case, the amount properly chargeable under the Levy Act.

(2) The Commissioner may not authorise a refund under subsection (1)(b), where—

(a) that amount was paid in accordance with the practice generally prevailing at the date of the payment; or

(b) the refund is claimed by that person after a period of five years from the date of the official receipt acknowledging such payment or, where more than one such payment was made, the date of the official receipt acknowledging the latest of such payments.

(3) The Commissioner may refuse to authorise a refund under subsection (1), if that registered person has failed to furnish—

(a) a return for any assessment period as required by this Act, until that registered person has furnished such return as required; or

(b) the Commissioner in writing with particulars of that registered person’s banking account or account with a similar institution to enable the Commissioner to transfer a refund, if any, to that account until that registered person has furnished such particulars as required.

(4) If any refund contemplated in subsection (1) is due to a registered person who has failed to pay any amount of tax, additional tax, duty, levy, charge, interest or penalty levied or imposed under this Act or any other Act administered by the Commissioner, within the period prescribed for payment of the amount, the Commissioner may set off against the amount which that registered person has failed to pay, any amount which has become refundable to that registered person under this section.

(5) If the amount that would be refunded under subsection (1) is determined to be less than R100 or less than such other amount as the Commissioner may determine by Notice in the Gazette, the amount so determined shall not be refunded in respect of that assessment period but shall be carried forward to the immediately succeeding assessment period.

Interest

15. (1) The Commissioner must pay interest calculated on a monthly basis in respect of any amount paid in respect of an assessment period to the extent that amount—

(a) exceeds the amount assessed or properly chargeable under the Levy Act for that assessment period, as the case may be; and

(b) is not refunded within 30 days after receipt of a refund claim in respect of that excess.

(2) A registered person must pay interest calculated on a monthly basis in respect of any amount due in respect of an assessment period that is not paid within 30 days after the ending date of that assessment period.

(3) Interest required under this section must be calculated at the rate described in paragraph (b) of the definition of prescribed rate in section 1 of the Income Tax Act.

Part VI

Miscellaneous

16. (1) The Commissioner will be responsible for administering this Act and the Levy Act with the assistance of the Regulator as described in subsection (2).
(2) The Regulator will be responsible for—
(a) the verification of the fair market value of any unpolished diamond;
(b) the verification of the quantity and quality of any unpolished diamonds described in paragraph (a); and
(c) the verification of any other information that the Commissioner and the Regulator agree will assist in administering this Act or the Levy Act.
(3) For purposes of this section, “administering this Act and the Levy Act” means—
(a) determining the correctness of any return, financial statement, document, declaration of facts, or valuation relevant to this Act or the Levy Act;
(b) determining and collecting any amounts due under this Act or the Levy Act;
(c) determining whether an offence has been committed under this Act or the Levy Act; and
(d) performing any other administrative function necessary for carrying out this Act or the Levy Act.

Applicability of Income Tax Act

17. (4) The provisions of the Income Tax Act relating to—
(a) the exercise of powers and performance of duties;
(b) preservation of secrecy;
(c) the production of information, documents or things, enquiries, searches and seizures and evidence on oath;
(d) objections and appeals;
(e) settlement of disputes;
(f) the payment and recovery of tax, interest and penalties;
(g) offences;
(h) reporting of unprofessional conduct; and
(i) jurisdiction of courts as contained in section 105,
apply, with changes required by the context, to the levy in terms of this Act and the Levy Act.

(2) For purposes of subsection (1)(b), the Commissioner and Regulator must disclose to one another information requested or required for purposes of administering this Act and the Levy Act as described in section 16.

(3) Any person that is dissatisfied with any decision given in writing by the Commissioner—
(a) in terms of section 2 notifying that person of the Commissioner’s refusal to register that person in terms of this Act;
(b) in terms of section 3 notifying that person of the Commissioner’s decision to cancel any registration of that person in terms of this Act or the Commissioner’s refusal to cancel registration;
(c) in terms of section 10 in respect of an assessment made upon that person; or
(d) in terms of section 14 of the Commissioner’s refusal to make a refund,
may make an objection thereto with the Commissioner.

Rules

18. The Commissioner may make rules with respect to any matter necessary to administer this Act or the Levy Act, including rules to ensure that all foreign currency translations are consistently applied.

Amendment of laws

19. The laws mentioned in the Schedule are amended to the extent set out in the third column of the Schedule.

Act binding on State and application of other laws

20. This Act will bind the State, and no provision in any other law will be construed as applying or referring to the levy unless the levy is specifically mentioned in that provision.
21. This Act will be titled the Diamond Export Levy (Administration) Act, 2007, and will come into operation on a date to be fixed by the Minister of Finance by proclamation in the Gazette.
### Amendment of laws

#### Part 1: Laws enacted by Parliament

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<th>No. and year of law</th>
<th>Short title</th>
<th>Extent of amendment or repeal</th>
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</table>
| Act No. 10 of 1986  | Diamonds Act, 1986 | 1. Section 1 of the Diamonds Act is hereby amended by the substitution for the definition of "unpolished diamonds" of the following definition:

"unpolished diamonds" means—
(a) diamonds in their natural state, as they occur in deposits or extracts from the parent rock;
(b) diamonds simply sawn, cleaved, 

trunted, tumbling or which have only a small number of polished facets 

windows which allow expert examination of the internal characteristics, and includes diamonds that are 

previously stapled but clearly require further working;
(c) tumbled diamonds of which the surface has been rendered glossy or shiny by chemical treatment or 

chemical polishing;
(d) broken or crushed diamonds;
(e) diamond paste; or
(f) diamond powder,

and applies regardless of whether such diamonds are mined or recovered within the Republic;"

2. Section 66 of the Diamonds Act is hereby amended by substituting the following section:

"Export and import of unpolished diamonds"

66. (1) No exporter shall export any unpolished diamond from the Republic unless—

(a) that diamond has been registered and re-

leased for export in terms of this Act, and

(b) that exporter is registered in terms of the 

Diamond Export Levy Act.

(2) No importer shall import any unpol-

ished diamond into the Republic unless—

(a) that diamond has been registered and re-

leased for import in terms of this Act, and

(b) that importer is registered under the Dia-

mond Export Levy Act.

(3) The Registrar shall confiscate any un-

polished diamond that does not satisfy the 

requirements of the Kimberley Process Certi-

fication Scheme, as prescribed."
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<th>No. and year of law</th>
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<th>Extent of amendment or repeal</th>
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<td>3. Section 61A is hereby amended by the insertion after section 61 of the following section:</td>
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<tr>
<td>61A. (1) Any importer who seeks to register any unpolished diamond for import shall furnish the registering officer with a return on the prescribed form in respect of that diamond.</td>
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<td>(2) In the return furnished in terms of subsection (1), the importer shall specify the value of the unpolished diamond and declare that the value so specified is (to the best of his or her knowledge and belief) the fair market value of that diamond.</td>
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<td>(3) A return referred to in subsection (1) shall be accompanied by the unpolished diamond in question and the prescribed documents.</td>
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<td>(4) If the registering officer is satisfied that an importer has complied with the provisions of this section, he or she shall register the unpolished diamond in question for import.</td>
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<td>4. Section 64 of the Diamonds Act is hereby substituted with the following section:</td>
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<td>64. (1) If the Regulator is satisfied that an unpolished diamond will be exported from the Republic:</td>
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<td>(a) solely for purposes of—</td>
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<td>(i) being exhibited or displayed; or</td>
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<td>(ii) obtaining an expert opinion as to the fair market value or manner of benefiting that diamond; and</td>
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<td>(b) for no longer period than the Regulator may determine that does not exceed a period of 180 days from the date upon which that diamond was registered for export as described in section 69, that diamond will not be subject to the provisions of section 68A.</td>
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<td>(2) If the Regulator is satisfied that an unpolished diamond may be exported as described in subsection (1), a registering officer will issue the exporter of that diamond with a temporary exportation certificate specifying—</td>
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<td>(a) that the diamond is not subject to section 68A;</td>
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<td>(b) the value of that diamond as registered for export in terms of section 69; and</td>
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<td>(c) any other particulars required to be furnished by the Regulator in respect of that diamond.</td>
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<td>(3) The exporter of an unpolished diamond that is exported as described in subsection (2) is in contravention of this Act if that diamond upon its re-importation is—</td>
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<td>Extent of amendment or repeal</td>
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<tr>
<td>65A.</td>
<td>(1) The registering officer or another person designated by the Regulator...</td>
<td>(a) shall examine; and (b) may assess the value of any unpolished diamond registered for import as described in subsection 65A. and verify any particulars furnished in respect thereof.</td>
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<td>67.</td>
<td>(1) If the difference in value of any unpolished diamond...</td>
<td>(a) as specified in the return referred to in section 61(2) in relation to the value of that diamond as assessed for export in terms of section 69; or</td>
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No. and year of law | Short title | Extent of amendment or repeal
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| | | (b) is specified in the return referred to in section 64(2) in relation to the value of the diamond as released for import in terms of section 64B; if greater than 20 per cent, the Regulator shall impose upon the exporter or importer a fine equal to 20 per cent of the value of that diamond as released in terms of section 64 or section 64B (as the case may be).
| | | (2) Any fine imposed in terms of this section shall be paid by the exporter or importer concerned to the Regulator within 30 days of the date that fine was imposed.
| | | (3) Any moneys paid to the Regulator as described in subsection (1) shall be paid into the National Revenue Fund within seven days after receipt thereof.
| | | 9. The Diamonds Act is hereby amended by the insertion after section 69A of the following section:
| | | "Release of unpolished diamonds for import—"
| | | 69B. (1) The registering officer shall not release any person’s unpolished diamond for import unless—
| | | (a) that unpolished diamond was registered for import as described in section 61A;
| | | (b) all fines imposed on that person in terms of this Act have been paid;
| | | (c) the provisions of any other law relating to the import of that unpolished diamond have been complied with;
| | | (d) that unpolished diamond has been made up to a parcel in such manner as the registering officer may determine;
| | | (e) the prescribed certificate, which certifies that the unpolished diamond for import has been handled in a manner that satisfies the requirements of the Kimberley Process Certification Scheme, accompanies the parcel contemplated in paragraph (d);
| | | (2) The registering officer shall release an unpolished diamond for import by sealing the parcel contemplated in subsection (1)(e) with the seal of the Regulator.

Act No. 29 of 2005 | Diamonds Amend- ment Act, 2005
--- | ---
| 1. Section 61 of the Diamonds Amendment Act is hereby amended by the insertion after subsection (2) of the following subsection:
| | "(2A) Notwithstanding subsection (1), any exporter that desires to register any unpolished diamond for export that pursuant to section 74 is not subject to section 46A shall at any diamond exchange and export centre furnish the registering officer with a return on the prescribed form in respect of that diamond specifying the value of that diamond and declaring that the value so specified is at the best of his or her knowledge and belief the fair market value of that diamond."
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<tr>
<td>Act No. 30 of 2005</td>
<td>Diamonds Second Amendment Act, 2005</td>
<td>The Diamonds Second Amendment Act is hereby amended by the insertion after section 74 of the following section:</td>
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"[24A. ] Section 48A will not apply to any person in respect of any unpolished diamond that was purchased by that person pursuant to section 6 of the money bill to the Diamond Export Levy Bill." |
MEMORANDUM ON THE OBJECTS OF THE DIAMOND EXPORT LEVY (ADMINISTRATION) BILL, 2007

1. OBJECTS OF BILL

1.1 This Bill introduces administrative provisions to the Diamond Export Levy Bill. All importers and exporters of unpolished diamonds must register with the South African Revenue Service. These importers and exporters (hereinafter referred to as registered persons) include producers, dealers, diamond beneficiators (cutters) and persons holding an export permit granted by the Regulator. Registered persons must pay the export levy twice per year (i.e. roughly every 6 months).

Registration is critical to the administration of this Bill. Most diamond smuggling stems from record defects at the importer/exporter level. Once a diamond is officially recorded, smuggling that diamond offshore presents a far greater compliance risk. Hence, compelled registration at the importer/exporter level initiates an audit document trail that is easily traceable, thereby deterring illegal activities.

SUMMARY OF BILL

Registration: Clause 2

The Commissioner generally has the freedom to determine the registration process of registered persons. The law mandates that registration occur within 45 days after the date that a person becomes a producer, dealer or diamond beneficiator or a holder of an export permit granted by the Regulator.

Cancellation of registration: Clause 3

The Commissioner may cancel registration upon application. Cancellation occurs on the date after that a registered person ceases to be a producer, dealer, diamond beneficiator or a holder of an export permit granted by the Regulator.

Returns and assessment periods: Clause 4

Registered persons must submit 6-monthly returns. The actual return plus payment must be submitted 30 days after each 6-monthly assessment period.

Payment of levy: Clause 5

Registered persons must submit payment of the levy within 30 days after the end of each assessment period.

Form, manner and place determined by the Commissioner: Clause 6

The Commissioner controls the administration of returns, forms, payments and elections.

Maintenance and records: Clause 7

Like all tax acts, registered persons submitting 6-monthly returns must retain sufficient books and records for the Commissioner to verify compliance. These books and records must be maintained for a minimum of 5 years.

1.3 Clauses 8 to 9 of Part III—

Election procedure: Clause 8

For purposes of bolstering South Africa’s efforts at becoming a major diamond hub, all unpolished diamonds purchased at a diamond exchange and export centre from a registered person that has made an election under this section are exempt from the levy upon exportation.
Penalties: Clause 9

If a registered person fails to satisfy its election requirements, that person’s purchased diamonds at a diamond exchange and export centre will be subject to a levy.

Assessments to re-determine, re-calculate and estimate amounts: Clause 10

The Diamond Levy operates as a self-assessment system. A notice of assessment triggers an additional 30-day liability for payment (subject to objection and appeal).

Reduced assessments: Clause 11

The Commissioner has the power to reduce assessments without the formal objection and appeal process. This power similarly exists in the Income Tax and Value-added Tax Acts.

Withdrawal of assessments: Clause 12

The Commissioner has the power to withdraw assessments without the formal objection and appeal process. This power similarly exists in the Income Tax and Value-added Tax Acts.

Time limit for assessments: Clause 13

The Diamond Export Levy has a 5-year time limit for assessments. This 5-year period begins to toll only after the submission of a return in which that assessment period relates. Hence, if no return is submitted, the time limit for assessment continues indefinitely. Moreover, even if a return is submitted, the 5-year does not apply if the Commissioner has reason to believe that failure to pay the levy stems from fraud, misrepresentation or non-disclosure of material facts.

Refunds: Clause 14

Registered persons may claim refunds for overpayments. Refunds have a 5-year time limit.

Interest: Clause 15

Both the Commissioner and registered persons are eligible for interest to the extent of underpayments and overpayments, as the case may be. This interest is calculated on a monthly basis. The interest rate is calculated in accordance with the rate required by section 1 of the Income Tax Act, 1962 (Act No. 58 of 1962).

Division of responsibility: Clause 16

The Commissioner is generally responsible for administering the Diamond Export Levy. However, the Regulator will be responsible for assisting the Commissioner on issues requiring diamond expertise.

Applicability of the Income Tax Act: Clause 17


Rules: Clause 18

The Commissioner may make rules with respect to any matter necessary to administer the levy.
Act binding on State and application of other laws: Clause 19

The Diamond Export Levy will be determined solely by its terms without reference to any other Act (unless that other Act makes specific mention of the Diamond Export Levy).

Short title and commencement: Clause 20

The Diamond Export Levy (Administration) will come into operation on a date set by the Minister of Finance. This discretionary date will ensure that operation of the Diamond Export Levy coincides with the existence of supporting administration apparatus (including the apparatus relating to the State Diamond Trader).

Schedule

a. Amendments to Diamonds Act

Sections 2, 3, 6, 7, 8 and 9 — The current version of the Diamonds Act does not contain administrative provisions that address the regulation of unpolished diamond imports. This Bill introduces administrative amendments that match the Diamonds Act export system and abide by the Kimberley Process Certification Scheme.

Section 4—Consistent with current practice, section 64 of the Diamonds Act (Deferral of payment of export duty) will allow a person to export an unpolished diamond free from both the bourse tendering requirements of section 48A of the Diamonds Act and the levy if that diamond is exposed solely for marketing purposes.

Section 5—The Diamond Export Levy Bill fully replaces all diamond levies required by the Diamonds Act. Therefore, all diamond levies imposed by the Diamonds Act will be removed, including the 15 percent export levy as well as the fee to maintain the State Diamond Board.

b. Amendments to the Diamonds Second Amendment Act

Section 1—The Levy Act exempts from the levy any unpolished diamond that was purchased at a diamond exchange and export centre from a person that has made an election in terms of section 7 of this Act. This amendment contains ancillary provisions that accommodate the relief measures described in Part IV of the money Bill to this Act.

2. PERSONS AND INSTITUTIONS CONSULTED

The provisions contained in this Bill were published for public comment on the National Treasury website. Comments were received from interested parties. These included professional bodies and business institutions.

3. FINANCIAL IMPLICATIONS FOR STATE

The financial implications for the State will be provided for in the budgetary process.

4. CONSTITUTIONAL IMPLICATIONS

None.

5. PARLIAMENTARY PROCEDURE

5.1 The State Law Advisers, The National Treasury and the Department of Minerals and Energy are of the opinion that this Bill must be dealt with in accordance with the procedure established by section 75 of the Constitution, as it contains no provisions to which the procedure set out in section 74 or 76 of the Constitution applies.

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