

MEMORANDUM BY THE HON. MINISTER OF JUSTICE
REGARDING
THE MACHINE-MADE CIGARETTES (EXCISE DUTY)
(AMENDMENT) BILL, 1965.

Under the provisions of the Agreement on Mutual Defence and Assistance, British personnel are exempt on a "per capita" quota basis from the payment of excise duty on cigarettes which they require for their personal use. To give effect to this, this bill amends the Machine-made Cigarettes (Excise Duty) Act so that local manufacturers of cigarettes will be freed from the obligation of having to affix excise duty banderolles to packets of cigarettes when these are supplied to N.A.A.F.I. for sale to British personnel. The bill provides also for drawback of any excise duty always on a quota basis which may have been paid on any locally made cigarettes which are supplied to N.A.A.F.I. for sale to British personnel. Besides this, the bill provides for the supply free of excise duty of cigarettes to members of the Diplomatic Corps and other persons who under the Diplomatic Immunities and Privileges Bill would be exempt from the payment of import duty: once this category of persons will be enjoying the latter exemption, it may be of advantage to Malta's home industries if relief from excise duty is likewise granted.

It is necessary to make the above mentioned provisions of this bill take effect from 21st September, 1964, because the practice of supplying N.A.A.F.I. with locally made cigarettes on which no excise duty is paid has been in use from that date.

Advantage has been taken of this opportunity to amend the Machine-made Cigarettes (Excise Duty) Act so as to require manufacturers of machine-made cigarettes to keep records of their stocks of tobacco and of the ways in which these stocks are disposed of. These records would enable the Customs and Port Department to ascertain more easily the quantities of machine-made cigarettes produced by the various manufacturers.

22nd November, 1965.

A B I L L
entitled

AN ACT further to amend the Machine-made Cigarettes
(Excise Duty) Act, Cap. 94.

BE IT ENACTED by the Queen's most Excellent
Majesty, by and with the advice and consent of the House
of Representatives of Malta, in this present Parliament
assembled, and by the authority of the same, as follows:-

Short title
and commence-
ment.

1. (1) This Act may be cited as the Machine-made
Cigarettes (Excise Duty) (Amendment) Act, 1965, and shall
be read and construed as one with the Machine-made
Cigarettes (Excise Duty) Act, hereinafter referred to as
the "principal Act".

(2) This Act shall be deemed to have come into
force on the 21st day of September, 1964, except in
regard to section 2 which shall come into force on the
expiry of thirty days from the publication of this Act.

Substitution
of section 8
of the
principal Act.

2. For section 8 of the principal Act there shall
be substituted the following:-

"Books to be
kept and
statements to
be produced
by licensed
manufacturer.

8. (1) Every manufacturer of
cigarettes shall keep a book or books
in which he shall clearly enter or
cause to be entered the number of cigar-
ettes manufactured by him at any
factory or other premises in respect
of which he holds a licence.

(2) He shall produce to the
Comptroller of Customs a statement
showing, in respect of the production
of cigarettes during each quarterly
period respectively ending on the
last day of the months of March, June,
September and December of each year, -

(a) the weight of leaf tobacco
and of tobacco imported
cut or cut and blended but
not further manufactured,
held by him on the first
day of each such period at
any factory or other
premises in respect of which
he holds a licence;

(b)/....

- (b) the weight of any tobacco as aforesaid acquired by him during each such period;
- (c) the weight of any tobacco as aforesaid sold or otherwise disposed of during each such period and the firms or persons to whom it was sold or in whose favour it was disposed of;
- (d) the quantities of cigarettes manufactured by him during each such period;
- (e) the weight of offal resulting from the manufacture of cigarettes during each such period at any factory or other premises in respect of which he holds a licence.

(3) The said statement shall be produced to the Comptroller of Customs not later than the twenty-first day of the month immediately following the end of each quarterly period referred to in the last preceding subsection and shall be so compiled as to show the information required to be furnished classified separately under leaf tobacco, tobacco imported cut and tobacco imported cut and blended.*

Substitution
of section
18 of the
principal
Act.

3. For section 18 of the principal Act there shall be substituted the following:-

"Power of Governor-General to grant exemption from excise duty. 18. (1) It shall be lawful for the Governor-General by order to grant exemption from the excise duty leviable under section 3 of this Act -

- (a) where the granting of such exemption is necessary, but to the extent only that it is so necessary, for the implementation of any agreement entered into between the Government of Malta and the Government of any other country; or

(b)/....

- (b) where such exemption is granted in favour of a person or of a class of persons who, in accordance with, or by an order made under, the provisions of the Diplomatic Immunities and Privileges Act, 1965, is exempt from customs duties on articles intended for the personal use of such person or persons.

(2) The Governor-General may grant the said exemption subject to such conditions and restrictions as he may deem proper to impose in the order whereby the exemption is granted."

4. Immediately after section 18 there shall be added the following new section:-

"Duty paid not to be refunded. Cases where drawback is allowed. 19. (1) No duty paid under this Act on any cigarettes released for consumption in these Islands shall be refunded to the manufacturer thereof:

Provided that a drawback of the actual duty paid in accordance with the provisions of this Act shall be allowed -

- (a) in respect of duty on any cigarettes on their exportation as merchandise or shipment as stores on any ship or aircraft; or
- (b) in respect of duty on any cigarettes supplied in circumstances in which such cigarettes are exempt from duty in terms of an order of exemption made under the provision of paragraph (a) of subsection (1) of section 18 of this Act.

(2)/....

Addition of new section 19 in the principal Act.

(2) The payment of drawback shall be made in any case falling under paragraph (a) of the last preceding subsection to the exporter, or in any case falling under paragraph (b) of the said subsection to the supplier, of the cigarettes in respect of which the drawback is allowed.

(3) The payment of drawback shall be subject to the production of such documents and to the making and signing by the exporter or by the supplier, as the case may be, of a written declaration in such form or manner as the Comptroller of Customs may require."

Cancellation
of Schedule
to the
principal
Act.

5. The Schedule to the principal Act is hereby cancelled.

Objects and Reasons

The object of this Bill is to empower the Governor-General to grant exemption from excise duty on machine-made cigarettes in cases in which the Government has undertaken, by agreement with the Government of other countries, to grant such exemption and in cases in which the representatives or officers of foreign countries or of international organizations qualify for exemption from customs duty on articles intended for the personal use of such representatives or officers by or under the provisions of the Diplomatic Immunities and Privileges Act, 1965. Where the exemption from excise duty would apply, the refund of duty paid will be allowed accordingly.

The Bill also provides for the giving by manufacturers of cigarettes of certain information to the Comptroller of Customs in order that he may be able to ascertain that payment of excise duty is not being evaded.