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Lehae La Sars
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ALL EXTERNAL STAKEHOLDERS

Dear Trader/Agent

IMPLEMENTATION OF RULE AMENDMENTS PROVIDING FOR REQUIREMENTS RELATING TO TOBACCO LEAF DEALERS, TOBACCO GROWERS AND INSTALLATION OF TOBACCO PRODUCT COUNTERS

Rules providing for requirements relating to tobacco leaf dealers and tobacco growers as well as the installation of tobacco product counters, prescribed under sections 107A and 110 of the Customs and Excise Act, 1964, were published in the *Government Gazette* on 22 May 2020. The rule amendments will, however, take effect 30 days after publication in the *Gazette*.

Rule 107A, which aims to ensure control of the supply chain in the tobacco industry, provides for requirements in respect of tobacco growers and tobacco leaf dealers. Tobacco leaf dealers and tobacco growers must keep records relating to matters listed in the rule for purposes of inspection by the South African Revenue Service (SARS).

Whilst tobacco growers are not required to register, tobacco leaf dealers must, by the effective date of the rules, be registered for that purpose in terms of section 59A of the Act. Applications for registration should be submitted after publication of the rules by submitting Form DA 185 and annexure DA 185.4A17. Please click here for a link to the forms: <https://www.sars.gov.za/Legal/Secondary-Legislation/Rule-Amendments/Pages/2020.aspx>

Rule 110 of the Act obliges the licensee of a customs and excise manufacturing warehouse for the manufacture of cigarettes to determine the quantities of all

cigarettes manufactured in the warehouse by means of a product counter installed on each cigarette packaging machine on every cigarette production line.

The counters must be installed and maintained according to the specifications of the manufacturers of such machines and counters. Other requirements of licensees in this regard are also dealt with in the rule. Licensees must ensure that they are compliant within 30 days after the rules take effect or 30 days after the acquisition of any new cigarette packaging machine. There is, however, provision for a licensee to request the Commissioner to extend this period, if necessary.

Your cooperation in this regard is highly appreciated.

Sincerely

A handwritten signature in black ink, appearing to read 'Beyers Theron', written over a large, light-colored oval shape.

BEYERS THERON
HEAD CUSTOMS: BORDER OPERATIONS, PORTS OF ENTRY &
CUSTOMS COMPLIANCE