

Overview of South African liquor compliance

To operate legally in South Africa's alcohol industry, you must meet all the requirements. Below is an overview of the basic categories, definitions and distinctions related to South Africa's alcohol regulations.

Key institutions

- **National Liquor Authority (NLA)**
 - is responsible for administering the National Liquor Act 59 of 2003 and regulating liquor manufacture and distribution.
 - Minister issues certificates for macro-manufacturing or distribution.
 - housed in the Consumer and Corporate Regulation Division of the Department of Trade, Industry and Commerce (DTIC).
- **Department of Trade, Industry & Competition (DTIC)**
 - drafts and implements national liquor legislation and regulations.
 - acts as the key stakeholder in liquor-related legislative matters.
- **Department of Agriculture**
 - drafts, administers and enforces the Liquor Products Act, 1989
 - drafts and administers regulations related to the Liquor Products Act, 1989
- **Provincial Liquor Authorities (PLA)**
 - regulate micro-manufacturing and retailing (sale direct to customers) and issue liquor licenses.
 - regulate and enforce bylaws related to the sale, purchase and consumption of liquor.
 - draft, administer and enforce provincial liquor legislation and regulations.
- **South African Revenue Service (SARS)**
 - monitors, regulates and receives payment for excise and other taxes and levies, import and export licenses.
 - monitors movement and inspection of goods across South African borders.
- **South African Police Service (SAPS)**
 - enforce national and provincial legislation and regulations.
 - perform arrests of those found in contravention of national and provincial legislation and arrests.
- **South African Bureau of Standards (SABS)**
 - draft and administer the standards for product packaging.

Alcohol categories

SARS lists 5 basic alcohol categories¹. The 5 categories are:

- i. **Spirits/spirituous beverages:** defined as “ethyl alcohol obtained from the distillation of various base products to an alcoholic strength of usually more than 60 per cent per volume”
- ii. **Wine and Vermouth:** Wine is generally defined as “an alcoholic beverage obtained through the natural fermentation of fresh grapes to an alcoholic strength of usually between 4.5 and 15 per cent per volume”. Vermouth is produced by then flavouring or adding flavourants to wine.
- iii. **Malt Beer:** defined as “clear beer made from malt with an alcoholic strength of usually between 3 and 6 per cent per volume”
- iv. **Traditional African Beer:** defined as “non-clear beer made from sorghum or malt with an alcoholic strength of usually less than 5 per cent per volume”
- v. **Other fermented beverages (OFB):** produced the same as Wine and Vermouth but from fruit types other than grapes.

Regulations per alcohol-related activity

The regulations for each category vary. That said, the differences are mostly minor. Highlighted below are significant distinctions between them.

a. Importing alcohol

To clear alcohol imports through customs, all importers need a customs import code.

Importers of alcoholic drinks must also apply for a tariff determination. The application should contain, amongst other things, the following:

- detailed information about the brand name information
- manufacturing process
- ingredients used
- proportion in which ingredients are used
- alcohol content
- other details that the Commissioner may specify
- where applicable, a letter from an administering officer confirming that the drink complies with the Liquor Products Act, 1989 (Act No.60 of 1989)

Should any of the above change, for any alcoholic drink type, an application for a new tariff determination must be made before the product can be cleared for home consumption.

¹ <https://www.sars.gov.za/customs-and-excise/excise/alcohol-products/>

b. Manufacturing alcohol

Manufacturers of all alcoholic beverages must register as excise manufacturing warehouses (VMS) before production begins. The type of excise manufacturing warehouse registration a company needs depends on the commodity produced

- Spirits: Spirits manufacturers can register as a primary (VMP) or secondary (VMS) manufacturing warehouse. A VMP is where non-excisable raw materials manufacture an excisable base product not intended for consumption. A VMS is where excisable raw materials are used to manufacture an excisable product ready for consumption (for example, blending and/or packing bulk spirits into a final product).
- Wine and Vermouth: Premises may be licensed as special manufacturing warehouses (SVMS) where manufacturing processes such as stabilisation or filtration occur. Premises will not be licensed as SVMS where only maturation occurs.
- Malt Beer: May be licensed as a VM
- QFB: May be licensed as an SVM

Manufacturers of all alcoholic beverages must also apply for a tariff determination, as discussed above under "Importing Alcohol".

For an alcohol manufacturer using stills inside their manufacturing warehouse, each still would also need to be registered separately at SARS.

Manufacturers of all categories of alcoholic beverages are required to pay excise tax if consumed as liquor within the Southern African Customs Union (SACU). The excise tax may be waived if the goods are exported and consumed outside of the SACU.

When and how do I pay the excise tax?

The relevant excise duty due, as per the licensed manufacturer's monthly excise account, is to be paid to SARS via eFiling. Payment due dates per alcoholic type are listed [here](#).

Storing alcohol

In cases where alcohol is stored without paying the excise tax, you will need an excise storage warehouse.

Storage warehouse options and distinctions per alcohol category are given below:

- Spirits: Special Storage Warehouse (SOS) for limited purposes; SOS licensed for export; SOS licensed as duty free shop/aircraft and/or ship chandler; SOS licensed to supply duty free shop/aircraft and/or ship chandler; SOS for denaturing spirits; SOS licensed as an intermediate supplier for packing/repacking of spirits; SOS licensed to supply registered rebate users
- Wine and Vermouth: storage warehouse (OS); SOS; SOS licensed as duty free shop/aircraft and/or ship chandler; additional considerations for storage when wine is manufactured on behalf of a wine farmer

- Malt beer: SOS licensed for export; SOS licensed as duty free shop/aircraft and/or ship chandler. Malt beer warehoused in an SOS may not, without written approval from the Commissioner, be sold or removed to the local SACU market. Products stored in such warehouses are intended solely for export or eventual consumption outside the SACU.
- QFB: OS; SOS licensed for export; SOS licensed as duty free shop/aircraft and/or ship chandler

Selling alcohol in SA

All traders in alcohol in South Africa will need a liquor license to do so, whether for direct sale to customers (e.g. pub), micro-manufacturing, or macro-manufacturing. Macro-manufacturers and/or liquor distributors are to be registered with the NLA. Two license types are available under the NLA: manufacturer licenses and distributor licenses. A wide range of licenses are available under the PLA (for example, restaurant liquor licenses, tavern liquor licenses, dance hall liquor, sorghum beer licenses, wholesale licenses, micro-manufacturer licenses, grocers' wine licenses, liquor store licenses, etc).

Exporting alcohol

All exporter needs to be registered as such at customs and use their unique customs code number when clearing goods for export.

In terms of the Liquor Products Act (Act 60 of 1989), exporters of alcohol require an export certificate from the Department of Agriculture, Land Reform and Rural Development (DALRRD). This excludes the export of medicine and beer.

When exporting to a country that has a trade agreement with South Africa, you will need to register for the trade agreement and get a certificate of origin. For further information on trade agreements relevant to South Africa, see our [article on trade agreements](#).

As noted under "Manufacturing Alcohol" above, the relevant excise tax may be waived if goods are exported and consumed outside of the SACU.

Transporting alcohol

If transporting alcohol on which the excise has not been paid, you will need a remover of goods in bond or road haulier license.

Still (own, repair, sell, import)

If you own, repair, sell or import stills you need to register the still with SARS. If you are a home distiller, you need to register your still, and yourself as a home distiller. Where an alcohol manufacturer using stills is registered as a manufacturing warehouse, each still would also need to be registered. Registered still manufacturers will have a SARS still manufacturing number and each still must have a serial number.

Alcohol for own use

If you manufacture alcohol purely for your own use, you also need to register with SARS as a manufacturer of excisable goods. So, as with “Stills” above, for legal distillation at home, you need to register both the still (i.e. permission to own the still) and yourself (i.e. permission to use a still). You must apply for a Micro Liquor Manufacturing License. This allows you to manufacture alcohol, but not to sell it.

- Malt beer: Homebrewing of beer is legal in South Africa for personal consumption only. Limitations are placed on the amount of alcohol you are allowed to store, though this may vary across Provinces.
- Wine: You are required to register with SARS as a ‘manufacturer not for commercial use’.