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**WORKING PAPER
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Excise Contact Group of 09/12/2015

The **Chairman (Mr. Colin O'Driscoll)** welcomed all Member State and Trader Federation Delegations to the meeting of Excise Contact Group (ECG) and explained the interpretation facilities.

1. ADOPTION OF THE AGENDA

The **Chairman** presented the agenda (available on [CIRCABC](#)) of the ECG meeting.

A **Delegation**¹ of a Trade Federation wanted to add under AOB that the Union Customs Code Implementing Act excludes the use of the single transport contract for export of excise goods.

A **Delegation**² of a Trade Federation raised a point for discussion at AOB concerning excise rate tables published on Commission's website which are considered difficult to understand.

The **Chairman** presented the status of items in the action list provided via the meeting minutes of the previous ECG meeting (available on [CIRCABC](#)).

The agenda was adopted.

2. PLANNING OF UPCOMING MEETINGS AND EVENTS OF RELEVANCE TO TRADERS

The **Chairman** presented the dates of the next excise related meetings that have been planned until July 2016 (the presentation is available on [CIRCABC](#)).

3. REPORT BACK ON THE EVALUATION STUDY OF CURRENT ARRANGEMENTS FOR THE HOLDING AND MOVEMENT OF EXCISE GOODS UNDER EXCISE DUTY SUSPENSION

Ramboll presented the evaluation of arrangements for the holding and movement of goods under excise duty suspension (the presentation is available on [CIRCABC](#)).

A **Delegation**¹ of a Trade Federation wondered if the yearly estimated values of goods moving under excise suspension in the presentation are considered cost of goods or duty values. Moreover, the source of those values was requested.

The presenter clarified that the economic value of goods is reflected in the presentation. In the evaluation report, a detailed breakdown on the excise duty value is available as well. All the information concerning the economic values of goods originated from Eurostat.

The **COM** mentioned that the final report will be submitted to the **COM** on the 9th of December 2015. Once the report is accepted, it will be published via OPOCE. A consultation period will be followed where Member States will have to provide their position on the conclusions/recommendations of the report. Then the **COM** will provide its position on the Member States' reactions. Both reports will be used as input material for a report to Parliament and Council on the functioning of the Horizontal Directive. This report will be submitted to Council and EP in the second quarter of 2016. A choice will be made on which recommendations of the report will be taken up for the potential revision(s) of the Horizontal Directive.

¹ Spirits Europe

² OCEAN Trade Federation

4. REPORT BACK ON THE FISCALIS PROJECT GROUP ON ARRANGEMENTS FOR DISTANCE SELLING AND BUSINESS TO BUSINESS SALES OF EXCISE GOODS RELEASED FOR CONSUMPTION (FPG001)

The **COM** presented the state of play of both subgroups, B2B and B2C for duty paid movements, under FPG001 (the presentation is available on [CIRCABC](#)).

A **Delegation**³ of a Trade Federation welcomed the idea of the e-SAAD, but pointed out that the actual problem for B2B movements is not the documentation but the collection of the tax. In their experience the consignor pays the excise duties.

The **COM** clarified that there may be specific problems in a Member State. However it is possible for either the consignee or the consignor to guarantee the payment. The assumption of the **COM**, in terms of the work been done with Member States on BPMs, is that in most cases it would be the Member State of Destination that would ask for the guarantee to be set up by the consignee, because the consignee and the Member State of Destination have a direct administrative relationship. If the consignor is responsible for that, then a number of difficulties could arise.

Following an example provided by the same trade federation, the **COM** commented that there is a problem with the description of “commercial purposes” in the Horizontal Directive. The reason is that in some Member States this is interpreted as somebody being in business and having a VAT number, and in some other cases this seems to be restricted to people whose major activity is the distribution of excise goods. The **COM** is interested to solve this issue and encourages the Member States to provide more examples to the **COM** in order to consider a future ITEG recommendation.

A **Delegation**⁴ of a Trade Federation thanked the **COM** for the work that has been carried out on distance selling. It was proposed that the recommendation could be included in the report to Council and EP. The Federation showed interest in the long term solution of the One-Stop-Shop (OSS) for distance selling movements. The option of a pilot project for using OSS already at this stage between a limited numbers of Member States was also proposed. The same **Delegation**⁴ of a Trade Federation would like to see bilateral action between MS.

The **COM** mentioned that bilateral solutions between specific Member States are always possible even though the intention of the **COM** is to have a harmonized approach throughout the EU. Potential implementation of OSS solution for B2C movements is expected in 2020.

The **COM** informed the participants that additional material concerning B2B is expected during 2016 concerning (a) revision of SAAD arrangements and (b) ITEG recommendations concerning possible automation.

5. REPORT BACK ON THE SUMMER QUESTIONNAIRE SENT TO MEMBER STATES ON ITEMS UNDER DISCUSSION FROM THE MEETINGS OF THE INDIRECT TAX EXPERT GROUP (ITEG) AND EXCISE CONTACT GROUP (ECG)

³ Spirits Europe

⁴ European Confederation of Independent Winegrowers (CEVI)

The **COM** presented the results of the summer questionnaire on items from ITEG and ECG (the presentation is available on [CIRCABC](#)).

The **COM** will keep analysing the results of this questionnaire and will come back with potential solutions for Traders concerning pipeline guarantees, extended access to SEED data and exchanges of information on the destruction of fiscal.

**6. UPDATE ON IMPLEMENTING LEGISLATION (FOR INFORMATION):
PROPOSAL FOR A COMMISSION IMPLEMENTING REGULATION AMENDING REGULATION
(EC) No. 684/2009**

The **COM** provided a presentation regarding the update of the Commission's Implementing Regulation (EC) No. 684/2009 (the presentation is available on [CIRCABC](#)).

Following a clarification question from a **Delegation**⁵ of a Trade Federation concerning the existence of explanatory notes the COM clarified that this is a national issue. Some Member States provide standard fallback documents which, in that case, are considered as explanatory notes for the purposes of the boxes.

7. EMCS STATE OF PLAY AND FUTURE ACTIVITIES

The **COM** presented the state of play in the production environment of EMCS and the upcoming activities expected in EMCS (the presentation is available on [CIRCABC](#)).

8. ANY OTHER BUSINESS

a) Exclusion of excise goods from using single transport contract for movement of indirect export - Spirits Europe

A **Delegation**⁶ of a Trade Federation mentioned that the Implementing Act of the Union Customs Code (UCC IA) specifically excludes the use of the single transport contract for excise goods. This means that as of 1 May 2016 all goods that are exported from the EU via feeder vessel in another Member State would be required to have a full EMCS declaration to the other Member State and an export declaration in the ECS. In some Member States EMCS movements have not been finalized due to non-accomplished export. A proposal has been made to the **COM** to simplify the legal text to allow Member State to make simplified arrangements between Member States. Spirits Europe would be happy to share this proposal with other Member States for review.

The **COM** commented that the reasons for this restriction in the UCC IA are that it would be an irregularity under excise legislation to allow goods to leave the EU where the excise supervision has ceased previously. The procedures whereby delivery results are sent in an automated way from ECS to EMCS do not include the Single Transport Contract, TIR and ATA. The **COM** acknowledges the importance for trade facilitation and will examine what could be the proof of exit in those operations. Then this could be taken up in the revision of Directive 2008/118/EC.

⁵ CELCA Trade Federation

⁶ Spirits Europe

b) Presentation by Fuels Europe/UPEI - EMCS – impact of practical issues

A **Delegation**⁷ of a Trade Federation mentioned that the **COM** publishes excise rates on its website twice a year, in January and July, and that this information is very important for economic operators dealing with excise goods. They claim that sometimes the tables are difficult to read. It was suggested that COM provides a contact person who could offer help⁸.

The same **Delegation**⁷ of a Trade Federation also mentioned that the next excise rate tables will be published in February 2016, which means that they will be delayed for one month compared to the regular publishing procedure. This is considered risky for the economic operators who are performing cost calculations⁹.

⁷ OCEAN Trade Federation

⁸ COM informs that COM and MS contacts are provided on the Europa website: http://ec.europa.eu/taxation_customs/index_en.htm#

⁹ COM informs that the update is always provided at the beginning of the month of February since some Member States have the data only in January.

APPENDIX A – ACTION LIST

Nr	Action for	Description	Logged on	Status
1.	DG TAXUD	To consult Member States on the establishment of guarantee waiver agreements for the movement of energy products by pipeline	ECG on 29/10/2014	Open
2.	DG TAXUD	To provide information on registering for ARIS Publisher and to deal with access issues	ECG on 03/07/2015	Open