

Breaking Tax News

The concept of "product fee warehousing" as part of the environmental protection product fee regulations

In contrast to our monthly Tax News+, in our Breaking Tax News you will be informed immediately of regulatory changes affecting your business but without commentary by our experts.

The new amendment of the environmental protection product fee regulations will again have a considerable impact on the lawful business of economic operators, while at the same time it offers new perspectives to **optimise product fee liabilities** related to sale transactions.

The aim of this brief summary is to draw your attention to the new element added to the environmental protection product fee regulations entering into force 1 July 2014.

Types of product fee warehouse

- The **industrial product fee warehouse** allows the licensed operator - under certain conditions - to manufacture, process, store or prepare for reuse of the product subject to product fee.
- The licensed operator of the commercial product fee warehouse is entitled to store the product subject to a product charge without paying such charge.

Advantages of operating and using a product charge warehouse

The introduction of the concept of the product fee warehouse basically extends the narrow scope of the assignment system by offering the legal option where payment of the product fee can be linked to the actual domestic release into circulation. While the application of assignment contracts is favourable only for three-party transactions, in case of a product fee warehouse the number of transactions and parties is actually unlimited.

Product fee warehousing is beneficial to both domestic distributors for liquidity reasons, and also to exporters. Also, in case of products supplied abroad in foreign trade transactions - without the obligation of paying the product fee - administration of reclaiming the product fee can be spared in the future.

How can we help?

- We can provide you with exact information and guidance regarding the requirements of obtaining a warehousing license.
- In case of a request for a warehouse license, we shall conduct a comprehensive review of the business in accordance with the criteria set out by law, and carry out an analysis, make recommendations and assist you in correcting deficiencies and setting up the required framework.
- We inform you in detail of the rules of using a product fee warehouse by analysing potential advantages and disadvantages.
- We identify all the legally allowed possibilities to optimise the product fee and recommend technical details for application.
- We assist you with regard to the technical solutions available and undertake to perform all the compliance tasks required by the tax authority.

Should you have any remarks or questions regarding the above, please contact our professionals.

Dr. Attila Kövesdy

Partner in Charge
Deloitte Co. Ltd.
Tel: +36-1-428-6728
E-mail: akovesdy@deloitteCE.com

Dr. Gábor Kóka

Partner
Deloitte Co. Ltd.
Tel: +36-1-428-6972
E-mail: gkoka@deloitteCE.com

Dr. Géza Réczei

Partner
Deloitte Co.Ltd.
Tel: +36-1-428-6767
E-mail: greczei@deloitteCE.com

István Veszprémi

Partner
Deloitte Co. Ltd.
Tel: +36-1-428-6907
E-mail: iveszpremi@deloitteCE.com

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