



## MEPs aim to keep duty free shopping at land borders and regional airports

**Parliament says duty free shopping at regional airports and at EU-external land borders should still be possible. This position was part of a vote on Commission plans to update the rules on excise duties. Other amendments set out when can travellers have access to duty free shops, and whether there should be guidelines for the amount of alcohol and tobacco citizens can take across borders.**

**MEPs adopted their report by a small majority 328 in favour to 319 against with 34 abstentions, after some fairly close votes on the issue of distance selling.**

### **Duty free shopping in regional airports - and on land borders.**

The Commission's original proposal suggested that air and sea travellers should have access to duty free purchases only when their immediate destination was outside the EU. Parliament says those with a final destination outside the EU can also take advantage of such shopping (so if you are flying from Manchester to Shanghai via Paris, you will still be able to buy, for example, duty free whisky in Manchester, and not have to wait to make your purchase in Paris).

The Commission's proposal has the effect of abolishing duty free shops on external land borders, but MEPs voted to keep them.

### **Guidelines on personal tobacco and alcohol imports**

Individuals are allowed to buy alcohol and tobacco duty paid in one Member State and transport it to another without paying further duty if it is for your own personal use. The current EU legislation sets out indicative guidelines for what quantities could be considered for personal use.

Some Member States' tax authorities have on occasion apparently acted to enforce the guidelines as absolute limits – for example, the Commission took action against the United Kingdom on this point. The case did not come to court as the UK amended its practice in the meantime.

To avoid such possible misinterpretation, the Commission is proposing to delete all reference to guideline amounts. Parliament however, feels that this may create more confusion, and says the indicative guidelines should remain.

Regarding fuel duty, MEPs added a provision that when fuel bought duty-paid in another Member State is transported in "atypical" containers (e.g. not in the tank of a car or a normal spare fuel container), the receiving Member State can choose to impose its own duties.

## Distance selling rules

MEPs backed the Commission's proposal that where excisable goods are purchased in a country other than that of the buyer and then sent on (e.g. using internet shopping) excise duty will be paid in the country of destination - and the vendor will have to make the necessary arrangements to ensure this takes place. The rapporteur, Mrs Lulling, had proposed the opposite arrangement, with duty paid in the country of sale. As a result of this vote, she called for MEPs to vote against the report as a whole, but in the end, it was approved with small majority.

## Clarifications on rules concerning goods in transit

Parliament also adopted a series of amendments to clarify how the rules apply to goods lost, stolen or destroyed in commercial transit and on issues surrounding the transport of goods with duty suspended: for example between tax warehouses, before the goods are put out for retail sale.

As usual with tax policy, Parliament's position is only consultative and the final decision is taken by unanimity in the Council.

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