Reduced rate of excise duty on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores: period of application

2013/0446(CNS) - 11/03/2014 - Final act

PURPOSE: to extend the period of application of Decision 2009/831/EC which authorises Portugal to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs and in the autonomous region of the Azores on locally produced and consumed liqueurs and eaux-de-vie.

LEGISLATIVE ACT: Council Decision 2014/161/EU amending Decision 2009/831/EC as regards its period of application.

CONTENT: Council Decision 2009/831/EC authorised Portugal, up to 31 December 2013, to apply a reduced rate of excise duty in Madeira, as an outermost region, on locally produced and consumed rum and liqueurs and in the Azores, as an outermost region, on locally produced and consumed liqueurs and eaux-de-vie.

The application of a lower excise duty rate establishes differentiated taxation, benefiting the local production of some products. This constitutes State aid that requires the approval of the Commission.

On 28 June 2013, the Commission adopted its Guidelines on regional State aid for 2014-20. Those Guidelines will enter into force on 1 July 2014.

Since the specific structural, social and economic situation in those outermost regions still persists, this Decision further extends the period of application of Decision 2009/831/EC for six months (**until 30 June 2014**), so that its expiry date coincides with the date of entry into force of the Guidelines on regional State aid for 2014-2020.

ENTRY INTO FORCE: 11.03.2014. It shall apply from 1 January 2014.