

NOTICE TO IMPORTERS AND MANUFACTURERS OF CIGARETTES

ANTI-FORESTALLING RESTRICTIONS ON EXCISABLE GOODS

PARAGRAPH A.8.(d)(i)(A) OF PART A OF THE ANNEX TO BUDGET SPEECH 2024–2025 PROVIDES FOR THE INTRODUCTION OF A LEGISLATIVE FRAMEWORK IN THE EXCISE ACT FOR ANTI-FORESTALLING MEASURES ON THE IMPORT OF CIGARETTES TO COMBAT TAX AVOIDANCE.

CONSEQUENTLY, THE FINANCE (MISCELLANEOUS PROVISIONS) ACT 2024 HAS AMENDED THE EXCISE ACT BY INTRODUCING NEW SECTION 3F (*ANTI-FORESTALLING RESTRICTIONS ON EXCISABLE GOODS*) AND THE EIGHTH SCHEDULE.

EXTRACTS OF SECTION 3F AND THE EIGHTH SCHEDULE ARE HEREBY ATTACHED FOR EASE OF REFERENCE (ANNEX I).

AS PER THE NEW LEGAL PROVISIONS, THE DIRECTOR-GENERAL MAY LIMIT THE QUANTITIES OF SPECIFIED IMPORTED OR LOCALLY MANUFACTURED EXCISABLE GOODS THAT MAY BE ENTERED FOR HOME CONSUMPTION DURING A CONTROLLED PERIOD TO AN ALLOWABLE QUANTITY AS PER SECTION 3F(2)(a) TO (e) AND THE FORMULA SET OUT IN PART II OF THE EIGHTH SCHEDULE.

IN THE FIRST INSTANCE, THIS MEASURE SHALL APPLY TO CIGARETTES OF H.S. CODES 2402.20.00 AND 2402.90.90, RESPECTIVELY. THE DIRECTOR-GENERAL SHALL NOTIFY THE CONCERNED IMPORTER OR MANUFACTURER OF THE ALLOWABLE QUANTITY ALLOCATED TO HIM DURING THE CONTROLLED PERIOD.

THE FOLLOWING DEFINITIONS ARE PROVIDED IN SECTION 3F –

“controlled period” means a period of 3 months ending on the last day of the financial year or such other period as may be prescribed;

“financial year” means a period of 12 months ending on 30 June in any year;

FOR FURTHER INFORMATION AND ASSISTANCE ON THIS MEASURE YOU MAY CONTACT THE EXCISE SECTION ON 202 0500 EXT. 7417 OR 7420.