

Memorandum for Cabinet by the
Minister of Finance, Customs and Port (ad int)

Drawback on locally manufactured cigarettes supplied
to members of diplomatic missions

The Diplomatic Immunities and Privileges Act, 1966, entitles members of diplomatic missions to exemption from import duty on cigarettes. This has put at a disadvantage local cigarette manufacturers to whom refund of the duty they pay on tobacco and filter rods imported for local manufacture cannot be made unless sanctioned by Regulations issued under Section 20 of the Import Duties Act, 1964.

It will no doubt be appreciated that it is in the interests of the national economy to have members of diplomatic missions obtain their cigarette requirements from local manufacturers rather than have them imported from overseas sources. This cannot be done so long as the imported product sells cheaper because of freedom from import duty. The proposed regulations provide remedial action for this sort of situation, and would allow a claim for drawback to be met provided it is supported by:

- (a) a receipt showing the number of cigarettes supplies signed by the person to whom the supplies have been made; and
- (b) a certificate by the Ministry of Commonwealth and Foreign Affairs establishing that person's entitlement to duty free supplies of cigarettes.

A receipt as at (a) above will, in practice, suffice to allow a claim for drawback unless there are valid reasons necessitating resort to a certificate as at (b).

The rates of drawback stipulated in the Regulations are identical to those applicable in the case of drawback on locally manufactured cigarettes supplied to personnel of HAFMED.

The draft Regulations attached have been vetted by Crown Advocate General's Chambers and Hon. Ministers are invited to advise His Excellency to exercise the powers vested in him under Section 20 of the Import Duties Act, 1964, and issue the proposed Regulations.

21st April, 1967.

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