

MEMORANDUM FOR CABINET BY THE
MINISTER OF INDUSTRIAL DEVELOPMENT AND TOURISM

The Imported Crown Corks (Alcoholic Beverages)
(Exemption from Duty) Regulations, 1964.

When it was decided in 1961 to levy a duty on crown corks used for bottling non-alcoholic beverages that duty affected both locally made crown corks and imported crown corks. At the time, because of the inexperience of how the legislation would work in practice, it was found necessary for the safeguarding of revenue to impose the duty - excise and import duty - on all crown corks at the stage of release from the factory or from the customs sheds and bonded stores. However, since the law was not intended to hit beverages other than non-alcoholic beverages, procedures were established for the payment of drawback of the duty of half-penny per crown cork on those crown corks used for bottling beers and wine. This system had the result of keeping dormant relevant sums of money which brewers and vintners had to pay up pending eventual refund. The brewers were the principal sufferers in this respect as they have had sums running into several thousand of pounds retained by Government for long periods until such time as funds could be provided for the payment of the refunds.

2. It was decided some time back that a way should be found to relieve brewers and vintners of having to pay a duty which is not chargeable on their products and for this purpose provision has been made both in the excise duty legislation and in chapter 83 of the Customs Tariff for relieving brewers and vintners from the duty on crown corks subject to the provisions of regulations to be enacted.

3. The regulations concerning imported crown corks are being submitted herewith for the consideration honourable Ministers. These regulations have for their scope the restriction of the release of crown corks without payment of the duty of half-penny per crown cork solely to the persons who are authorised to obtain them by means of numbered certificates bearing the signature

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of the Comptroller of Customs or by an officer of the department of Customs expressly authorised by the Comptroller to sign these certificates. The certificates are being printed in triplicate counterfoil forms as prescribed by the draft regulations, one form remaining in the department, one to be kept by the authorised person and the third to be surrendered to and retained by the Customs Officer who effects release from the Customs sheds or bonded store as the case may require.

4. Before an applicant obtains any permission for the withdrawal of Crown corks without payment of the duty of half-penny per crown cork he has to satisfy the Comptroller that he is a producer, blender or wholesale bottler of alcoholic beverages and he will then obtain a certificate containing details of the number of crown corks to be released to him by the releasing Officer. The person who has been issued with a certificate will obtain only such crown corks as will be identical in design and colour to the samples approved by the Comptroller in each case.

5. The regulations provide for the keeping of books by all persons who are permitted to withdraw crown corks without payment of duty and for the payment of duty by any such person in cases where the balance of crown corks in hand is found on examination to be short of what it should be in accordance with the books.

6. Paragraph 11 of the regulations provides for penalties against non compliance with the requirement for the keeping of books and paragraph 12 prescribes the penalties that may, on conviction be imposed on any authorised person who puts to illegitimate use any crown corks obtained free of duty in virtue of a certificate.

7. The draft regulations have been duly vetted by the Crown Advocate-General's Office (Dr. Victor Prendo).

8. Hon. Ministers are invited to agree that His Excellency the Governor General be asked to approve the draft regulations.

9th December, 1964.

IMPORT DUTIES ACT, 1964

The Imported Crown Corks (Alcoholic Beverages)
(Exemption from Duty) Regulations, 1964

In exercise of the powers conferred by section 31 of the Import Duties Act 1964 the Governor General has made the following regulations:

Citation

1. These regulations may be cited as the Imported Crown Corks (Alcoholic Beverages) (Exemption from Duty) Regulations, 1964.

Interpretation.

2. In these regulations -

"Authorised importer" means a producer, blender or wholesale bottler of alcoholic beverages who has been granted a certificate referred to in regulation 3 of these regulations for the purpose of obtaining release from Customs transit shed or bonded store without payment of the import duty of six shillings per gross chargeable under the Customs Tariff.

"Comptroller" means Comptroller of Customs and includes any person authorised to act for the Comptroller in carrying out these regulations.

"Crown Corks" means imported crown corks.

"Customs Tariff" means the Customs Tariff enacted as schedule II to the Import Duties Act, 1964.

"Imported" includes withdrawn from bond.

Release subject to certificates.

3. No person shall obtain release of any crown corks being crown corks on which the import duty of six shillings per gross chargeable under the Customs Tariff has not been charged without previously obtaining from the Comptroller a certificate in the form prescribed by the Comptroller for such purpose, duly stamped and signed by the Comptroller or by an officer of the Customs and Port Department expressly authorised by him to that effect.

4. (1) The certificates shall bear an index letter on the left side and shall be numbered consecutively.

(2) They shall be printed in three sections and shall be bound in books containing each one hundred certificates.

(3) The first section of such certificate shall be retained by the Comptroller, the second section shall be retained by the authorised importer and the third section shall be relinquished by the authorised importer to the Customs officer releasing the crown corks.

Conditions for issue of certificates

5. The person requesting the issue of a certificate mentioned in regulation 3 shall satisfy the Comptroller that he is a producer, blender or wholesale bottler of alcoholic beverages.

Samples to be submitted by applicant.

6. (1) The person requesting the issue of a certificate mentioned in regulation 3 shall submit for the approval of the Comptroller samples of the crown corks whereof he wishes to obtain release from Customs transit shed or bonded store without payment of the import duty of six-shillings per gross chargeable under the Customs Tariff and such samples shall be retained by the Comptroller.

(2) The authorised importer shall be entitled to obtain release under a certificate only of such crown corks as will be identical in all respects, including design and colour to the samples approved by the Comptroller for the purpose of such certificate.

Re-issue of certificates where crown corks fall short of quantity authorised

7. Where the quantity of imported crown corks due for release is short of the amount shown in the certificate such certificate shall be returned to the Comptroller for cancellation, subject to the re-issue of a new certificate if he is satisfied that the conditions and circumstances under which the cancelled certificate was issued still exist.

8. (1) Where the quantity of crown corks released to an authorised importer exceeds his estimated requirement for one month the crown corks shall on release be conveyed under the supervision of an officer of Customs from the Customs shed or bonded store to such bonded

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warehouse or place of security to be provided by the authorised importer as may be approved under section 27 of the Customs Ordinance.

(2) Any crown corks conveyed to such bonded warehouse or place of security as aforesaid shall be kept under customs control until they are issued for use in such quantities as the Comptroller may permit.

Books to be kept by authorised importer

9. (1) The authorised importer shall keep at his factory a book in which the serial letter and number of the certificates and the quantity of crown corks released against each certificate shall be entered together with the dates of their release.

(2) The authorised importer shall also keep at his factory a book or books showing:-

- (a) the quantities of crown corks taken for use in the factory.
- (b) the quantities of alcoholic beverages produced and sealed with such crown corks.
- (c) the quantities of such kind of alcoholic beverage produced and details as to the persons to whom they have been disposed during each calendar month and the quantities sold to each.

(3) where the authorised importer maintains a bonded warehouse, he shall keep, in addition to the book or books mentioned above, a book showing the quantities of crown corks placed in such warehouse on any given date and the quantities successively taken out for use in the factory.

Liability for amount of any discrepancies.

10. If at any time an examination it results that the quantities of crown corks found in the authorised importer's bonded warehouse or factory are less than the quantities which according to a true and proper keeping of the books should actually exist in either of the said places then in each case the authorised importer shall forthwith pay to the Comptroller on any resulting shortage the import duty calculated at the rate of six shillings per gross of crown corks, in addition to any penalty to which he may become liable under these regulations or under any law:

Provided that where any shortage is ascertained in the crown corks taken for use in the authorised importer's factory there shall be made an allowance at a rate not exceeding one half per centum of the aggregate monthly bottled production for crown corks unavoidably wasted during the process of bottling.

Penalty for non-compliance with regulation 9.

11. Any person who fails to comply with the requirements of regulation 9 shall be guilty of an offence and shall be liable on conviction to a fine (multa) of £20 for each offence.

Penalties for unlawful use of crown corks.

12. (1) If any authorised importer uses crown corks, released free of the import duty of six shillings per gross chargeable under the Customs Tariff, for sealing containers of non-alcoholic beverages as defined in section 2 of the Excise Duty (Crown Corks and Non-alcoholic Concentrates) Ordinance, 1961 he shall be guilty of an offence and shall on conviction be liable to a fine (multa) of £50 or to three times the duty on the crown corks in respect of which the offence has been committed whichever is the greater.

Inspection by Officer of Customs

13. The proper officer of customs may at any reasonable time enter any factory or place of business of any authorised importer for any purpose connected with these regulations.

Inspections to be given free of charge.

14. For the purpose of any visit or inspection requested or required under these regulations the services of Customs Officers will be given free of charge subject to the approval of the Comptroller.