

Customs Flash

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Non-alcoholic beverages subject to national excise duties and ecotaxes

In Belgium, non-alcoholic beverages (e.g. mineral waters, sodas, etc.) are considered as national excise goods for which excise duties and ecotaxes (if applicable) will become due to the Belgian State at the time the goods are released for consumption in Belgium.

Currently, Belgian legislation foresees that in cases where non-alcoholic beverages are shipped from another EU Member State to Belgium, the location physically receiving the goods in Belgium should be recognized as an excise establishment. The goods can be stored under excise duty suspension in such location. Upon the goods' release for consumption, an AC4 declaration will need to be lodged and payments (if any) will need to be done.

As a consequence, in case the location of the buyer physically receiving the products in Belgium is not recognized as an excise establishment, the goods need to be first **physically** routed through an excise establishment in order to properly assess the taxes due. It goes without saying that this causes additional costs from a logistics perspective.

Therefore, the Belgian excise authorities are preparing alternative legislation which should avoid the above problems and offer a proper solution. Potentially, a solution similar to that available for the EU excise goods (e.g. mineral oils, alcoholic beverages) could be envisaged, where the concept of "Fictitious receipt – Direct delivery" was developed, avoiding the mandatory route towards an excise establishment.

Due to the legislative process, the development of this legislation might take some time before it could enter into force.

What does it mean for you, and what to do?

In case your company is involved in cross-border supplies of non-alcoholic beverages into Belgium, it is recommended that you verify your procedures, particularly the excise status of the location (of your clients) physically receiving the goods. In case your clients do not have this excise establishment authorization and you are shipping goods to them, you are liable and you could be facing penalties and late payment interests for underpayment or non-payment of excise duties/ecotaxes in Belgium.

If your company or your clients would be faced with this issue or would feel the need to discuss this matter with Deloitte's experts, a team is readily available to assist in finding workable solutions, in contacting the Belgian Authorities to support the pending legislation's adoption and bring on any alternatives which meet a business' interests.

Contact

Any questions concerning the items in this publication? Please contact your usual tax consultant at Deloitte or:

- Fernand Rutten, frutten@deloitte.com, + 32 2 600 66 06
- Nick Moris, nmoris@deloitte.com, + 32 2 600 66 03
- Julien Pauwels, jpauwels@deloitte.com, +32 2 600 66 25
- Tom Verbrugge, tverbrugge@deloitte.com, + 32 2 600 66 20
- Klaas Winters, klwinters@deloitte.nl, +31 (0)88 288 2125
- Johan Hollebeek, jhollebeek@deloitte.nl, +31 (0)88 288 1992

For general inquiries contact:

- bedeloittetax@deloitte.com, + 32 2 600 60 00

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Berkenlaan 8b
1831 Diegem
Belgium

Wilhelminakade 1
3072 AP Rotterdam
Netherlands

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