

General arrangements for excise duty. Recast

2018/0176(CNS) - 25/05/2018 - Legislative proposal

PURPOSE: to establish a common regime for certain aspects of excise duties (recast).

PROPOSED ACT: Council Directive.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: Council Directive 2008/118/EC sets out general arrangements for goods subject to excise duty, with particular emphasis on the production, storage and movement of excise goods between Member States.

The Commission's evaluation of the Directive under the REFIT programme showed general satisfaction with the functioning of the Excise Movement and Control System (EMCS). However, **certain areas of improvement were identified**. The main areas highlighted concerned the improvement of the alignment between excise and customs procedures and the partial or full automation of intra-EU movements of excise goods that have been released for consumption.

IMPACT ASSESSMENT: with the proposed simplifications, mainly via automation or harmonisation of procedures, the following yearly benefits are expected: (i) EUR 14.55 million of administrative cost savings for Member States; (ii) EUR 32.27 million of regulatory cost savings for economic operators.

The preferred options incur some regulatory costs, mostly due to the evolutions of IT systems and to the registration of economic operators for to-be-automated procedures: (i) EUR 17.63 million initial one-off costs and EUR 3.89 million yearly recurrent costs for Member States; (ii) EUR 14.5 million initial one-off costs and EUR 4.35 million yearly recurrent costs economic operators.

CONTENT: the proposal for recasting Council Directive 2008/118/EC includes the following amendments:

Excise and customs interaction:

- **as regards exports**, the proposal introduces : (i) a new obligation for the declarant to provide the competent authorities with the unique administrative reference number (ARC) when the export declaration is lodged; (ii) a new obligation for the competent authorities to ensure consistency between the electronic administrative document and the customs declaration; (iii) a provision allowing the external transit procedure to take over monitoring and supervision from the computerised system;
- **as regards imports**, a new obligation is imposed on the declarant to provide the unique excise number of the consignor and consignee to the competent authorities in the Member State of importation responsible for release for free circulation. This should enable the competent authorities to ensure that the evidence for claims for exemption from paying excise duty on import are consistent with the details submitted via the computerised system, when moving excise goods from a place of importation under excise duty.

Intra-EU movements of excise goods released for consumption: the procedures applied to intra-EU movements of excise goods released for consumption to be delivered for commercial purposes would be

computerised. In order to computerise procedures applied to intra-EU movements of excise goods released for consumption that are to be delivered for commercial purposes and in order to do this by extending the existing computerised system the following changes will be made to the Directive:

- determining when excise duty on the goods is chargeable and who is liable to pay the excise duty;
- creating two new economic operator roles, the certified consignor and the certified consignee, to allow for the identification in the computerised system of the economic operators using these procedures;
- aligning the arrangements for guarantees with those under duty suspension;
- allowing authorised warehouse keepers and registered consignors to act as a certified consignors. Authorised warehousekeepers and the registered consignees should be able to act as a certified consignee;
- determining the general rules governing the automated procedure;
- replacing the reference to the paper document accompanying the excise goods released for consumption in one Member State and which are moved to another Member State by a reference to the new electronic simplified administrative accompanying document.

Distance Selling: the proposal introduces the choice for the consignor to use a tax representative to comply with the requirements of the Member State where the consignor, who carries out an independent economic activity, wants to move excise goods released for consumption in one Member State to a person not carrying out any independent economic activity in another Member State. The possibility to require the use of a **tax representative** will be deleted.

Other amendments: this proposal will lead to uniform application and transparency and simplification in the following exceptional situations: (i) a common solution for partial natural losses (e.g. evaporation) incurred during a movement; (ii) automation of the exemption certificate and its treatment for movements of excise goods to recipients exempt from payment of excise duty; (iii) a common guarantee exemption for energy products moving through pipelines.