

# Procedure file

| Basic information  |                                       |
|--|---------------------------------------|
| CNS - Consultation procedure<br>Decision   | 2011/0248(CNS)<br>Procedure completed |
| Excise duty: reduced rate on rum produced in French overseas departments, period of application and annual quota<br>Amending Decision 2007/659/EC <a href="#">2007/0131(CNS)</a>                 |                                       |
| Subject<br>2.70.02 Indirect taxation, VAT, excise duties<br>3.10.06.08 Wine, alcoholic and non-alcoholic beverages<br>4.70.06 Outlying and outermost regions, overseas countries and territories |                                       |
| Geographical area<br>France  |                                       |

| Key players                   |   |   |                    |
|-------------------------------|---|---|--------------------|
| European Parliament           | Committee responsible                                       | Rapporteur  | Appointed          |
|                               | <b>REGI</b> Regional Development                            |   | 14/11/2011         |
|                               |   | PPE <a href="#">HÜBNER Danuta Maria</a>   |                    |
|                               |   | Shadow rapporteur<br>PPE <a href="#">PONGA Maurice</a><br>S&D <a href="#">TIROLIEN Patrice</a><br>ALDE <a href="#">MĂNESCU Ramona Nicole</a><br>Verts/ALE <a href="#">GRÈZE Catherine</a> |                    |
|                               | Committee for opinion                                       | Rapporteur for opinion  | Appointed          |
|                               | <b>ECON</b> Economic and Monetary Affairs                   | The committee decided not to give an opinion.   |                    |
|                               | <b>AGRI</b> Agriculture and Rural Development               | The committee decided not to give an opinion.   |                    |
| Council of the European Union | Council configuration<br><a href="#">Environment</a>        | Meeting<br><a href="#">3139</a>   | Date<br>19/12/2011 |
| European Commission           | Commission DG<br><a href="#">Taxation and Customs Union</a> | Commissioner<br>ŠEMETA Algirdas   |                    |

| Key events |  |                               |         |
|------------|--|-------------------------------|---------|
| 22/09/2011 | Legislative proposal published             | <a href="#">COM(2011)0577</a> | Summary |
| 12/10/2011 | Committee referral announced in Parliament |                               |         |
| 14/11/2011 | Vote in committee                          |                               | Summary |

|            |   |   |         |
|------------|---|---|---------|
| 16/11/2011 | Committee report tabled for plenary, 1st reading/single reading | <a href="#">A7-0382/2011</a>  |         |
| 01/12/2011 | Results of vote in Parliament                                   |  |         |
| 01/12/2011 | Decision by Parliament  | <a href="#">T7-0529/2011</a>  | Summary |
| 19/12/2011 | Act adopted by Council after consultation of Parliament         |   |         |
| 19/12/2011 | End of procedure in Parliament                                  |   |         |
| 29/12/2011 | Final act published in Official Journal                         |   |         |

### Technical information

|                            |  |
|----------------------------|--|
| Procedure reference        | 2011/0248(CNS)   |
| Procedure type             | CNS - Consultation procedure                                 |
| Procedure subtype          | Legislation  |
| Legislative instrument     | Decision   |
|                            | Amending Decision 2007/659/EC <a href="#">2007/0131(CNS)</a> |
| Legal basis                | Treaty on the Functioning of the EU TFEU 349-p1sub1-as1      |
| Other legal basis          | Rules of Procedure EP 159                                    |
| Stage reached in procedure | Procedure completed  |
| Committee dossier          | REGI/7/06983   |

### Documentation gateway

|   |                               |            |    |         |
|---|-------------------------------|------------|----|---------|
| Legislative proposal  | <a href="#">COM(2011)0577</a> | 22/09/2011 | EC | Summary |
| Committee draft report  | <a href="#">PE475.887</a>     | 09/11/2011 | EP |         |
| Committee report tabled for plenary, 1st reading/single reading | <a href="#">A7-0382/2011</a>  | 16/11/2011 | EP |         |
| Text adopted by Parliament, 1st reading/single reading          | <a href="#">T7-0529/2011</a>  | 01/12/2011 | EP | Summary |

### Additional information

|                      |                         |
|----------------------|-------------------------|
| National parliaments | <a href="#">IPEX</a>    |
| European Commission  | <a href="#">EUR-Lex</a> |

### Final act

[Decision 2011/896](#)  
[OJ L 345 29.12.2011, p. 0018](#) Summary

## Excise duty: reduced rate on rum produced in French overseas departments, period of application and annual quota

PURPOSE: to amend Decision 2007/659/EC as regards its period of application and the annual quota benefiting from a reduced rate of excise duty.

PROPOSED ACT: Council Decision.

**BACKGROUND:** Council Decision 2007/659/EC authorises France to apply to 'traditional' rum produced in its overseas departments and sold on the French mainland a reduced rate of excise duty which may be lower than the minimum rate of excise duty set by Directive 92/84/EEC but not more than 50% lower than the standard national excise duty on alcohol. The reduction in excise duty is limited to an annual quota of 108 000 hl of pure alcohol. The derogation expires on 31 December 2012.

On 29 June 2010, the French authorities sent the Commission the report provided for in Article 4 of Decision 2007/659/EC. The report contains two requests:

the French authorities ask that the annual quota be increased from 108 000 hectolitres to 125 000 hectolitres of pure alcohol to reflect developments on the market for rum in the EU;

they request an extension by one year, i.e. to 31 December 2013, of the period of application of Decision 2007/659/EC so as to bring it into line with that of the State aid decision on the same issue taken by the Commission on 27 June 2007 (State aid No N 530/2006).

**IMPACT ASSESSMENT:** there was no need for external expertise and no impact analysis has been carried out. The French authorities have provided statistics on the quantities of rum released for consumption, however, and these have been examined carefully.

The information provided by the French authorities shows that quantities of 'traditional' rum coming onto the market at the reduced rate of excise duty have grown since the adoption of Decision 2007/659/EC, from 96 100 hectolitres of pure alcohol in 2007 to 105 700 hectolitres in 2010, i.e. an annual increase of 3.2%. If this trend continues, the quantities of 'traditional' rum coming onto the market should be around 109 100 hectolitres of pure alcohol in 2011, 112 600 hectolitres in 2012 and 116 200 hectolitres in 2013, thus exceeding the 108 000 hectolitre quota provided for by Decision 2007/659/EC.

**LEGAL BASIS:** Article 349 of the TFEU.

**CONTENT:** in line with the above findings, the Commission proposes:

- that the 108 000 hectolitre quota established under Decision 2007/659/EC be increased to 120 000 hectolitres. Increasing the quota to 120 000 hectolitres would cover annual growth of 4.3%, i.e. a little more than the 3.2% increase recorded in 2007-10;
- extending by one year the period of application of Decision 2007/659/EC so as to bring it into line with that of the State aid decision on the same issue.

**BUDGETARY IMPLICATIONS:** the proposal has no impact on the budget of the European Union.

## Excise duty: reduced rate on rum produced in French overseas departments, period of application and annual quota

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The Committee on Regional Development adopted, unamended, the report by Danuta Maria HUBNER (EPP, PL) in the framework of a special legislative procedure (European Parliament consultation) on the proposal for a Council decision amending Decision 2007/659/EC as regards its period of application and the annual quota benefiting from a reduced rate of excise duty.

## Excise duty: reduced rate on rum produced in French overseas departments, period of application and annual quota

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The European Parliament adopted by 535 votes to 83 with 13 abstentions, in the framework of a special legislative procedure (European Parliament consultation), on the proposal for a Council decision amending Decision 2007/659/EC as regards its period of application and the annual quota benefiting from a reduced rate of excise duty.

Parliament approved the proposal without amendment.

## Excise duty: reduced rate on rum produced in French overseas departments, period of application and annual quota

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**PURPOSE:** to amend Decision 2007/659/EC as regards its period of application and the annual quota benefiting from a reduced rate of excise duty.

**LEGISLATIVE ACT:** Council Decision No 896/2011/EU amending Decision 2007/659/EC as regards its period of application and the annual quota benefiting from a reduced rate of excise duty.

**CONTENT:** the Council decided to increase the quota for traditional rum produced in the French overseas departments, on which a reduced rate of excise duty may be applied, from 108 000 hectolitres to 120 000 hectolitres. It also extended by one year until 31 December 2013 the period of application of the scheme of reduced excise duty.

The information provided by the French authorities shows that quantities of 'traditional' rum coming onto the market at the reduced rate of excise duty have grown since the adoption of Decision 2007/659/EC, from 96 100 hectolitres of pure alcohol in 2007 to 105 700 hectolitres in 2010, i.e. an annual increase of 3.2%. If this trend continues, the quantities of 'traditional' rum coming onto the market should be around 109 100 hectolitres of pure alcohol in 2011, 112 600 hectolitres in 2012 and 116 200 hectolitres in 2013, thus exceeding the 108 000 hectolitre quota provided for by Decision 2007/659/EC.

Underlining that since the competitiveness of "traditional" rum from the overseas departments needs to be supported on the market in mainland France in order to safeguard the activity of their sugar-cane rum sector, the quantities of traditional rum originating in the overseas departments eligible for a reduced rate of excise duty when released for consumption on that market should be reviewed, the 108 000

hectolitre annual quota established by Decision 2007/659/EC should be, therefore, increased to 120000 hectolitres, including the quota for 2011 in order to ensure continuity, taking into account the increase forecasted for that year. This increase would cover annual growth of 4.3%, i.e. a little more than the 3.2% increase witnessed in 2007-10.

ENTRY INTO FORCE: 19/12/2011.