Basic information

2001/0185(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
Excisable products: computerised intra-Community movement system Repealed by 2018/0187(COD) **Subject** 2.70.02 Indirect taxation, VAT, excise duties	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	KAUPPI Piia-Noora (PPE-DE)	18/12/2001

Former committee responsible	Former rapporteur	Appointed
ECON Economic and Monetary Affairs	KAUPPI Piia-Noora (PPE-DE)	18/12/2001

Former committee for opinion	Former rapporteur for opinion	Appointed
BUDG Budgets	HAUG Jutta (PSE)	22/01/2002
CONT Budgetary Control		
JURI Legal Affairs and Internal Market	CROWLEY Brian (UEN)	07/01/2002
ITRE Industry, External Trade, Research, Energy	TITLEY Gary (PSE)	23/01/2002

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2432	2002-06-04
Economic and Financial Affairs ECOFIN	2513	2003-06-03
Economic and Financial Affairs ECOFIN	2480	2003-01-21

European Commission	Commission DG	Commissioner
	Taxation and Customs Union	

Key events

Date	Event	Reference	Summary
19/11/2001	Legislative proposal published	COM(2001)0466	Summary
28/11/2001	Committee referral announced in Parliament, 1st reading		
12/09/2002	Vote in committee, 1st reading		Summary
12/09/2002	Committee report tabled for plenary, 1st reading	A5-0300/2002	
24/09/2002	Decision by Parliament, 1st reading	T5-0426/2002	Summary
20/12/2002	Modified legislative proposal published	COM(2002)0757	Summary
21/01/2003	Council position published	15291/1/2002	Summary
30/01/2003	Committee referral announced in Parliament, 2nd reading		
25/03/2003	Vote in committee, 2nd reading		Summary
25/03/2003	Committee recommendation tabled for plenary, 2nd reading	A5-0088/2003	
08/04/2003	Decision by Parliament, 2nd reading	T5-0133/2003	Summary
03/06/2003	Act approved by Council, 2nd reading		
16/06/2003	Final act signed		
16/06/2003	End of procedure in Parliament		
01/07/2003	Final act published in Official Journal		

Technical information

Procedure reference	2001/0185(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Repealed by 2018/0187(COD)
Legal basis	EC Treaty (after Amsterdam) EC 095
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/16795

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary

Committee report tabled for plenary, 1st reading/single reading		A5-0300/2002	12/09/2002	
Text adopted by Parliament, 1st reading/single reading		T5-0426/2002 OJ C 273 14.11.2003, p. 0023-0079 E	24/09/2002	Summary
Committee recommendation tabled for plenary, 2nd reading		A5-0088/2003	25/03/2003	
Text adopted by Parliament, 2nd reading		T5-0133/2003 OJ C 064 12.03.2004, p. 0021-0073 E	08/04/2003	Summary

Council of the EU

Document type	Reference	Date	Summary
Council statement on its position	05120/2003	15/01/2003	
Council position	15291/1/2002 OJ C 064 18.03.2003, p. 0001-0005 E	21/01/2003	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2001)0466 OJ C 051 26.02.2002, p. 0372 E	19/11/2001	Summary
Modified legislative proposal	COM(2002)0757	20/12/2002	Summary
Commission communication on Council's position	SEC(2003)0111	27/01/2003	Summary
Commission opinion on Parliament's position at 2nd reading	COM(2003)0236	07/05/2003	Summary
Follow-up document	COM(2013)0850	03/12/2013	Summary
Follow-up document	SWD(2013)0490	03/12/2013	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0673/2002 OJ C 221 17.09.2002, p. 0001	29/05/2002	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

European Commission	EUR-Lex	

Final act	
Decision 2003/1152 OJ L 162 01.07.2003, p. 0005-0008	Summary

Excisable products: computerised intra-Community movement system

2001/0185(COD) - 19/11/2001 - Legislative proposal

PURPOSE: To establish a computerised system capable of monitoring the movement and surveillance of excisable products. CONTENT: The loss of tax revenue through fraud from excise duty on tobacco and alcohol (excluding mineral oils) in EU Member States has been estimated at EUR 4 800 million. A more comprehensive system of monitoring the trading of products subject to excise duty is therefore deemed urgent, necessary and justifiable. Current legislation governing the control of products subject to excise duty, provides that products moving between Member States should be accompanied by a document completed by the consignor. A further Community Regulation outlines the form and content of the accompanying document. Present measures however appear to be failing and Member States are keen to consider alternative, electronic means to curb fraud in this area. In 1998 a study was commissioned to examine whether computerising the excise system would be feasible or not. Following fourteen months of research Alcatel TITN, who were awarded the study contract, concluded that it would be technically possible to computerise the movement and surveillance of all products subject to excise duty. Computer messaging systems would, in other words, replace the current system of sending documents between traders. Messages could be routed through respective national administrations. Such a system would provide Member States with real-time information on current movements and allow them to carry out whatever pre-movement, wayside and/or post-clearance checks deemed necessary. Traders have shown equal enthusiasm for such a scheme and are only too happy to shed paper administration in favour of a quicker electronic system. The new system, however, is not without its complications. Primary obstacles include: - connecting up to 80 000 traders to 15 national administrations; - connecting 15 administrations to each other; - including the applicant countries; - offering 24 hour availability; - up to 365 days a year. Moreover, the setting up phase of the project is expected to take up to five years. Costs are also likely to be high. The Commission estimates that for the period 2002-2006 the entire cost of the project would amount to EUR 35 million. Given it only has a budget of EUR 40 million the budget could become over-stretched. Extra sources of funding from the Community budget would therefore be needed if the project were to go ahead. Once the system is up and running annual operating costs are estimated to amount to EUR 4 million. Member State costs are harder to quantify but early projections suggest each Member State would have to find between EUR 5·12 million to cover all phases of setting up the system, followed by some EUR 300 000 per year to cover running costs. In terms of costs for traders, the cost to each would vary. EUR 140 000 per business for development and EUR 15 000 per business a year for running costs are preliminary estimations. This would not apply to SME·s where the start-up costs wouldbe considerably lower. Nevertheless, in light of the considerable amount of lost revenue due to fraud, the Commission estimates that the initial investment and running costs of all parties would pay-off quickly. The Commission recognises that many Member States are politically committed to the establishment of an excise computerised system. The purpose of the proposed Decision therefore is to ensure each Member State gives a binding undertaking with regard to their legal and budgeting obligations vis-à-vis the computerisation of excisable products.

Excisable products: computerised intra-Community movement system

2001/0185(COD) - 07/05/2003 - Commission opinion on Parliament's position at 2nd reading

The Commission is able to accept all the amendments proposed by the Parliament. They will expand and improve the wording of the common position. The amendments are as follows: - merger of the computerised system for the intra-Community movement and monitoring of excisable goods with the transit system; - when the national components of the system are developed, Member States will treat economic operators in the same way ass they would under their national computerised systems. SME's will be able to use national components at the lowest possible cost; - development of interim application with the Member States taking account of the views of the economic sectors concerned; - there is a need for a security policy of the highest possible standard; - candidate countries can participate in the tests to be carried out if they wish.

Excisable products: computerised intra-Community movement system

2001/0185(COD) - 27/01/2003 - Commission communication on Council's position

The Commission welcomes the Council's endorsement of the original proposal's general thrust. The Commission considers that the common position constitutes an acceptable compromise but regrets that the Parliament's amendment were not taken on board more fully. The Commission is nevertheless convinced that a common position can be reached by the Council and Parliament. To this end, the Commission has presented in its amendment proposal a compromise text aiming to reconcile the two institutions approaches. It should be noted that the Commission and the Council made three joint statements for the minutes, annexed to this communication. The first statement underlines the fact that the proposal for a decision is not a fiscal nature, which is why it was presented on the basis of Article 95. The statement also notes that any tax provision relating to the use of the computerised system would require the adoption of amendment to Council Directive 92/12/EEC. The second statement notes that as much as the new computerised transit system as possible should be reused when the Community components of the system are being developed. The third statement explains that instruments for the use of data to combat fraud must comply with national legislation in this field.

Excisable products: computerised intra-Community movement system

2001/0185(COD) - 08/04/2003 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a resolution drafted by Piia- Noora KAUPPI (EPP-ED, Finland) and made some amendments to the common position. (Please refer to the document dated 25/03/03.) The Commission must ensure that, regarding the Community components of the computerised system, attention is paid to reusing as much of the NCTS as possible. The EMCS should be compatible with, and if possible, integrated into the NCTS. The objective is to create an integrated computerised system for the surveillance both of intra-Community movements of excisable goods and of movements of excisable goods and goods subject to other duties and charges coming from or going to third countries.

Excisable products: computerised intra-Community movement system

2001/0185(COD) - 21/01/2003 - Council position

The common position adopted by the Council included as such, in part or in substance, five of the eleven amendments adopted by the European Parliament. These amendments concern in particular: - the need to make the computerised system for movement and surveillance of excisable products consistent with the new computerised transit system. Most of this objective has been adopted by the Council in a statement to be entered in the Council minutes; - the collaboration of the Commission in establishing the computerised system. Other amendments concern first of all the legal scope of the decision : the Council considered, by qualified majority, that the purpose of the Commission proposal was not to amend tax legislation but to give the Commission and the Member States the financial and human resources to develop the computerised system for the monitoring and control of excisable products and to set out the respective obligations in setting up such a system. The other amendments made by the Council relate to the timetable. Article 2 and 12 were amended : the system must now be deployed over a period of 6 years (instead of 5), commencing at the latest 12 months (instead of 9) after the decision is adopted, the date for which is scheduled for 1 January 2003 (instead of the 20th day following its date of publication in the Official Journal). As regards the scope, in order to define the scope of the proposal and to clarify ambiguities regarding effects on tax legislation, the Council decided to reword points (b) and (c) of Article 1(2) so that the new point (b) aims to improve the operation of the internal market by simplifying intra-Community movements of products under excise -duty suspension arrangements and enabling the Member States to monitor the flow in real time and to carry out checks where necessary; - to make drafting amendment to Article 4 to stating that the purpose of the computerised system is to set up the necessary instruments of the exploitation of data to combat fraud. As regards the management procedures, with a view to simplification, the Council has designated as the only competent committee responsible for project management the committee on Excise Duties introduced by Article 24 of Directive 92/12/EEC.

Excisable products: computerised intra-Community movement system

2001/0185(COD) - 16/06/2003 - Final act

PURPOSE : to computerise the movement and surveillance of excisable products. COMMUNITY MEASURE : Decision No 1152/2003/EC of the European Parliament and of the Council on computerising the movement and surveillance of excisable products. CONTENT : the Council approved the amendments made by the Parliament at second reading on the decision on computerising the movement and surveillance of excisable products, with the Irish and United Kingdom delegations voting against and the Luxembourg delegation abstaining. The computerised system is intended to permit the electronic transmission of the accompanying document provided for in Regulation 2719/92/EEC, and the improvement of checks and to improve the functioning of the internal market, by simplifying the intra-Community movement of products under excise duty suspension arrangements, and by affording Member States the possibility of monitoring the flows in real time and of carrying out the requisite checks where necessary. The computerised system shall be made up of Community and non-Community components. The Commission shall ensure that in work on the Community components of the computerised system every attention is paid to re-using as much of the NCTS as possible and ensuring that the computerised system is compatible with, and, if technically possible, integrated into, the NCTS with the objective of creating an integrated computer system for the surveillance both of intra-Community movements of excisable goods and of movements of excisable goods and goods subject to other duties and charges coming from or going to third countries. Member States and the Commission shall establish the computerised system within 6 years of the entry into force of this Decision, that is 01/07/2009. Activities relating to the initiation of application of the computerised system shall begin not later than 01/07/2004. The financial framework for financing the computerised system is hereby set at EUR 35000000 insofar as the general budget of the European Union is concerned. ENTRY INTO FORCE : 01/07/2003.

Excisable products: computerised intra-Community movement system

2001/0185(COD) - 24/09/2002 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Piia-Noora KAUPPI (EPP-ED, Finland) on computerising the movement and surveillance of excisable products. (Please refer to the document dated 12/09/02.) One new article states that the computerised system shall, if possible, be merged with the new computerised system for transit movements (NCTS.) Together they will form a single integrated computer system which provides for the surveillance of the movement of excisable goods and excisable/dutiable third-country goods at the same time. Another new article introduces the provision that, after the introduction of the computerised system, Member States may reduce the comprehensive guarantee required from authorised warehousekeepers under Directive 92/12/EEC, by upto 30% of the standard guarantee, provided that the warehousekeeper meets the criteria for such a waiver as laid down in Commission Regulation 2454/93.

Excisable products: computerised intra-Community movement system

2001/0185(COD) - 20/12/2002 - Modified legislative proposal

The Commission has accepted all but one of the amendments proposed by the European Parliament, either in part or principal, or subject to reformulation. Those amendments accepted include the following: - the computerised system will, if technically possible, be merged with NCTS. Together they will form a single integrated computer system for surveillance of the movements both of excisable goods and of excisable/dutiable third-country goods; - access to the system shall be free of charge for economic operators; - the operation of the current system must be improved pending total computerisation, because of the time that this will take to complete; - candidate countries will be kept informed and be invited to take part in the tests; The rejected amendment concerns the excise guarantee rules and would entail amendments to Member States' tax legislation as it applies to excise goods. Certain amendments have been proposed during discussions in Council: - changes to the timetable for implementation of the computerised system (six years), the date of entry into force of the decision (1 January 2003) and the management procedure for the project; - clarification that the decision was not intended to amend tax legislation on excise duties but simply to give the Commission and Member States the financial and human resources to develop and set up the computerised system for the monitoring and movement of excisable products and to specify the procedures that should be used to do this.

Excisable products: computerised intra-Community movement system

2001/0185(COD) - 03/12/2013

The Commission report aims to assess the functioning of horizontal rules in the excise area, in line with respective reporting obligations in the legislation, as regards two main aspects:

- the functioning of the **arrangements for the computerised supervision of excise movements under duty suspension** and
- the application of the administrative cooperation rules in the area of excise duties.

It is thus a first ‘building-block’ of a formal economic evaluation planned by the Commission in the years to come which will also cover the whole set of other substantive legal rules laid down in Council Directive 2008/118/EC concerning the general arrangements for excise duty and review the functioning of the EU Excise Movement and Control System (EMCS), the computerised system for monitoring movements of excise goods under suspension of excise duty within the EU.

The report comprises three sections devoted to the implementation of determined horizontal aspects of EU excise legislation :

1) Information on the movement and surveillance of excisable products: in 2003 the European Parliament and the Council adopted a Decision 1152 /2003/EC mandating the computerisation of the movement and surveillance of excise products.

The Decision requires the Commission to report to the Parliament and the Council on its implementation.

The overwhelming majority of stakeholders consider that in general **the aims of the Decision have been implemented satisfactorily** and believe that EMCS represents a major improvement over the previous paper based system.

Nevertheless, the stakeholders have made numerous useful suggestions for **improvements,** regarding EMCS which should be examined :

- the **links between EMCS and customs applications** do not work satisfactorily, requiring manual interventions by economic operators and the Member State administrations ;
- the arrangements for the handling of exceptions to normal sequence of events during a movement are not always well defined ;
- economic operators still sometimes suffer delays due to delayed distribution of information about the authorisations of economic operators in other Member States;
- some consignees and some Member States acting as Member States of Destination still experience problems with the quality of data received from consignors.

The Commission will take these suggestions into account for future legal and technical work.

2) Printed version of the electronic administrative document and arrangements for fall back: Council Directive 2008/118/EC requires the Commission to provide a report concerning EMCS FallBack Procedures, and the print-out of the accompanying document.

A large majority of the respondents were **satisfied with the fallback procedure in Directive 2008/118/EC** but expressed the need for a **standardised fallback document** across all Member States with a fixed lay-out. Reducing the need to resort to the fallback procedure by investigating ways to improve the availability of national EMCS access is also a priority for some trader respondents.

The Commission will look at incorporating these suggestions into a future revision of Commission Regulation (EC) 684/2009.

3) Lastly, the report summarises the **consultation of Member States** concerning their first experiences with Council Regulation (EU) No 389/2012 on administrative cooperation in the field of excise duties.

The Commission intends to take these up, together with Member States in the relevant technical work, where appropriate including implementing acts.

On this basis a more comprehensive evaluation of the EU excise system and notably of the whole of EMCS and the implementation of Directive 2008/118/EC in its entirety will be carried out with a view to a **possible legislative reform initiative as of 2015.**