Tax and duty-free allowances for travellers: temporary derogation to Germany and Austria (amend. Regulation (EC) No 355/94)

1998/0251(CNS) - 24/07/1998 - Legislative proposal

OBJECTIVE: to amend Directive 355/94/EC in order to extend until 2003 the temporary customs derogation applicable to Germany and Austria with regard to duty-free allowances for travellers.
SUBSTANCE: Until 31.12.1997, Austria and Germany enjoy a derogation allowing them to apply an allowance of ECU 75 (instead of ECU 175, which is the Community figure) for goods imported by travellers entering their territory at a land border (or, where applicable, by means of coastal navigation) linking them to countries (Czech Republic, Hungary, Slovenia, etc.) other than Member States and EFTA members. The reasons put forward by these two Member States concerned both the considerable disparity in prices between their national markets and those of their neighbours to the east, and the existence of duty-free shops in close proximity to their land borders with those countries. These factors were causing considerable commercial and fiscal distortions. The German and Austrian authorities have requested an extension of the derogation, as socio- economic conditions in their eastern neighbours persist. Accordingly, the Commission proposes to extend the derogation until 01.01.2003, with the proviso that the two Member States concerned must gradually raise the limit from the figure of ECU 75. The proposal therefore sets a figure of ECU 100, which is to apply as from 01.01.1999 in order to limit distortions of fiscal and customs competition between Member States. Germany and Austria will be required to increase this figure gradually, to reach ECU 175 by 01.01.2003 at the latest.