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DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Indirect Taxation and Tax administration  
**Indirect taxes other than VAT**

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FOR INTERNAL USE**

**Excise Contact Group of 03/07/2015**

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.

The **Chairman** proposed agenda items 8 (a) and (b) to be moved immediately after agenda item 4.

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 are planned for the second half of 2015 (the presentation is available on [CIRCABC](#)).

The **Chairman** announced that the plenary meeting concerning B2B and B2C subgroups has been provisionally scheduled from 05/11/2015 to 06/11/2015.

Following a question from a **Delegation**<sup>1</sup> of a Trade Federation, the Chairman confirmed that only Member State Delegations will participate in the plenary meeting of the Duty Paid Group (FPG001).

## 3. DISCUSSION CONCERNING COMMENTS RECEIVED DURING INFORMAL CONSULTATION WITH STAKEHOLDERS OF THE FINAL REPORT CONCERNING THE "EVALUATION OF CURRENT ARRANGEMENTS FOR MOVEMENTS OF EXCISE GOODS RELEASED FOR CONSUMPTION" (POINT PREVIOUSLY FORESEEN FOR THE MEETING ON 26/06, WHICH WAS CANCELLED AND MOVED TO THIS ECG MEETING)

**Ramboll** presented the study on movements of excise goods released for consumption (the presentation is available on [CIRCABC](#), working documents are also available on [CIRCABC](#)). The presentation familiarised the delegates with the purpose, scope, methodology and team of the evaluation study and it also expounded the findings, conclusions and recommendations as the results of the study.

A **Delegation**<sup>1</sup> of a Trade Federation supports the one stop shop solution presented in the study allowing the payment of excise duties in the Member State of Destination via the Member State of Dispatch.

A **Delegation**<sup>2</sup> of a Trade Federation also supports the one stop shop solution and the initiative of the **COM** aiming at the setup of a project group to simplify and harmonize the procedures regarding Distance Selling regardless of the Size of the Producer.

Following the question of a **Delegation**<sup>3</sup> of a Trade Federation, the **Chairman** noted that the **COM** will further examine the distinction between business to business (B2B) and

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<sup>1</sup> European Confederation of Independent Winegrowers (CEVI)

<sup>2</sup> COPA COGECA

<sup>3</sup> COPA COGECA

distance selling (B2C) which is not clear in the current legislation. Some Member States make hotels or restaurants act as B2B for excise purposes because they have VAT numbers, whereas other allow them to use the B2C arrangements since they are not active in the excise area.

Following a question of a **Delegation**<sup>4</sup> of a Trade Federation, the **Chairman** clarified that the priority of the COM is to propose the establishment of a One Stop System for distance selling of goods which would be an expansion of the existing Mini-One Stop Shop. The expansion requires an agreement by Member States on a new definitive system of VAT which would establish the principle that the VAT is paid in the country of consumption. If the legal and technical approach for VAT is successful the same approach could be adopted for the distance selling of excise goods.

#### **4. REPORT BACK ON THE EVALUATION STUDY OF CURRENT ARRANGEMENTS FOR THE HOLDING AND MOVEMENT OF EXCISE GOODS UNDER EXCISE DUTY SUSPENSION – PRESENTATION BY RAMBOLL**

**Ramboll** presented a study being conducted for the **COM** on movements of excise goods under duty-suspension (the presentation is available on [CIRCABC](#)). The presentation familiarised the delegates with the purpose, scope, methodology, team of the evaluation study and also the preliminary results of the survey to Member States and economic operators.

Following questions from two **Delegations**<sup>5</sup> of Trade Federations, the presenter confirmed that the number of answers received was satisfactory but the time given for the survey had been extended due to requests from the Trade Federations and economic operators. Additionally, the presenter confirmed that during the survey, sufficient number economic operators have already provided their contact details and availability in order to participate in the related case studies.

#### **5. FISCALIS/CUSTOMS 2020 PROJECT GROUP FOR COORDINATION OF EXCISE AND CUSTOMS PROCEDURES IN RELATION TO MOVEMENTS OF EXCISE GOODS UNDER EMCS – UPDATE ON WORK IN THE PG, FUTURE TRADE INVOLVEMENT IN WORK**

The COM presented the state of play in the subgroups of the common Fiscalis (FPG002) and Customs (CPG003) 2020 Project group dealing with coordination of excise and customs procedures (the presentation is available on [CIRCABC](#)). The presentation informed the delegates that some subgroups had been merged and their scope and objectives had been updated due to progress made.

After a question from a **Delegation**<sup>6</sup> of a Trade Federation, the **Chairman** confirmed that the Taxation VAT units were working with their Customs and Excise colleagues for subgroup 9 and clarified that it is not possible for the **COM** to require having a single authority for all indirect taxes and duties since the division of responsibilities is a national matter.

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<sup>4</sup> Spirits Europe

<sup>5</sup> Spirits Europe, Confederation of European Community Cigarette Manufacturers (CECCM) and European Cigar Manufacturers Association (ECMA)

<sup>6</sup> Confederation of European Community Cigarette Manufacturers (CECCM) and European Cigar Manufacturers Association (ECMA)

Following a question from Member State **Delegation**<sup>7</sup>, the **Chairman** clarified that, in case of centralised clearance for import, the information in customs declaration, which will be submitted to the Member State of supervision, will be forwarded to the office of presentation and then to the excise authorities in that Member State. It was highlighted that the customs effects of centralised clearance should be transparent in the viewpoint of excise procedures. The **Chairman** pointed out that there are issues in terms of the data requirements in the import declaration whereby the goods are to be released for free circulation and for home use (consumption). One of the main problems is that the basis for establishing excise duties within the import declaration is not standardized and the excise tax types are currently national codes. The Commission is discussing how the codes can be standardised to correspond to the excise product codes.

Following a question from a **Delegation**<sup>8</sup> of a Trade Federation, the **Chairman** clarified that the usage of centralised clearance with excise goods is strictly limited to recognition that centralised clearance should be possible from the customs point of view with excise goods and there is no intention to extend that process to the raising and collection of excise duties to the practical difficulties. The proposal within the Commission is to find ways to work with centralised clearance, such as establishing the correct communication between the Member States, but collection of excise duties will not be covered by it.

A **Delegation**<sup>9</sup> of a Trade Federation informed the **COM** that it is required to keep entries in bookkeeping for energy products that are imported via pipe lines and it is impossible to present those goods to customs as evidence. Following the question of that **Delegation**<sup>9</sup> of a Trade Federation, the **Chairman** clarified that entries in the declarant records is possible, if the release for free circulation is not followed by an excise duty movement under suspension to another MSA, because under Article 30 of the Horizontal Directive a Member State can waive the requirement to use EMCS for moving goods only on its territory.

## 6. EMCS STATE OF PLAY

The **COM** presented the state of play of EMCS Phase 3.1 operations with main points the average closure time of the excise movements per Member State of destination, the reason of cancellation of excise movements and the evolution of the number of SEED-On-Europa transactions (the presentation is available on [CIRCABC](#)).

## 7. EMCS FUTURE ACTIVITIES:

### a) Preparation for Phase 3.2

The **COM** presented the status and planning of the conformance testing campaigns regarding the preparation for EMCS Phase 3.2 and the most important changes that will impact the traders which are the restriction of “zero values” in numeric fields in several messages and the option to identify the export declarant via the registered EORI number (the presentation is available on [CIRCABC](#)).

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<sup>7</sup> MSA-IE

<sup>8</sup> European Shippers' Council (EVO)

<sup>9</sup> Fuels Europe

## **b) Further extension of access by traders to information on SEED-On-Europa**

The **COM** presented the potential evolution of SEED-On-Europa with enhanced information in order to facilitate the request of the Trade Federations (the presentation is available on [CIRCABC](#)).

Following a question from a **Delegation**<sup>10</sup> of a Trade Federation, the **Chairman** clarified that the **COM** investigated a further extension of access by traders to information on SEED-On-Europa which could be made centrally available in order to provide a consistent and coherent service in terms of authorisation information to traders. The approach would mean that the **COM** provided a trader portal, but that the user access and authorisation would be controlled by Member States.

The **Chairman**, following a question of two **Delegations**<sup>11</sup> of Trade Federations, clarified that the information provided in SEED-On-Europa is limited by:

- The general principles of data protection;
- The current legislation specifies that the information should be limited;
- The position of several Member States, according to which, the increased information in SEED-On-Europa may result in increased fraud cases.

The **Chairman** confirmed that further discussions will take place with Member States on these issues. Trade Federations will be kept informed of developments.

## **c) The usage of bar codes on the print-out of the e-AD**

The **COM** made a presentation regarding the introduction of bar codes in EMCS along with a provisional planning (the presentation is available on [CIRCABC](#)).

## **d) Standardisation of fallback documents**

The **COM** made a presentation regarding the need to standardise the fallback documentation (FAD) for all Member States and possible implementation options (the presentation is available on [CIRCABC](#)).

## **8. ANY OTHER BUSINESS**

### **a) Presentation by CECCM - Article 10 of Directive 2008/118: irregularities occurring during a movement of excise goods under a duty suspension arrangement**

A **Delegation**<sup>12</sup> of a Trade Federation made a presentation on irregularities occurring during a movement of excise goods under duty suspension arrangements regime (the presentation is available on [CIRCABC](#)).

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<sup>10</sup> European Shippers' Council (EVO)

<sup>11</sup> Spirits Europe, Confederation of European Community Cigarette Manufacturers (CECCM) and European Cigar Manufacturers Association (ECMA)

<sup>12</sup> Confederation of European Community Cigarette Manufacturers (CECCM) and European Cigar Manufacturers Association (ECMA)

A **Delegation**<sup>13</sup> of a Trade Federation stated that they fully support the proposals of the presenter.

The **Chairman** summarised the main issues presented and highlighted that the main issues were allowances for losses due to the nature of goods, how to treat excess quantities of excise goods and the lack of harmonisation in claims and recovery procedures.

The Chairman pointed out that presented issues could be dealt with a common approach, applied by all Member States and better integration of excise procedures with the procedures laid out in the Recovery Directive.

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

Representatives of two **Delegations**<sup>14</sup> of Trade Federations presented the impact of practical issues concerning EMCS (the presentation is available on [CIRCABC](#)).

A **Delegation**<sup>13</sup> of a Trade Federation stated that they support the proposals of the presenters.

Following the comments of two Member State **Delegations**<sup>15</sup> and a **Delegation**<sup>16</sup> of a Trader Federation, the **Chairman** pointed out that, instead of misusing the Change of Destination message (IE813) to update logistic details, a better approach would be the use of the existing explanation on shortage and excesses message (IE871) within the scope of the legislation so that they have a firm status.

The **Chairman** pointed out that excise products without an accompanying document cannot be treated as if they are under duty suspension. In that case, it is temporarily justifiable for the Member State of Dispatch to classify this movement as an irregular release for consumption. When the goods are released in the Member State of Destination or are exported, the trader can proceed and claim a refund for the excise duty raised in the Member State of Dispatch.

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<sup>13</sup> European Shippers' Council (EVO)

<sup>14</sup> Fuels Europe, Union of European Petroleum Independents (UPEI)

<sup>15</sup> MSA-FR, MSA-LV

<sup>16</sup> Fuels Europe

**APPENDIX A – ACTION LIST**

<b>Nr</b>	<b>Action for</b>	<b>Description</b>	<b>Logged on</b>	<b>Status</b>
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.	Member States	To contact health ministries in order to obtain information about the activities of the Group of experts on tobacco policy, established by Commission decision C(2014) 3509 of 4 June 2014 to discuss the detailed issues concerning the arrangements for the control of tobacco	ECG on 29/10/2014	Open
3.	DG TAXUD	To provide information on registering for ARIS Publisher and to deal with access issues.	ECG on 03/07/2015	Open