

12 August 2020

Newsletter

Excise Act Gazette Notice August 2020 Update

Ernst & Young wishes to bring to your attention to the amendments to the Customs Act.

A. Amendments to the Excise Act:

(i) Effective date

The amending legislation have come into force on 18 July 2020.

(ii) Removal of Excise

The Act is amended to clarify that sweetened or flavored milk are not goods subject to excise duty.

The Act amends Part 1 of Schedule 2 to the Act to–

- (a) reflect a 50% decrease in the rate of excise duty on alcohol; and
- (b) remove the imposition of excise duty on sweetened or flavoured milk.

(iii) Amendment to schedules

Schedule 2 of the Act is amended as follows:

Column 1 Item	Column 2 Delete	Column 3 Substitute
3.01	"\$3.43"	"\$1.72"
3.02	"\$3.99"	"\$2.00"
4.03	"\$75.47"	"\$37.74"
4.04	"\$132.17"	"\$66.09"
4.05	"\$2.45"	"\$1.23"
5.01	"\$6.07"	"\$3.04"
5.02	"\$5.32"	"\$2.66"
5.03	"\$6.07"	"\$3.04"
5.04	"\$5.32"	"\$2.66"
7.00	"Sweetened beverages with added sugar or artificial sweetener"	"Sweetened beverages with added sugar or artificial sweetener but does not include sweetened or flavoured milk"

Let us know should you wish to seek clarifications on the issues highlighted.

Our advice is based on the current taxation legislation and our understanding of FRCS's current interpretation of the law. We note however that, it is our experience that the FRCS can be inconsistent in their interpretation of the tax law and we cannot guarantee that the advice will not be challenged. Nor is it possible to guarantee the outcome of such a challenge if it occurs. Should you have any contact from the FRCS in respect of this advice, we recommend that you contact us for advice on how to proceed.

It is also important that you ask us to review any advice already given if a transaction is delayed, or is to be repeated, or if an apparently similar transaction is to be undertaken. Our original advice may no longer be applicable or appropriate in such circumstances.



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