



environment, forestry & fisheries

Department:
Environment, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

effect on forest growth increment, particularly due to historical afforestation legacy there is no modelling capacity to develop an alternative approach at present.

- c) Application of a gross-net accounting to both the forest and HWP category ensures that the accounting system is robust and balanced. Applying different accounting framework to HWP and forest land would result in unbalanced and inconsistent accounting”
- d) Application of one accounting procedure to all forest categories facilitates a simpler reporting task. Ideally the cost and effort of reporting under the C Tax Act should be minimised and simplified as much as possible.
- e) Although a gross-net approach does not factor out any indirect human influences on emissions and removals, it is assumed that any windfalls are offset by debits associated with management legacy which is not factored out.
- f) Liability for very large debits due to natural disturbances are excluded because emissions from fires are not accounted under the current framework.
- g) “Implicit cap” from C Tax Act ensures that accounted credits are limited by the size of the “E” debit and debits cannot be incurred for “S”.
- h) Encourages participation and collecting data for future when enhanced accounting can be applied.

A.10. Reporting and verification

A.10.1. Sequestration submission process

For C Tax reporting of sequestration, taxpayers are required to register on NAEIS. Here the MRV tool will be provided for completion. Once completed the tool can be uploaded to NAEIS where it will go to DEFF for review (Figure A.5). A taxpayer may be selected to undergo an independent review (see further details in the Verification Guidelines in Chapter D). Once reviewed and verified, DEFF will approve the “S” amount and submit it to SARS where it will be combined with the other emission components in the carbon tax equation to determine the overall tax liability.