

No. R. 438

29 May 2015

**CUSTOMS AND EXCISE ACT, 1964.  
AMENDMENT OF SCHEDULE NO. 6 (NO. 6/1D/04)**

In terms of section 75 of the Customs and Excise Act, 1964, Part 1D of Schedule No. 6 to the said Act is hereby amended to the extent set out in the Schedule hereto.

  
**M. JONAS**  
DEPUTY MINISTER OF FINANCE

**SCHEDULE**

**By the insertion of the following Note(s) after Note 8(f) in Section D to Part 1 of Schedule No. 6:**

9. For the purpose of item 621.21, the following:
- (a)
- (i) VMP and VMS warehouses are defined in Rule 19A3.01 (a)(ii).
  - (ii) Spirituous beverages that are off-specification or have become contaminated or have undergone post-manufacturing deterioration may be returned for reprocessing or destruction in a VMP where the excise duty is not less than R25 000 on any single occurrence only if such goods are found to be off-specification, contaminated or to have undergone post-manufacturing deterioration, and are returned to the VMP within a period of 12 months after removal from the VMS.
  - (iii) The provisions of this item shall apply in respect of spirituous beverages -
    - (aa) under the control of the manufacturer;
    - (bb) returned as produced from the same batch(es); and
    - (cc) returned in the originally sealed containers for wholesale or similar packaging.
- (b)
- (i) If the Commissioner approves the application, any spirituous beverages returned in terms of this item shall be -
    - (aa) kept intact and entirely separate from any other goods or materials until it has been examined and identified by an officer; and
    - (bb) unpacked, where applicable, and transferred to and mixed with stocks of materials for reprocessing, under supervision of an officer; or
    - (cc) destroyed under supervision of an officer.
  - (ii) The licensee of a VMP to which such products are returned for destruction must keep a record which includes at least the following -
    - (aa) a detailed description of the goods received including the applicable tariff item;
    - (bb) the quantity received;
    - (cc) the date of receipt;
    - (dd) the delivery note under cover of which such products were returned;
    - (ee) proper record of the excise inspection processes; and
    - (ff) proper record of the excise permission to destroy or reprocess.
- (c) For the purposes of section 75 (1A), the licensee of the VMS making such application must produce proof that duty was in fact paid as well as the rate at which the excise duty was paid on such products presented for destruction or reprocessing in accordance with the provisions of this item and, if the licensee is unable to produce such proof, the duty on any quantity so returned, shall be calculated for refund purposes at the lowest rate of excise duty levied in terms of this Act on such products during the 12 month period contemplated in Note 9(a)(i) above.
- (d) The licensee of such warehouse may, after destruction of the products concerned, and on accounting for the goods destroyed in the monthly account, prescribed in the rules for section 19A, set-off as contemplated in section 77, any amount duly refundable against the amount payable on any such account during a period of two years after receipt of the goods for destruction, as the case may be.

By the insertion of the following:

Rebate Item	Tariff Item	Rebate Code	CD	Description	Extent of Rebate	Extent of Refund
621.21	104.23			Spiritous beverages, after removal from a secondary customs and excise manufacturing warehouse (VMS) after entry for home consumption and payment of duty, are found to be off-specification or have become contaminated or have undergone post manufacture deterioration and are returned to a primary customs and excise manufacturing warehouse (VMP) for reprocessing or destruction, subject to the provisions of Note 9 to this Section :		
621.21	104.23.01	01.01	72	In containers holding 2 li or less		Full duty
621.21	104.23.03	02.01	70	Other		Full duty
621.21	104.23.05	03.01	79	In containers holding 2 li or less		Full duty
621.21	104.23.07	04.01	77	Other		Full duty
621.21	104.23.09	05.01	75	In containers holding 2 li or less		Full duty
621.21	104.23.11	06.01	73	Other		Full duty
621.21	104.23.13	07.01	71	In containers holding 2 li or less		Full duty
621.21	104.23.15	08.01	79	Other		Full duty
621.21	104.23.17	09.01	78	In containers holding 2 li or less		Full duty
621.21	104.23.19	10.01	74	Other		Full duty
621.21	104.23.21	11.01	72	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.		Full duty
621.21	104.23.22	12.01	79	Other		Full duty
621.21	104.23.23	13.01	75	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.		Full duty
621.21	104.23.24	14.01	71	Other		Full duty
621.21	104.23.25	15.01	78	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.		Full duty
621.21	104.23.26	16.01	74	Other		Full duty
621.21	104.23.27	17.01	70	With an alcoholic strength by volume exceeding 15 per cent by vol. but not exceeding 23 per cent by vol.		Full duty
621.21	104.23.28	18.01	77	Other		Full duty