

Treasury grants 90-days deferral of excise tax due on alcoholic beverages

The alcohol industry welcomes the positive response from the National Treasury to its request for a deferment of excise tax on alcoholic beverages. The National Treasury has proposed a 90-day deferral for the payment of excise taxes on alcohol.



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The deferrals will be effected through the Customs and Excise Act Rules to be published by the South African Revenue Service (SARS).

South African alcohol industry spokesperson Sibani Mngadi said the sector had [last month applied](#) for the deferment of R5,1bn in excise tax due to SARS until the ban in sales is lifted.

“With the reintroduction of the ban on all alcohol sales with immediate effect from July 12, the industry and its entire value chain faced a crippling financial crisis,” he said. “The sustainability of the sector, now and in the post-Covid-19 era, was dependent on this deferment if further job losses are to be avoided.”



Alcohol industry applies for deferment of R5bn in excise tax

20 Jul 2020



In response to the industry request, the National Treasury proposed introducing a 90-day deferral on excise taxes to be made in August and September of 2020. Mngadi said this was money that was vital to the country’s economic future, and that the focus should now be on reviving the sector as quickly as possible.

The industry had called for a more targeted approach in dealing with the problem of alcohol misuse. It appeals to Government to enter into discussions to implement targeted interventions to promote responsible consumption.

“The fact that the [South African Medical Research Council](#) is also calling for a lifting of the blanket ban on alcohol sales confirms our belief that there are better and more sustainable alternatives to the ban,” he added. “We reiterate our commitment to partner with the Government to create a social compact that drives behavioural change regarding the use and consumption of alcohol.”



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4 Aug 2020



The industry said it shared the Government's concerns regarding the Covid-19 pandemic and would continue to support efforts to curb this unprecedented health emergency. Mngadi said the industry would continue to offer its unanimous support in making its assets available to Government in fighting this pandemic together.

The South African alcohol industry includes, but is not limited to, manufacturers, the National Liquor Traders Council, South African Liquor Brandowners Association (SALBA), the Beer Association of South Africa (BASA), Vinpro and the National Liquor Traders Council.

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