



Customs Flash

Belgium

Excise duty exemption: New EU common process for denaturing alcohol

Introduction

Published on 20 October 2016, the EU Commission implementing regulation (EU) 2016/1867 amended the regulation concerning the mutual recognition of procedures for the denaturing of alcohol. The EU common denaturant introduced in 2013 has been replaced by a more cost-efficient one. Additionally, all national denaturants currently allowed will be removed from the regulation's Annex, meaning that in the near future only the new EU denaturant can be used for cross-border movements of denatured alcohol.

Facts

In order to get around the high excise duties on alcohol for human consumption, the authorities made sellers of alcohol for other purposes add a denaturant.

Before 2013 and to be recognised by other Member States, all European Member States provided a country-specific list of procedures for the denaturing of alcohol. In 2013, a common procedure for the complete denaturing of alcohol was introduced in the European Union, next to the existing country-specific procedures. Although the common denaturing procedure has proven to be effective, the cost involved prevented it from being put into practice in most industries.

With a view of ending the proliferation of different denaturing procedures, a new and cheaper single common denaturing procedure will be introduced. At the same time, the recognition of country-specific procedures by other Member States will be removed.

Compared to the previous procedure, the new common EU denaturing procedure is expected to have lower costs, as the required quantities of isopropyl alcohol (IPA), methyl ethyl ketone (MEK) and denatonium benzoate per hectoliter of pure alcohol are reduced. The industry can benefit a transitional period as the above described changes will only apply from 1 August 2017.

What does it mean for you?

As of 1 August 2017, companies intending to distribute denatured alcohol or products containing such alcohol in different Member States should apply the new common EU denaturing procedure.

What to do?

Companies concerned should adapt their denaturing process to ensure the new common EU denaturant is used as of 1 August 2017. In many cases, this will also require an update of existing authorisations.

Contacts

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