



THE TOBACCO INSTITUTE OF SOUTHERN AFRICA

MEDIA RELEASE

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Illicit smokes bust in Burgersfort and Rustenburg

Two traders in the Burgersfort and Rustenburg areas were bust for stocking and selling illicit cigarettes when South African Police Service (SAPS) officials raided both premises on 30 April 2012.

SAPS officials seized close on 1.8-million non-compliant, illegal “Dullahs”, “Mega”, “Pacific”, “Remington Gold”, and “Sevilles” cigarettes from the premises. Three suspects were arrested and all the stock was transferred to the State warehouse.

Law enforcement officials have, over the past 18 months, taken a hard line against traders of illegal goods, especially illegal cigarettes. Estimates suggest that Government lost almost R4-billion in 2011 as a result of the trade in illegal cigarettes. According to Francois van der Merwe, CEO and Chairman of the Tobacco Institute of Southern Africa (TISA), the trade in illegal cigarettes not only has a negative impact on Government revenue, but negatively impacts legitimate retailers as well. “Legitimate retailers are losing around R500-million a year because of unscrupulous criminals who are dodging tax and other laws,” says van der Merwe. “We welcome the strong action against illicit traders by SAPS. It should send a strong message to illicit traders that no one is above the law,” adds van der Merwe.

- Meanwhile, in the Western Cape, authorities on Tuesday, 8 May 2012, destroyed around 1-million illegal “Chicago” and “Pacific” cigarettes on the outskirts of Atlantis on the West coast. The illegal cigarettes were confiscated during various raids and seizures in the Western Cape from the beginning of the year.

The cigarettes are destroyed by TISA on behalf of SARS by means of a custom built hammer mill which shreds the product into fine pieces. All

destructions take place under the supervision of SARS and SAPS officials.
The shredded cigarettes are then disposed of at landfill sites.

NOTE TO EDITORS

Penalties:

The penalties if a retailer, or reseller, is caught with illicit products and prosecuted under the Customs and Excise Act (evasion of taxes) are: A fine of R20 000 or three times the value of the goods, depending on which one is the greatest; or up to 5 years in prison. A person prosecuted can therefore pay a fine and go to jail.

How to Spot Illegal Cigarettes:

- 1) Paying less than R 15.00 for a pack of 20s (suspect price)
- 2) There is no excise stamp on the pack
- 3) The tar and nicotine readings are higher than 12 mg Tar and 1.2 mg Nicotine respectively
- 4) There are no health warnings on the pack

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