



Excise (Budget Amendment) Bill 2017

Bill No. 27 of 2017

Introduction

The **Excise (Budget Amendment) Bill 2017** ('Bill') seeks to amend the *Excise Act 1986* ('Act').

The Bill includes two key amendments. Firstly, it will increase the penalties for a broad range of offences under the Act. Secondly, it will increase the excise-duty on alcohol, tobacco and cigarettes by 15 per cent, and the excise-duty for sweetened beverages and carbonated drinks by 15 per cent.

Objectives, scope and intent of the Bill

The main objective of the **Excise (Budget Amendment) Bill 2017** ('Bill') is to amend the *Excise Act 1986* ('Act') with accordance to the 2017–18 Budget.

Summary of provisions

Clause 1 provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 30 June 2017.

Penalty increases

Clauses 2–27 and **29–34** will increase the penalties that apply to offences throughout the Act. The offences for which penalties are being amended, current penalties and proposed increased penalties are set out in a table in the **Appendix**. In some instances, offences that currently have very different maximum penalties (for example a fine of \$10,000, or prison sentences of a year, two to three years imprisonment) will be amended to each have the same higher penalty (in most cases, a fine of \$25,000 and ten years imprisonment).

Removal of the limitation of proceedings

The Bill includes a significant change to how legal proceedings under the Act are dealt with. Section 65 of the Act includes limitations on when proceedings may be instituted. Proceedings for an offence against this Act must commence within five years of the alleged commission of an offence. **Clause 28** will delete section 65, removing the five-year time limits.

An increase in the excise duty on alcohol, tobacco and cigarettes and carbonated drinks

Clauses 35 amends Part 1 of Schedule 2 to the Act, increasing the excise duty on alcohol, tobacco and cigarettes by 15 per cent. It also increases the excise duty on sweetened beverages and carbonated drinks by 15 per cent.

Gender analysis

According to the World Bank, a greater proportion of males smoke compared with females. The prevalence of smoking for males is 38.7 percent, while a much lower 12.4 percent for females.

The World Health Organization (WHO) reported that males in Fiji drink alcoholic drinks with the equivalence of 10.9 litres of pure alcohol per year, while females drank alcoholic drinks equivalent to 1.5 litres of pure alcohol per year (2010 figures).



Disclaimer

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**Appendix: Increases to maximum penalties**

Clause in Bill	Provision of Act	Offence	Current maximum penalty	Proposed maximum penalty
2	8(1)	Penalty for manufacturing without a licence	\$10,000	\$25,000, imprisonment for ten years, or both
3	10(3)	Failure to deliver to the Comptroller a written description of every machine, apparatus, utensil or vessel used in the manufacturing of excisable goods	\$10,000	\$25,000, imprisonment for ten years, or both
4	11(3)	A manufacturer failing to provide suitable office space for an officer working for the Comptroller if requested to do so	\$10,000	\$25,000, imprisonment for ten years, or both
5	13(2)	Providing denatured spirits unless in accordance with a prescribed formula or are methylated or specially denatured spirits	\$10,000	\$25,000, imprisonment for ten years, or both
6	14(2)	Manufacturing spirits outside the prescribed strength limits	\$10,000	\$25,000, imprisonment for ten years, or both
7	15(2)	Storage and possession of excisable goods where the duty and VAT hasn't been paid; apart from those in an excise factory or excise or export warehouse (or have gained Comptroller permission)	\$10,000	\$25,000, imprisonment for ten years, or both
8	18(4)	The removal or return of excisable goods from excise warehouses, unless sent or received to a similar warehouse	\$10,000	\$25,000, imprisonment for ten years, or both
9	19(2)	Alteration of excisable goods stored in a excise factory or warehouse, or an export warehouse	\$10,000	\$25,000, imprisonment for ten years, or both
10	20(2)	The packing of warehoused goods not in accordance with regulations	\$10,000	\$25,000, imprisonment for ten years, or both
11	21(2)	The owner using samples of goods in a manner not in accordance with conditions specified by the Comptroller	\$10,000	\$25,000, imprisonment for ten years, or both
12	22(2)	Deliver of excisable goods in a manner that contravenes regulations	\$10,000	\$25,000, imprisonment for ten years, or both
13	28(2)	The required returns to the	\$10,000	\$25,000,



Clause in Bill	Provision of Act	Offence	Current maximum penalty	Proposed maximum penalty
		Comptroller at the end of an accounting duty period not being submitted in the specified timeframe		imprisonment for ten years, or both
14	30(2)	A person is guilty of an offence if they fail to comply with a condition imposed due to the Minister remitting or refunding excise duty in certain cases	\$10,000	\$25,000, imprisonment for ten years, or both
15	42(2)	Providing insufficient support to an officer examining stock of a vendor	\$10,000	\$25,000, imprisonment for ten years, or both
16	45(5)	Refusal to stop a vehicle, boat etc. suspected of conveying excisable goods	\$10,000	\$25,000, imprisonment for ten years, or both
17	47(3)	Failure of a manufacturer to submit a certificate of audit	\$10,000	\$25,000, imprisonment for ten years, or both
18	51(2)	Failure to provide ladders of a sufficient length to enable officers to inspect excisable goods	\$10,000	\$25,000, imprisonment for ten years, or both
19	52	Making incorrect statements and falsifying documents	\$20,000, imprisonment for four years, or both	\$25,000, imprisonment for ten years, or both
20	53	Refusing to answer questions lawfully	\$10,000	\$25,000, imprisonment for ten years, or both
21	54	Evasion of excise duty and for illegal manufacture of excisable goods	\$20,000, imprisonment for a year, or both	\$25,000 or 3 times the value of the excisable goods or materials (whichever is greater), or to imprisonment for a term not exceeding 10 years, or both
22	55(1)	An excess in stocks of excisable goods in a stocktake	\$20,000	\$25,000, imprisonment for ten years, or both
22	55(2)	A deficiency in stocks of excisable goods in a stocktake	\$20,000	\$25,000, imprisonment for ten years, or both
23	56(3)	Possessing a still for the manufacture of spirits	\$20,000, imprisonment for two years, or both	\$25,000, imprisonment for ten years, or both
24	57	Obstructing an officer	\$20,000, imprisonment for two years, or both	\$25,000, imprisonment for ten years, or both
25	58	Abuse of authority by an officer or other person employed under this Act	\$20,000, imprisonment for three years, or both	\$25,000, imprisonment for ten years, or both



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26	59	Pretending to be an officer	\$10,000, imprisonment for two years, or both	\$25,000, imprisonment for ten years, or both
27	64(1)	Using aircraft or ships to unlawfully transport excisable goods	\$10,000	\$25,000, imprisonment for ten years, or both
29	71(2)	Neglecting to comply with the information requirements of the Comptroller or an officer; or being untruthful or evasive in answering their questions	\$10,000	\$25,000, imprisonment for ten years, or both
29	71(4)	Divulging information gained about a company's cost of product or profits to an unauthorised person	Imprisonment for a year	\$25,000, imprisonment for ten years, or both
30	72A(3)	Breaking or interfering with a customs seal	\$10,000	\$25,000, imprisonment for ten years, or both
31	80(3)	Failing to comply with methods of manufacture, storage and instruments to be kept	\$10,000	\$25,000, imprisonment for ten years, or both
32	81(5)	Failing to keep books, documents or forms as required, and in legible format	\$10,000	\$25,000, imprisonment for ten years, or both
33	86(2)(a)	A breach of a regulation made under the Act	\$10,000	\$25,000, imprisonment for ten years, or both
34	87(2)	Failure to meet a condition imposed as part of an exemption granted by the Minister under the Act	\$10,000	\$25,000, imprisonment for ten years, or both