

MEMORANDUM FOR CABINET BY THE MINISTER OF INDUSTRIAL  
DEVELOPMENT AND TOURISM

Amendment of the Excise Duty (Crown Corks and Non-  
alcoholic Concentrates) Ordinance, 1961.

It is proposed to submit to the Legislative Assembly the attached Bill amending the Excise Duty (Crown Corks and Non-alcoholic Concentrates) Ordinance, 1961.

2. The object of the amendments is as follows:-

Section 3. Insertion of provision to enable producers, blenders or bottlers of "alcoholic" beverages to purchase Crown corks without having to pay the excise duty as they have to do up to now.

Section 5. Insertion of provision for granting relief from duty to the maximum of one half per centum of the monthly production on corks wasted during the course of bottling.

Section 12. Extension of privilege of drawback on exportation of concentrates not only to the direct producer but also to any person who has purchased them from the producer.

Section 22. Provision for relating the penalty for evasion of duty not, as at present, to the value of the Crown cork which is infinitesimal but to the excise duty which has been evaded.

Section 25. Amendments consequential on that prepared for section 22.

Section 34. The issue of Crown corks to brewers and other producers, blenders or bottlers of "alcoholic" beverages without payment of the excise duty will be made conditional to the enactment of regulations mentioned in Section 3 (2). Since the Government is committing itself on the trustworthiness of the persons to whom the crown corks are issued without payment of duty it has to create proper safeguards against those who abuse this trust. To this effect a new subsection has been prepared which will enable ~~it~~ to impose penalties under the regulations on the same level as those contained in the law for outright evasion of duty.

Paragraph (3) (b) of the First Schedule:

The period during which drawback of excise duty on Crown corks on exportation may be claimed is being prolonged from one month to twelve months. This is for the benefit of exporters.

Paragraph 4 of the First Schedule:

This paragraph prescribes that a charge is to be made for any visit of inspection of Customs Officers to the factories of producers for the purpose of determining drawback. This provision imposes a hardship on brewers and on vintners who make use of crown corks. These firms have to pay a duty simply to safeguard the revenue chargeable in respect of other beverages and on top of

that they were to be charged customs fees for the verification of the production of alcoholic beverages. The duty paid on the Crown corks used for these beverages is eventually refunded but the charge for Customs inspections is not refundable. The brewers protested against this imposition and the Comptroller of Customs considered that he could not, in equity, insist on this extra charge. It is therefore proposed to delete this provision with retrospective effect. It is understood that no charge is made by Customs in the United Kingdom for the visits of Customs Officers to factories or business premises.

3. The regulations mentioned in section 2 (2) of the amendments to the Ordinance and will provide the following reliefs and safeguards:-

they will enable producers, blenders or bottlers of alcoholic beverages to purchase locally made crown corks free of excise duty provided they obtain a certificate from the Comptroller specifying the quantity and type of corks which they wish to purchase.

4. The Comptroller will be entitled to refuse to issue any certificate to an applicant who is not able to observe the regulations or who has been convicted of an offence against the regulations. This discretion is absolutely necessary as otherwise the Government will not be able to have any control against the evasion of excise duty and a heavy loss of revenue. The persons who are allowed to benefit from this relief from duty must be persons who are both trustworthy and who are sufficiently efficient to understand the regulations and observe them in all respects.

5. The persons who are allowed to purchase Crown corks free of excise duty will be required to retain the section of the certificate which they have to keep in their records, to maintain proper records of their transactions concerning the Crown corks, to permit the Comptroller to inspect their books and verify their stocks of Crown corks whenever he thinks fit and to pay forthwith the duty on any unexplained shortage of Crown corks.

6. The regulations will also provide for the security of Crown corks purchased in quantities in excess of one month's requirements and for penalties adequate to discourage any attempt at evasion of duty.

7. Hon. ~~Members~~ are invited to agree that the attached draft Bill be submitted to the Legislative Assembly for approval. The Bill has been duly vetted by the Deputy Attorney-General.

30th July, 1964.

A B I L L

entitled

An Act further to amend the Excise Duty  
(Crown Corks and Non-alcoholic Concentrates) Ordinance,  
1961.

ENACTED by the Legislature of Malta:-

Short  
Title

1. This Act may be cited as the Excise Duty  
(Crown Corks and Non-alcoholic Concentrates) (Amendment)  
Act, 1964, and shall be read and construed as one with  
the Excise Duty (Crown Corks and Non-alcoholic  
Concentrates) Ordinance, 1961, hereinafter referred to  
as "the principal law".

Substitution  
of new section  
for section 3  
of the  
principal law.

2. For section 3 of the principal law there shall  
be substituted the following section :-

"3. (1) There shall be charged and levied by the  
Comptroller on account of the Government an excise duty  
at the rate of six shillings in respect of every gross of  
crown corks manufactured in Malta except in regard to  
crown corks furnished by the manufacturer thereof under  
the authority of certificates issued and signed by the  
Comptroller to producers, blenders or bottlers of  
alcoholic beverages for the sealing of bottles  
containing alcoholic beverages.

Provided that the Comptroller shall be entitled  
to refuse the issue of any such certificate to any person  
who has been convicted of an offence against the  
provisions of this Ordinance or of any regulations made  
thereunder or to any person who does not satisfy the  
Comptroller as to his competence for the due fulfilment  
of his obligations under this Ordinance or any  
regulations made thereunder.

(2) The persons who by virtue of the said certificates obtain from the manufacturer any crown corks manufactured in Malta in respect of which excise duty has not been charged and levied shall be subject to such regulations as may be made from time to time under this ordinance for the control of such crown corks and the security of the excise duty."

Amendment  
of section 5  
of the  
principal  
law.

3. Section 5 of the principal law is amended -  
(a) by the substitution of the following subsection  
for subsection (2) thereof:-

"(2) The Comptroller may refund to a producer of non-alcoholic beverages the amount of excise duty levied under section 3 in respect of any quantity of crown corks not exceeding one half per centum of his aggregate bottled production during any one month, which the Comptroller is satisfied are unavoidably wasted during the process of bottling non-alcoholic beverages."

(b) by the addition, immediately after subsection (2) thereof, of the following new subsection:-

"(3) Any defective or wasted crown corks in respect of which a refund of excise duty has been authorised under subsection (1) or (2) of this section shall be destroyed by and at the expense of the manufacturer or producer, as the case may be, in the presence of an officer of Customs in the factory where they are manufactured or where they are used in bottling non-alcoholic beverages."

Substitution  
of new  
section for  
section 12 of  
the principal  
law.

5. For section 12 of the principal law there shall be substituted the following section:-

"12. (1) In the case of any non-alcoholic

concentrate intended to be exported, the Comptroller may allow the producer thereof or some other person who has taken delivery of such concentrate directly from the producer to ship such concentrate in containers of any capacity without payment of the excise duty leviable in respect thereof under this Ordinance, provided such producer or other person aforementioned, as the case may be, shall furnish the Comptroller with such security as the Comptroller may require and comply with such other conditions as the Comptroller may impose for the purpose of ensuring the payment of any excise duty and any penalties to which such producer or other person may become liable under the provisions of this Ordinance in respect of such concentrate.

(2) Where the producer of any non-alcoholic concentrate or any person who has taken delivery thereof directly from the producer is allowed to make shipment thereof under subsection (1) of this section, such concentrate shall be kept under direct Customs control from the time of its production to its shipment, and all customs fees and expenses connected with the exercise of Customs control over any such concentrate shall be at the charge of the producer or of the said person, as the case may be."

Amendment  
of Section  
22 of the  
principal  
law.

6. For the words "value of" in paragraph (a) of section 22 of the principal law there shall be substituted the words "excise duty leviable on."

Amendment  
of Section  
25 of the  
principal  
law.

7. Section 25 of the principal law is amended by the substitution of the following subsection for subsection (2) thereof:-

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"(2) Any person guilty of an offence under subsection (1) of this section shall be liable -

- (a) in the case of an offence against the provisions of sections 14, 15, 16, 18 or 19, to a fine (multa) of not less than twenty pounds and not exceeding two hundred pounds or to imprisonment for a term not exceeding three months or to both such fine and imprisonment; and
- (b) in the case of any other offence to a fine (Multa) equal to three times the excise duty involved or fifty pounds, whichever is the greater, or to imprisonment for a term not exceeding three months, or to both such fine and imprisonment.

Amendment of section 34 of the principal law.

8. Section 14 of the principal law is amended by the substitution of the following paragraph for paragraph (d) thereof:-

"(d) that any person who contravenes or fails to comply with the provisions of any such regulations, shall be guilty of an offence and liable, on conviction, to punishments not exceeding a fine (multa) of not more than two hundred pounds or an amount equal to three times the excise duty leviable on any crown corks in respect of which the offence is committed, whichever is the greater,

/....

or imprisonment for a term not exceeding three months or to both such fine and imprisonment."

Amendment of paragraphs 1 and 2 of the First Schedule to the principal law.

9. For the words "calculated at the rate of six shillings for each gross of" in paragraph 1 and in paragraph 2 of the First Schedule to the principal law there shall be substituted the words "actually paid on the".

Amendment of paragraph 3 of the First Schedule to the principal law.

10. For the words "one month" in paragraph (3) (b) of the First Schedule to the principal there shall be substitute. the words "twelve months".

Repeal of paragraph 4 of the First Schedule to the principal law.

11. Paragraph 4 of the First Schedule to the principal law is repealed with effect from the date of enactment of that law.

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