

## Media Releases 2011

### SARS and TISA destroy R100m in illicit cigarettes

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**Pretoria, 04 February 2011** - The South African Revenue Service (SARS) and the Tobacco Institute of Southern Africa (TISA) will today destroy illicit and counterfeit cigarettes, estimated to be worth R100-million if it were to be sold legally with all excise duties being paid to government.

The destruction operation in Springs, which started on Tuesday earlier this week, has seen over 100 million cigarette sticks being destroyed. They were seized during various attempts to bring them into South Africa illegally through various methods of concealment and smuggling.

According to TISA, the illicit trade in cigarettes currently comprises more than 20% of the total cigarette market in South Africa. This equates to more than 15 million cigarettes being sold illegally every day, or more than 6 billion per year. This defrauds the fiscus of more than R2.6 billion in unpaid excise duties.

Furthermore, illegal cigarettes pose an even greater threat to people's health, as these products do not comply with the strict Government regulations to which legal manufacturers and traders adhere.

SARS Customs and Enforcements teams seized the cigarettes due to non-compliance with the legislation governing the importation of tobacco products during a number of search and seizure operations. Section 43 of the Customs and Excise Act empowers the SARS Commissioner to dispose of goods which are condemned and forfeited to be destroyed.

Gene Ravele, Chief Officer of Customs and Border Management said: "To make such an impact in the trade of illicit cigarettes is a victory for both the industry and for SARS, as there are potentially billions of rands in excise duties that SARS would not receive. SARS is committed to working with TISA and other industries that are affected by the illicit trade that fails to comply with our country's laws."

TISA CEO and Chairman Francois van der Merwe said: "TISA wants to commend SARS and all law enforcement agencies for taking a firm and no-nonsense approach towards illicit operators, and its willingness to work with industry, as demonstrated by this destruction of millions of illegal cigarettes. TISA believes that private/public partnerships between TISA, SARS and other Government agencies is the only way to create a win/win situation in solving problems like illicit trade."

SARS urges members of the public to contact its Fraud and Anti Corruption hotline on 0800 00 28 70 should they wish to report any suspicious business activity or alternatively to contact TISA's hotline at 0800 21 47 10 to report any unethical practices in the cigarette industry.

Members of the press who wish to witness the final segment of the cigarette destruction are welcome to join SARS and TISA officials at a **private plot in Springs at 11:30 this morning**:

Directions to destruction venue from Johannesburg:

- From Johannesburg, take the N17 towards Springs
- Travel an estimated 51 km and then take the R42 turn-off towards Delmas.
- Thereafter take the Delmas turn-off to the left and travel an estimated 2 km where you will see a small dirt road to your left before a bridge.
- Follow the road towards the red and white cell phone tower
- TISA agent Mr Piet Botes will be waiting in the vicinity of the cell phone tower at 11h00 to escort members of the media to the venue. He can be contacted on 082 852 3321

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