

**SOUTH AFRICAN REVENUE SERVICE**

**No. R.**

**2017**

**CUSTOMS AND EXCISE ACT, 1964  
AMENDMENT OF RULES**

Under sections 54F and 120 of the Customs and Excise Act, 1964, the rules are amended to the extent set out in the Schedule hereto **with effect from 1 April 2018.**

**THOMAS SWABIHI MOYANE  
COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE**

**SCHEDULE**

(a) By the insertion after rule 54FC.04 of the following heading and rules:

**CHAPTER VB  
HEALTH PROMOTION LEVIES**

**RULES FOR CHAPTER VB OF THE ACT IN RESPECT OF HEALTH PROMOTION  
LEVY GOODS**

**Health promotion levy imposed on sugary beverages manufactured in or imported into the Republic in terms of item 191.00 in Section A of Part 7 of Schedule No. 1**

- 54I.01 (a) Except as otherwise provided in these rules, the rules numbered 54F.01 to 54F.14 apply with any necessary changes as the context may require to the health promotion levy imposed on sugary beverages.
- (b) For the purposes of Chapter VB, these rules and any form to which these rules relate, unless the context otherwise indicates—
- (i) “commercial manufacturer” means a person manufacturing sugary beverages in the manner contemplated in rule 54I.02;
  - (ii) “effective date” means 1 April 2018.

- (iii) “non-commercial manufacturer” means a person manufacturing sugary beverages not in the manner contemplated in rule 54I.02;
- (iv) “related persons” means persons that are deemed to be related as specified in section 66(2)(a);
- (v) “sugar” means both the intrinsic and added sugars and other sweetening matter contained in any sugary beverage;
- (vi) “sugar content” means the sugar content of any sugary beverage that is determined in the manner contemplated in rule 54I.05; and
- (vii) “sugary beverage” means sugary beverages manufactured in or imported into the Republic in terms of item 191.00 in Section A of Part 7 of Schedule No. 1.

#### **Persons classified as commercial manufacturers of sugary beverages**

- 54I.02 (a) Any person who manufactures or who expects to manufacture more than 50 000 litres of sugary beverages per calendar year shall be regarded as a commercial manufacturer.
- (b) Any related persons who manufacture or who expect to manufacture a combined total quantity of more than 50 000 litres of sugary beverages per calendar year shall be respectively regarded as commercial manufacturers.
- (c) Any persons who manufacture or who expect to manufacture on the same or adjacent manufacturing premises a combined total quantity of more than 50 000 litres of sugary beverages per calendar year shall be respectively regarded as commercial manufacturers.

#### **Manufacturers of sugary beverages to register or to register and licence**

- 54I.03 (a) Any person who manufactures sugary beverages on the date these rules come into operation or intends manufacturing sugary beverages must apply on form DA 185 and the appropriate annexures -
- (i) if he or she qualifies as a non-commercial manufacturer, for registration as a non-commercial manufacturer of sugary beverages in terms of section 59A and the rules thereto; or
  - (ii) if he or she is classified as a commercial manufacturer, for licensing of his or her manufacturing premises as a customs and excise manufacturing warehouse for the commercial manufacture of sugary beverages.

- (b) Unless the Commissioner determines otherwise, no security is required to be furnished by a person applying for registration as a non-commercial manufacturer of sugary beverages.
- (c) The provisions of rule 19A.02 shall apply with any necessary changes as the context may require to any licence application contemplated in this rule.

**Closing and submission of accounts for the health promotion levy imposed on sugary beverages and payment thereof**

54I.04 For the purposes of rule 54F.07–

- (a) an accounting period shall be a calendar month; and
- (b) an account for payment of the health promotion levy must be completed and submitted monthly on form DA 179.

**Determination of the sugar content subject to the levy on sugary beverages**

54I.05 (a) Any person who manufactures or imports any sugary beverage that is liable to the levy on sugary beverages must determine and declare the sugar content of the sugary beverage based on–

- (i) the sugar content stated on the food labelling of the sugary beverage as prescribed in terms of the Foodstuffs, Cosmetics and Disinfectants Act, No. 54 of 1972; or
- (ii) (aa) the sugar content as certified on a test report obtained and retained in respect of the sugar content of the sugary beverage from a testing laboratory recognised by the National Regulator for Compulsory Specifications of South Africa; and  
(bb) the report referred to in item (aa) above must be kept available for inspection and produced or submitted at the request of an officer for a period of five years from the date the sugary beverage was manufactured or imported; or
- (iii) the deemed sugar content of the sugary beverage that is assumed to constitute 20 grams per 100 millilitres; and

(b) In the case of powder and liquid concentrates or preparations for the making of beverages, the sugar content shall be determined based on the total volume of the prepared beverage when mixed or diluted according to the manufacturer's product specifications.

### **Implementation provisions**

54I.06 For the purposes of rule 54F.14 –

- (a) The licensee must when issuing any invoice or delivery note contemplated in rule 54F.05 in respect of goods manufactured before the date the health promotion levy came into operation, endorse such invoice or note to state that the goods were manufactured before the effective date.
  - (b) The implementation accounting period will commence on the effective date, after which the monthly accounting periods will commence on the first day of each calendar month.
- (b) By the insertion in item 202.00 of the Schedule to the rules the following form:
- “DA 179” (account referred to in Rule 54I.04)
- (c) By the substitution in item 202.00 of the Schedule to the rules for form DA 185.4B2 of the following form:
- “DA 185.4B2” (registration and licencing form referred to in Rule 54I.03)