

South Africa | Indirect Tax | Customs & Global Trade | 24 April 2017



Excise Smart

Indirect Tax | Customs & Global Trade

Indirect Tax

Perspective ⇒ everything



This edition of *Excise Smart* informs **importers and local manufacturers of alcoholic beverages** of their current legal obligation to submit specified alcoholic products for official tariff determination to the South African Revenue Service ("SARS").

April 2017

Volume 7

No. 3

In this edition

[Compulsory
Tariff Determination
Submissions](#)

[Deloitte Contacts](#)

Compulsory Submissions

All Alcoholic Beverages
(distilled, fermented and brewed)

Background

[Rules 47.01 to 47.04](#), published in terms of [Section 47\(9\)](#) of the Customs and Excise Act, 91 of 1964 (“the Act”), make it compulsory for importers and local manufacturers of alcoholic beverages to (re)submit their product details to SARS for official tariff determination.

Such submissions must include detailed product- and manufacturing process information as well as a duly motivated proposed tariff classification for each product and must be submitted to SARS before (product specific) deadlines during the period 1 April 2015 to 31 March 2020.

Products Currently Due

Products currently due for submission are ALL alcoholic beverage product types / brands for which a tariff determination submission **has not yet / to date been submitted to SARS**; i.e. all packed, imported and locally manufactured, alcoholic beverages produced through -

- ✓ distillation and blending (spirituous beverages);
- ✓ fermentation (wine, ciders and other fermented beverages); or
- ✓ brewing (beer).



Further note that, as a general requirement, alcoholic beverage types and brands that are imported or locally manufactured **for the first time** must be submitted for tariff determination upfront; i.e.

- ✓ prior to release for home consumption, if imported; and
- ✓ prior to release for any purpose (including for export), if locally manufactured.

Overdue Products

The following products had to be submitted already (if not submitted for an official tariff determination prior to 1 April 2015); i.e.



- ❖ Spirituous beverages entered under subheading 2208.90 (“Other”);
- ❖ Liqueurs and Cordials;
- ❖ Clear Malt Beer; and
- ❖ Other Fermented Beverages (OFBs).

Although overdue at this stage, any of the above products not yet submitted for tariff determination will have to be so submitted (as soon as possible) in order to rectify the current non-compliance.

Risks

Should these submissions (**for ALL alcoholic beverages not submitted to date**) not be done in time, the risks exist that (apart from general non-compliance with the specific provisions of the Act) the Commissioner for SARS may -



- detain; and / or
- retrospectively apply a new, possibly higher, tariff to any relevant product deemed by SARS not to qualify under a current self-classification.

To avoid these risks, and other possible administrative actions by SARS, it is recommended that importers and local manufacturers of alcoholic beverages comply with these rules and deadlines.

Submission Process

Affected entities may contact Pieter Marais at pmarais@deloitte.co.za or Charleen van Heerden at cvanheerden@deloitte.co.za, or any of the other Deloitte contacts below, for further information on these compulsory submissions.

Deloitte is fully geared to do the required proposals on tariff classifications, the actual submissions and obtaining the required acknowledgements of receipt from SARS on behalf of affected entities.



Deloitte Contacts

Should you require further clarification or assistance regarding:
Back to top

- the above, please contact Pieter Marais at pmarais@deloitte.co.za; and
- Customs and Excise matters in general, please contact any of us at the numbers and / or addresses below.

Riaan Smit

riasmit@deloitte.co.za

+27 (0)21 427 5506

Pieter Marais

pmarais@deloitte.co.za

+27 (0)82 311 7901

Sue-Marie Ferreira

suferreira@deloitte.co.za

+27 (0)84 897 7299

Mark Thomas

markxthomas@deloitte.co.za

+27 (0)21 427 5885

Angus Dawe

adawe@deloitte.co.za

+27 (0)82 445 9682

Charleen van Heerden

cvanheerden@deloitte.co.za

+27 (0)83 446 0846



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (DTTL), its network of member firms and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 225 000 professionals are committed to making an impact that matters.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your

business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2016. For information, contact Deloitte Touche Tohmatsu Limited

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.