



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Regional Development

2014/0064(CNS)

24.3.2014

DRAFT REPORT

on the proposal for a Council decision authorising Portugal to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs and in the autonomous region of the Azores on locally produced and consumed liqueurs and eaux-de-vie (COM(2014)0117 – C7-0104/2014 – 2014/0064(CNS))

Committee on Regional Development

Rapporteur: Danuta Maria Hübner

(Simplified procedure - Rule 46(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.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council decision authorising Portugal to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs and in the autonomous region of the Azores on locally produced and consumed liqueurs and eaux-de-vie
(COM(2014)0117 – C7-0104/2014 – 2014/0064(CNS))**

(Special legislative procedure – consultation)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2014)0117),
 - having regard to Article 349 of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C7-0104/2014),
 - having regard to Rules 55 and 46(1) of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A7-0000/2014),
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.

EXPLANATORY STATEMENT

According to the Commission proposal explanatory memorandum, Council Decision 2009/831/EC of 10 November 2009, adopted on the basis of Article 299(2) of the EC Treaty (now Article 349 TFEU), authorised Portugal, up to 31 December 2013, to apply a reduced rate of excise duty in the outermost regions of Madeira and Azores on locally produced and consumed rum and liqueurs, and on locally produced and consumed liqueurs and eaux-de-vie, respectively, on the grounds of the small size, fragmented nature and low mechanisation of agricultural holdings, and in order to compensate for the additional costs incurred in the transport of raw material and installation of equipment in those remote insular regions.

Under that Decision, Portugal could apply to those products a rate of excise duty lower than the full rate on alcohol laid down in Article 3 of Council Directive 92/84/EC, and lower than the minimum rate of excise duty on alcohol set by this Directive but not more than 75% lower than the standard national excise duty on alcohol.

Portugal has requested the renewal of this authorisation until 31 December 2020, and the Commission has found the renewal to be justified in order to avoid endangering the development of those outermost regions, while not distorting competition in the internal market, considering the tax advantage to be limited to what is necessary to offset additional costs.

Given that this measure is intended at continuing to stimulate economic activity in outermost regions, and does not have a distortive effect on the internal market, the Chair proposes that this proposal be adopted without amendment, in accordance with Rule 46 of the Rules of Procedure.