

General arrangements for excise duty applied to tobacco and tobacco related products

2025/0581(CNS) - 16/07/2025 - Legislative proposal

PURPOSE: to amend Directive (EU) 2020/262 as regards the general arrangements for excise duty in respect of tobacco and tobacco related products.

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 (EU) 2020/262 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.

Directive 2011/64/EU, which establishes the structure and rates of excise duty applied to manufactured tobacco, is to be replaced by Council Directive 2011/64/EU on the structure and rates of excise duty applied to tobacco and related tobacco products, adopted on the same day as this Directive, with effect from 1 January 2028.

The Council Directive on the structure and rates of excise duty applied to tobacco and related tobacco products covers a number of new products functioning as substitutes for manufactured tobacco, containing tobacco or nicotine, and raw tobacco. Therefore, the list of excise goods to which Directive (EU) 2020/262 applies should also cover all of these products.

CONTENT: to ensure the detection of irregularities and potential diversions, supply-chain operations for raw tobacco should be subject to the control and movement requirements of Council Directive (EU) 2020/262.

Given the burden it would represent for small growers and the limited risk of fraud, Member States should **exempt** tobacco growers, their organisations and associations from the control and movement requirements, provided they are not involved in the transformation of cured or dried tobacco into processed tobacco.