REPORT

on the proposal for a Council directive amending Directive 92/83/EEC on the harmonisation of the structures of excise duties on alcohol and alcoholic beverages

Committee on Economic and Monetary Affairs

Rapporteur: Miguel Viegas

(Simplified procedure – Rule 50(1) of the Rules of Procedure)
Symbols for procedures

* Consultation procedure
*** Consent procedure
****I Ordinary legislative procedure (first reading)
****II Ordinary legislative procedure (second reading)
****III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in **bold italics** in the left-hand column. Replacements are indicated in **bold italics** in both columns. New text is indicated in **bold italics** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in **bold italics**. Deletions are indicated using either the ▌ symbol or strikeout. Replacements are indicated by highlighting the new text in **bold italics** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.
## CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION</td>
</tr>
<tr>
<td>EXPLANATORY STATEMENT</td>
</tr>
<tr>
<td>PROCEDURE – COMMITTEE RESPONSIBLE</td>
</tr>
</tbody>
</table>
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION


(Special legislative procedure – consultation)

The European Parliament,

– having regard to the Commission proposal to the Council (COM(2018)0334),
– having regard to Article 113 of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C8-0269/2018),
– having regard to Rule 78c of its Rules of Procedure,
– having regard to the report of the Committee on Economic and Monetary Affairs (A8-0307/2018),

1. Approves the Commission proposal;

2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;

3. Asks the Council to consult Parliament again if it intends to substantially amend the text approved by Parliament;

4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.
Directive 92/83/EEC on the structures of excise duty on alcohol and alcoholic beverages sets out the common rules on the structures of excise duty applied to alcohol and alcoholic beverages, including beer and wine. This Directive defines and classifies the different types of alcohol and alcoholic beverages, according to their characteristics, and provides a legal framework for reduced rates, exemptions, and derogations in some sectors, like intermediate products used in wine preparation in certain regions of the Kingdom of Spain.

Since the adoption of the Directive in 1992, the first and only evaluation was commenced in 2014. Therefore, the Directive was identified by the Commission for an evaluation under the Commission’s Regulatory Fitness and Performance Programme (REFIT).

It has been observed that the Directive has not kept pace with the challenges and opportunities offered by new technologies and developments within the alcohol industry. Some problems have been identified and inefficiencies persist, causing possible distortions of the internal market. The large variation in duty levels between Member States, which provides a strong incentive for tax evasion, and other weaknesses in the design of the tax necessitate the use of burdensome administrative procedures for both tax administrations and economic operators. These disproportionate administrative and compliance costs for economic operators restrict the participation of small and medium-sized enterprises in intra-EU trade in alcohol and alcoholic beverages. Since the objectives of the proposal cannot be sufficiently achieved by Member States, they can therefore be better achieved at Union level, in accordance with the principles of subsidiarity and proportionality as set out in Article 5 of the Treaty on European Union.

The main areas on which the study and impact assessment were focused included the following:

1) Dysfunctions in the application of exemptions for denatured alcohol. The proposal seeks to increase legal certainty by clarifying relevant articles of the Directive.
2) Dysfunctions in the classification of certain alcoholic beverages. It is proposed to split the existing other fermented beverages category into two subcategories. The first subcategory will maintain the current treatment, while the second will define and treat traditional other fermented beverages separately.
3) Dysfunctional application of reduced rates for small producers and low strength alcoholic beverages. A proposal for the extension of reduced rates for small cider makers and an increase in the threshold to which reduced rates are applicable to beer are included. It is also proposed to develop a uniform certificate for small independent breweries and cider makers across the EU.
4) Unclear provisions to measure degrees Plato of sweetened or flavoured beer. The proposal seeks to increase legal certainty through a clarification of the relevant articles.
### PROCEDURE – COMMITTEE RESPONSIBLE

<table>
<thead>
<tr>
<th>Title</th>
<th>Harmonisation of the structures of excise duties on alcohol and alcoholic beverages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date of consulting Parliament</strong></td>
<td>13.6.2018</td>
</tr>
<tr>
<td><strong>Committee responsible</strong></td>
<td>ECON</td>
</tr>
<tr>
<td>Date announced in plenary</td>
<td>2.7.2018</td>
</tr>
<tr>
<td><strong>Rapporteurs</strong></td>
<td>Miguel Viegas</td>
</tr>
<tr>
<td>Date appointed</td>
<td>20.6.2018</td>
</tr>
<tr>
<td><strong>Simplified procedure - date of decision</strong></td>
<td>1.10.2018</td>
</tr>
<tr>
<td><strong>Discussed in committee</strong></td>
<td>1.10.2018</td>
</tr>
<tr>
<td><strong>Date adopted</strong></td>
<td>1.10.2018</td>
</tr>
<tr>
<td><strong>Date tabled</strong></td>
<td>4.10.2018</td>
</tr>
</tbody>
</table>