


# Procedure file

| Basic information  |                                       |
|--|---------------------------------------|
| CNS - Consultation procedure<br>Decision   | 2014/0064(CNS)<br>Procedure completed |
| Reduced rate of excise duty on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores (2014-2020)   |                                       |
| 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>Portugal  |                                       |

| Key players                   |   |   |            |
|-------------------------------|---|---|------------|
| European Parliament           | Committee responsible                         | Rapporteur                                    | Appointed  |
|                               | <b>REGI</b> Regional Development              |   | 01/04/2014 |
|                               | Committee for opinion                         | PPE <a href="#">HÜBNER Danuta Maria</a>       |            |
|                               | <b>ECON</b> Economic and Monetary Affairs     | Rapporteur for opinion                        | Appointed  |
|                               | <b>AGRI</b> Agriculture and Rural Development | The committee decided not to give an opinion. |            |
| Council of the European Union | Council configuration                         | Meeting                                       | Date       |
|                               | <a href="#">Environment</a>                   | <a href="#">3320</a>                          | 12/06/2014 |
| European Commission           | Commission DG                                 | Commissioner                                  |            |
|                               | <a href="#">Taxation and Customs Union</a>    | ŠEMETA Algirdas                               |            |

| Key events |   |   |         |
|------------|---|---|---------|
| 05/03/2014 | Legislative proposal published                                  | COM(2014)0117   | Summary |
| 01/04/2014 | Vote in committee   |   |         |
| 02/04/2014 | Committee referral announced in Parliament                      |   |         |
| 02/04/2014 | Committee report tabled for plenary, 1st reading/single reading | <a href="#">A7-0262/2014</a>  | Summary |
| 16/04/2014 | Results of vote in Parliament                                   |  |         |
| 16/04/2014 | Decision by Parliament  | <a href="#">T7-0405/2014</a>  | Summary |
| 12/06/2014 | Act adopted by Council after consultation of Parliament         |   |         |
| 12/06/2014 | End of procedure in Parliament                                  |   |         |
| 21/06/2014 | Final act published in Official Journal                         |   |         |

| Technical information |
|-----------------------|
|-----------------------|

|                            |   |
|----------------------------|---|
| Procedure reference        | 2014/0064(CNS)  |
| Procedure type             | CNS - Consultation procedure                            |
| Procedure subtype          | Legislation   |
| Legislative instrument     | Decision  |
| 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/7/15395  |

### Documentation gateway

|   |                              |            |    |         |
|---|------------------------------|------------|----|---------|
| Legislative proposal  | COM(2014)0117                | 05/03/2014 | EC | Summary |
| Committee draft report  | <a href="#">PE532.269</a>    | 24/03/2014 | EP |         |
| Committee report tabled for plenary, 1st reading/single reading | <a href="#">A7-0262/2014</a> | 02/04/2014 | EP | Summary |
| Text adopted by Parliament, 1st reading/single reading          | <a href="#">T7-0405/2014</a> | 16/04/2014 | EP | Summary |

### Additional information

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

### Final act

|   |
|---|
| <a href="#">Decision 2014/376</a><br><a href="#">OJ L 182 21.06.2014, p. 0001</a> Summary |
|---|

## Reduced rate of excise duty on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores (2014-2020)

**PURPOSE:** to authorise 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.

**PROPOSED ACT:** Council Decision.

**ROLE OF THE EUROPEAN PARLIAMENT:** the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

**BACKGROUND:** Council Decision 2009/831/EC authorised 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 which may be lower than the minimum rate of excise duty set by Directive 92/84/EEC but not more than 75% lower than the standard national excise duty on alcohol.

The Portuguese authorities requested the renewal of the authorisation to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs and in autonomous region of the Azores on locally produced and consumed liqueurs and eaux-de-vie until 31 December 2020. The granting of the new authorisation is justified in order to avoid endangering the development of these outermost regions. Faced with difficulties in exporting outside the regions, the regional markets are the only possible outlets to sell those products.

The detailed calculations provided in the reports presented by Portugal confirm that the reduction of 75% of the rate of excise duty does not offset completely the competitive disadvantage which distilled alcoholic beverages produced in Madeira and Azores face as a result of higher production and marketing costs. Therefore, a reduction of the rate of excise duty should continue to be authorised at the level requested.

**CONTENT:** the proposed Decision authorises Portugal to apply from 1 July 2014 to 31 December 2020 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 which may be lower than the minimum rate of excise duty set by Directive 92/84/EEC but not more than 75% lower than the standard national excise duty on alcohol.

The Portuguese authorities will have to send a mid-term report to the Commission by 30 September 2017 in order to assess whether the reasons which justify the granting of the tax derogation still apply and whether the fiscal advantage granted by Portugal remains proportionate.

## Reduced rate of excise duty on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores (2014-2020)

---

The Committee on Regional Development adopted, in the framework of a special legislative procedure (Parliament consultation), the report by Danuta Maria HÜBNER (EPP, PL) 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.

To recall, Council Decision 2009/831/EC 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.

Portugal requested the renewal of this authorisation until 31 December 2020, and the Commission found the renewal to be justified.

Given that this measure is intended to continue to stimulate economic activity in outermost regions, and does not have a distortive effect on the internal market, the committee proposed that this proposal be adopted without amendment.

## Reduced rate of excise duty on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores (2014-2020)

---

The European Parliament adopted by 588 votes to 70, with 13 abstentions, a 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.

Following its Committee on Regional Development, Parliament approved the Commission proposal which seeks to authorise Portugal to apply, from 1 July 2014 to 31 December 2020, a reduced rate of excise duty in the outermost regions of Madeira and Azores on locally produced and consumed rum and liqueurs.

## Reduced rate of excise duty on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores (2014-2020)

---

**PURPOSE:** to authorise 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.

**LEGISLATIVE ACT:** Council Decision No 376/2014/EU 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.

**CONTENT:** the Decision authorises Portugal to apply, from 1 July 2014 to 31 December 2020, 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.

The granting of the new authorisation is justified in order to avoid endangering the development of these outermost regions. Faced with difficulties in exporting outside the regions, the regional markets are the only possible outlets to sell those products.

The reduced rate of excise duty may be less than the minimum rate of excise duty on alcohol set in Directive 92/84/EEC, but may not be more than 75% less than the normal national rate of excise duty on alcohol.

No later than 30 September 2017, Portugal shall submit a report to the Commission to allow the latter to assess whether the reasons justifying the granting of the derogation still apply.

**ENTRY INTO FORCE:** the decision is applicable from 01.07.2014 to 31.12.2020.