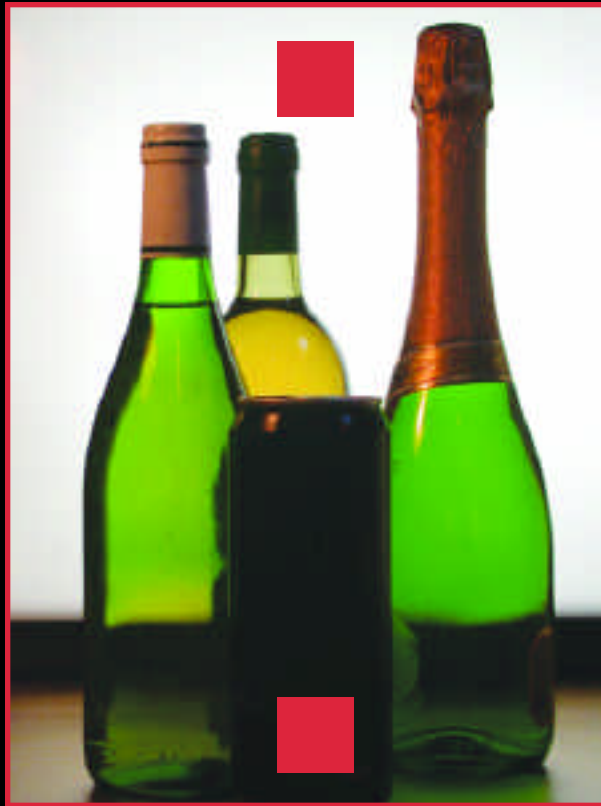


THE NEW NATIONAL LIQUOR LAW



ENSURING A REGULATED INDUSTRY
law abiding and responsible

Registering for a liquor license

Applications must set out the following:

- Commitment in terms of black economic empowerment;
- Proposed contribution to combating alcohol abuse;
- How they will restrict and promote job creation, diversity of ownership, exports, competition, new entrants to the industry and efficiency of operation.

Who is disqualified from getting a license?

- Minors;
- Unrehabilitated insolvents;
- Persons committed in terms of the Mental Health Act, 1973;
- Persons who have contravened this Act or provincial liquor laws to the extent provided for in the Act.

Full details of fees and forms applicable may be viewed at www.thedti.gov.za

National register of liquor licenses

The NLA will set up and maintain a national register of licenses, which will be published on thedti website. The register will provide information about all liquor registrations, whether issued nationally or provincially, including:

- Name of registered person (including any alternative trade name) and date registration was granted;
- Principal place of business and where registered activities may take place;
- Activities permitted and any conditions attached;
- Dates and details of any complaints laid, notices of non-compliance, compliance

certificates, suspensions, and prosecutions and convictions in terms of the Act or any law mentioned in section 19;

- Dates and details of any transfer of registration, notice given, reports filed or cancellations.

As well as being published on the website, this register can also be viewed and copies made from it on request, during normal business hours and upon payment of a prescribed fee. Likewise, copies of registration certificates issued may also be inspected or copied upon payment of the prescribed fee.

Inspectors

The Minister may designate persons as inspectors to exercise powers in terms of this Act, and will issue certificate stating that such persons are inspectors. Inspectors may investigate complaints submitted to them in the prescribed manner and form.

thedti's Education and Compliance Unit can assist parties with non-binding clarifications and advisory opinions free of charge.

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Who does the Act apply to?

It applies to all manufacturing or distribution of liquor or methylated spirits, and to the regulation of impotable (undrinkable) substances.

All liquor manufacturers with volumes of liquor exceeding the thresholds set by the Act are no longer regulated by the various provincial liquor authorities. They will now be regulated by the National Liquor Authority of thedti.

The volume thresholds for manufacturers are as follows (per annum):

Beer	100 million litres
Sorghum beer (traditional African beer)	50 million litres
Wine	4 million litres
Spirits	2 million litres

Conversion of existing licenses

All valid licenses that involve manufacturing (only those meeting or exceeding volume thresholds) and distribution of liquor should be converted to new licenses from 13 August 2004. The conversion process is initiated by the license holder completing Form NLA 24 and 24/2.

If a licensee fails to initiate a conversion by 10 November 2004, the current license automatically expires.

What does the Act prohibit?

It is an offence to do the following:

- Manufacture or distribute liquor if not permitted to do so in terms of the Act;
- Manufacture or distribute methylated spirits if not permitted to do so in terms of the Act;
- Manufacture, sell or supply any impotable substance or add an impotable substance to liquor;
- Employ a person who is not yet 16 years old, unless such employment meets the provisions of the Skills Development Act;
- Supply liquor or methylated spirits to an employee in lieu of payment (or deduct from employees' wages or remuneration any amount relating to the cost of liquor or methylated spirits supplied to or purchased by them or other persons on their behalf);
- Advertise liquor in a false or misleading way;
- Advertise liquor in a way that intends to target or attract minors (under the age of 18);
- Supply and sell liquor to a minor;
- Produce, supply or import liquor if a person is a minor;
- Make a false claim about age to buy or obtain liquor, if a person is a minor (likewise, other persons may not make false claims about the minor's age in order to induce someone to sell or supply liquor to the minor).

Why a new National Liquor Act?

The Liquor Act 59 of 2003 came into effect on 13 August 2004. Before proclamation, provincial Liquor Authorities were responsible for the regulation of all the value chain categories of the Liquor Industry. The Act provides for manufacturing and distribution of liquor to be regulated at national level while micro manufacturing and retailing continue to be regulated at provincial level.

A new National Liquor Authority (NLA), housed in the Consumer and Corporate Regulation Division of the dti, is responsible for administration of the Act. The NLA will receive, evaluate and recommend to the Minister applications for national manufacturing and distribution licenses and related matters. A National Liquor Policy Council, comprising the

Minister of Trade and Industry and relevant Members of the Executive Council of the provinces, will formulate and co-ordinate policies and embody co-operative governance.

An important aspect of the new Act is social responsibility. Those wishing to register must set out their commitment to black economic empowerment, and their proposed contribution to combating alcohol abuse, as well as how they will promote job creation, diversity of ownership, exports, competition, new entrants to the industry and efficiency of operation. Failing to meet these commitments can result in a review of or placing new conditions on registration.

The Liquor Act 59 of 2003 repeals the 1989 Act only in those provinces that have promulgated provincial liquor legislation. The Liquor Act of 1989 remains in force in provinces that have not promulgated liquor legislation. As from 13 August 2004 provincial liquor authorities can no longer regulate activities of manufacturers and distributors with liquor volumes meeting or exceeding the set thresholds. Applications received by provincial liquor authorities before this new Act must be disposed of by them in terms of the 1989 Liquor Act.

What are the aims of the National Liquor Act?

There are two main aims:

Reduction of the socio-economic and other costs of alcohol abuse in South Africa by:

- Setting essential national norms and standards in the liquor industry;
- Regulating the manufacture and wholesale distribution of liquor;
- Setting essential national norms and standards for regulation of the retail sale and micro-manufacture of liquor; and
- Providing for public participation in the consideration of applications.

Promotion of the development of a responsible and sustainable liquor industry in a manner that facilitates:

- Entry of new participants into the liquor industry;
- Diversity of ownership in the industry; and
- An ethos of social responsibility in the industry.