

# EUROPEAN PARLIAMENT

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*Committee on the Internal Market and Consumer Protection*

**2008/0051(CNS)**

11.9.2008

## **OPINION**

of the Committee on the Internal Market and Consumer Protection

for the Committee on Economic and Monetary Affairs

on the proposal for a Council directive on general arrangements for excise duty  
(COM(2008)0078 – C6-0099/2008 – 2008/0051(CNS))

Draftsman: Bill Newton Dunn

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## SHORT JUSTIFICATION

The proposal seeks to review Directive 92/12/EEC on the general arrangements for products subject to excise duty. This Directive ensures the proper functioning of the internal market with regard to general issues connected with the free movement of excise goods. The main objective of the proposal is to provide a legal framework for the use of the Excise Movement Control System.<sup>1</sup> The EMCS creates a more efficient means of information exchange between excise authorities. Moreover, it will facilitate trade by reducing related costs. The proposed text also aims to update the Directive to take account of legal developments and to simplify and modernise excise procedures with the aim of reducing excise obligations for traders.

The draftsman supports the proposal, but suggests improvements along the following lines:

- In modernising EU rules on excise duties the new rules should enhance the functioning of the Internal Market. The freedom of movement for excise goods will become more and more a reality for European citizens as e-commerce and distance sales increase. At this moment trade of excisable products remains subject to burdensome administrative procedures and still requires extensive control due to the widely diverging rates of excise duties. A gradual harmonisation of excise duty within the European Union would be the best remedy to such a situation.
- The proposed text restricts Tax Free shopping to flight or sea crossings to a third country. This means abandoning Tax Free shops at land crossings because at land borders it is far more difficult to prevent possible evasion, avoidance or abuse. Although this is a valid argument and most member states have already closed their Tax Free shops at land borders, there are a few exceptions notably in Greece and Romania. Your rapporteur agrees with these exemptions because some border regions are economically vulnerable and employment is scarce. However in order to avoid inequality between Member States, those exemptions must normally only remain if the Tax Free shops are at the external borders of the EU.
- The proposal does not clarify the position of Tax Free shops situated at regional airports that mainly serve short distance traffic. Your rapporteur would like to guarantee the right of regional airports to continue to sell Duty Free for passengers who are flying to an international EU airport in order to connect with a flight to somewhere outside the EU.

## AMENDMENTS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following amendments in its report:

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<sup>1</sup> Decision No 1152/2003/EC of the European Parliament and of the Council of 16 June 2003 on computerising the movement and surveillance of excisable products.

## Amendment 1

### Proposal for a directive Recital 2 a (new)

*Text proposed by the Commission*

*Amendment*

***2a. To enhance the functioning of the internal market, further efforts should be made to come to a gradual harmonisation of excise duties within the European Union, while taking into account aspects such as public health, the protection of the environment and the budget.***

*Justification*

*A gradual harmonisation of excise duty within the European Union in the medium term would be the best remedy to enhance the functioning of the Internal Market. This should however be done in relation to Members States policy objectives to discourage the consumption of excise goods (alcoholic beverages, manufactured tobacco and energy products).*

## Amendment 2

### Proposal for a directive Article 13 – paragraph 1

*Text proposed by the Commission*

*Amendment*

1. Member States may exempt from payment of excise duty excise goods supplied by tax-free shops which are carried away in the personal luggage of travellers ***taking a flight or sea-crossing*** to a third territory or *to* a third country.

1. Member States may exempt from payment of excise duty excise goods supplied by tax-free shops which are carried away in the personal luggage of travellers to a third territory or a third country.

*Justification*

*Existing Duty free shops at the external EU land-borders should remain in order to assist economically less-developed areas*

### Amendment 3

#### Proposal for a directive

#### Article 13 – paragraph 4 – point (b)

*Text proposed by the Commission*

(b) 'tax-free shop' means any establishment situated within an airport or port which fulfils the conditions laid down by the competent public authorities, pursuant in particular to paragraph 3;

*Amendment*

(b) 'tax-free shop' means any establishment situated within an airport or **a port or at a land crossing to a third territory or a third country** which fulfils the conditions laid down by the competent public authorities, pursuant in particular to paragraph 3;

*Justification*

*Follows AM 2*

### Amendment 4

#### Proposal for a directive

#### Article 13 – paragraph 4 – point (c)

*Text proposed by the Commission*

(c) 'traveller to a third territory or to a third country' **means** any passenger holding a transport document, for air or sea travel, stating that the **immediate** destination is an airport or port situated in a third territory or a third country.

*Amendment*

(c) 'traveller to a third territory or to a third country' **includes also** any passenger holding a transport document, for air or sea travel, stating that the **final** destination is an airport or port situated in a third territory or a third country.

*Justification*

*Tax Free shopping at (regional) airports should remain possible for passengers with a connecting flight outside the EU.*

## PROCEDURE

<b>Title</b>	General arrangements for excise duty		
<b>References</b>	COM(2008)0078 – C6-0099/2008 – 2008/0051(CNS)		
<b>Committee responsible</b>	ECON		
<b>Opinion by</b> Date announced in plenary	IMCO 11.3.2008		
<b>Drafts(wo)man</b> Date appointed	Bill Newton Dunn 25.3.2008		
<b>Discussed in committee</b>	28.5.2008	24.6.2008	9.9.2008
<b>Date adopted</b>	10.9.2008		
<b>Result of final vote</b>	+: 38 -: 0 0: 0		
<b>Members present for the final vote</b>	Godfrey Bloom, Cristian Silviu Buşoi, Charlotte Cederschiöld, Gabriela Creţu, Mia De Vits, Janelly Fourtou, Evelyne Gebhardt, Martí Grau i Segú, Małgorzata Handzlik, Malcolm Harbour, Christopher Heaton-Harris, Iliana Malinova Iotova, Eija-Riitta Korhola, Kurt Lechner, Lasse Lehtinen, Catuscia Marini, Arlene McCarthy, Nickolay Mladenov, Catherine Neris, Bill Newton Dunn, Zita Pleštinská, Giovanni Rivera, Zuzana Roithová, Heide Rühle, Leopold Józef Rutowicz, Christel Schaldemose, Andreas Schwab, Eva-Britt Svensson, Marianne Thyssen, Jacques Toubon, Bernadette Vergnaud, Barbara Weiler, Marian Złotea		
<b>Substitute(s) present for the final vote</b>	Emmanouil Angelakas, Colm Burke, Giovanna Corda, András Gyürk, Joel Hasse Ferreira, Filip Kaczmarek, Manuel Medina Ortega		
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	Eugenijus Gentvilas, Bilyana Ilieva Raeva		