

ANYTHING TO DECLARE

Sin taxes severely dealt with, environment gets a hand



Virusha Subban

A focus on saving the environment has seen the introduction of excise duties specifically for this purpose

THE gist of this year's budget speech from a customs perspective could be summarised as follows: don't drink, drive and if you can help it, don't fly or smoke either.

The proverbial sin taxes have all, bar a few exceptions, been increased.

Fuel levies and Road Accident Fund Levies have been increased. A focus on saving the environment saw the introduction of excise duties specifically for this purpose.

The environmental levy on electricity generated in SA (announced in last year's budget speech) will be implemented this year. The diamond export levy will also be implemented.

Excise duties: Excise duties on alcoholic beverages have been increased across the board, as follows:

- Beer by 7c to 79c per 340ml can
- Wine by 14c to R1,98c/l
- Fortified wine by 32c to R3,72/l
- Spirits by R3,21 to R25,05 per 750ml.

The excise duty on traditional beer remains unchanged, while the excise duty on a pack of 20 cigarettes has been increased by 88c to R7,70c.

The above rate changes are effective from February 11.

Fuel levies: The fuel levy on petrol will

increase by 23c to R1,50/l and by 24c to R1,35/l for diesel on April 1. The Road Accident Fund levy on petrol and diesel increases by 17,5c to 64c/l.

Environmental fiscal reform:

■ The levy on plastic shopping bags will be increased from 3c to 4c a bag from April 1.

■ It is proposed that there be an introduction of an environmental levy of R3 a bulb (between 1c and 3c a watt) on the manufacture and import of incandescent bulbs from October 1.

■ The existing ad valorem excise duty on new motor vehicle sales will be reduced and adjusted to incorporate carbon dioxide emissions as an environmental criterion with effect from March 1 2010.

■ The International Air Passenger Departure Tax will be increased from R120 to R150 for flights to international destinations and from R60 to R80 on flights to SACU countries. This will be with effect from October 1 this year.

Other miscellaneous customs amendments:

■ Amendments will be considered to align the remission and mitigation provisions within the customs dispute resolution procedure in order to ensure that a single procedure is followed. Further amendments may

also be considered based on the outcome of a recent internal review of the dispute resolution procedure and its application.

■ There will be further simplification of warehouse policies and procedures: a facility to allow for the periodic clearance of goods exported from licensed warehouses is required to assist with the administration of, among others, ship stores.

■ Advance passenger information: the Customs and Excise Act was recently amended to provide for the compulsory electronic communication of advance passenger information and the protection of personal information contained therein. It is anticipated that further amendments may be necessary after implementation.

■ Amendments to customs transit procedures: amendments to the Customs and Excise Act will be considered for improved provision for interruptions in transit (for example, as a result of repacking, tallying, sorting, cleaning, inspecting and sealing the goods, carrying out activities directed at preserving the condition of the goods, as well as the consolidation of shipments).

■ Customs enforcement at border ports to further support the Customs Border Control Unit in successfully carrying out its mandate, amendments

to the Customs and Excise Act will be considered relating to the powers of officers to carry out surveillance and to patrol, to question and search persons, facilities and equipment used for the detection of illicit goods concealed on a person and to provide for equipment used by the unit.

■ Treatment of duty-free VAT-exempt goods: goods that are free of customs duty can currently not be cleared under any tariff item to schedule 4 to the Customs and Excise Act relating to a rebate of customs duty. Amendments to the relevant pieces of legislation will be considered to enable duty-free VAT-exempt goods to be cleared. This will be a welcome step towards aligning the provisions of the VAT Act with the corresponding provisions of the Customs and Excise Act.

■ 2010 FIFA World Cup: amendments will be made to special provisions in the Customs and Excise Act for the world cup (including the 2009 Confederations Cup) to cater for procedural and administrative matters.

There were no major surprises from a customs perspective, other than that the emphasis on environmental fiscal reform is noted as progressive.

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