# Excise duty: reduced rate on traditional rum produced in French overseas departments

2001/0142(CNS) - 27/06/2001 - Legislative proposal

PURPOSE: To extend the application of a reduced rate of excise duty on "traditional" rum produced in France's overseas departments. CONTENT: In October 1995 France was authorised to apply a reduced rate of excise duty in metropolitan France on "traditional" rum produced in its overseas departments. This measure was adopted on the principle that the vital interests of Community producers needed to be protected. Authorisation for this exemption however, runs out in December 2002. This Council Decision proposes a seven year extension of the exemption from 1 January 2003 to 31 December 2009. The proposal places an obligation on France to compile an evaluation report, which in turn enables the Commission to asses whether a continuation in the tax reduction can be justified.