

Direzione Centrale Legislazione e Procedure Accise e altre Imposte Indirette

Guidelines on trade flows of excisable goods to and from UK

1. Introduction

On 30th March UK should withdraw from EU. Post-Brexit trade flows of excisable goods to and from UK, mainly alcohol drinks, wine and beer will be subject to new procedures to be complied with in order to carry out transfer of goods without irregularities.

For EU trade flows of excisable goods, the legal framework is provided by the Council Directive 2008/118/EC of 16th December 2008, totally transposed in the Italian Legislative Decree 26.10.1995, N° 504, (Single Text on Excise - STE). After Brexit takes place and in a no-deal situation, the export and import customs procedures will be used for the circulation of such products to and from UK, respectively in case of goods exiting from the EU customs territory to UK or introduction in the State's territory of goods coming from UK.

We will now describe the future scenarios, comparing the current situation to the new possible future post-Brexit scenarios.

2.1 Goods under excise duty suspension to UK

Today, traders shipping goods under excise duty suspension to UK have to be authorized warehousekeeper or, specifically, registered consignors according Art. 9 of STE. Goods, accompanied by e-AD, can be shipped to a tax warehouse or to a registered consignee in UK. Goods are

accompanied by a printed copy of such e-AD, with the clear identification of ARC assigned by the IT system. A report of receipt validated will follow, certifying that the UK consignee received the goods.

In a post-Hard Brexit scenario, goods under excise duty suspension will exit from the EU territory to a Third Country, that is UK, implying that the export procedure will be applied, and the national trader will have to send the relevant customs declaration to the customs office of export. Excisable products will be shipped, with their e-AD, from the national tax warehouse to the place where they will leave EU territory (where the operational phase of EMCS ends). The relevant ARC will be entered in box 44 of SAD. The end of export operation and of circulation under excise duty suspension is certified by the exit visa issued by the customs office of exit and by the export report issued by the export custom office.

2.2 Goods under suspension coming from UK

Today, national traders receiving goods under excise duty suspension from UK have to be authorized warehousekeepers or registered consignees. Goods will be shipped from a tax warehouse or, if applicable, by a UK registered consignor, with issuance of e-AD. The operation ends when the national trader receives the goods and sends the relevant report of receipt.

In a post-Hard Brexit scenario, non-EU goods will enter the EU territory. The release for free circulation customs procedure will be applied, and the relevant customs declaration will be submitted to the customs office of entry. Then, goods under excise duty suspension will be shipped from the place of release for free circulation to a tax warehouse or a registered consignee, accompanied by an e-AD issued by a registered consignor. The operation ends when the national consignee receives the goods.

3.1 Goods released for consumption in UK and then shipped to Italy

Today, the national trader (except for tax warehousekeepers) that wants to buy goods for which the excise duty has already been paid in the UK becomes registered consignee and pays for the duty. Before the shipment, he/she will submit a declaration to the customs office. Goods are accompanied by a SAAD. Except in the case of a tax warehouse, the excise duty in the State is paid within one working day of arrival of goods.

In a post-Hard Brexit context, the following scenarios will be possible:

- Scenario a) = release for free circulation in another Member State or in Italy. Goods will be under excise duty suspension. The registered consignor will issue the e-AD and will ship the goods to the national trader that will have to be either an authorized warehousekeeper or a registered consignee. The recipient will pay for the excise duty according to the different legal provisions established for the two operators.
- Scenario b) = import in Italy. The goods will be released for consumption with payment of the excise duty. The goods will be shipped accompanied by SAAD, if applicable.

3.2 Goods released for consumption in Italy and then shipped to UK

Today, the national trader shipping the goods has to lodge a deposit guaranteeing the payment of the excise duty in the Member State of destination. Before shipping, a specific declaration has to be submitted for the purposes of reimbursement, showing that the national duty has been paid. Goods are accompanied by SAAD. Upon request of the trader, the excise duty already paid can be reimbursed after receipt of Copy 3 of SAAD, with certifications both from recipient that goods have been received and by the Tax Authority of Country of destination that goods have been received and that the excise duty has been paid in the UK.

In a post Hard Brexit context, the export procedure will be applied. In the two possible scenarios, that is customs office of exit in the Italian territory or in other Member State, the products will reach the national or EU customs office of exit and will be accompanied by SAAD. Upon request, the trader can obtain the reimbursement of the excise duty paid on exported excisable products.

4. Specific provisions for wine sector

Today, due to the specific tax treatment, in case of shipment of wine from the national territory to UK, the national tax warehousekeeper ships the goods after issuing the relevant e-AD. In case of a small producer (producing less than an average of 1,000 hl/year), the shipment takes place issuing the document accompanying the movement of wine product (MVV).

The post-Hard Brexit context will originate the implementation of customs procedures. For the above transaction the export procedure will be applied with a customs declaration sent by the national trader to the customs office of export. In the two possible scenarios, customs office of exit in Italy or in other Member States, the wine will reach the customs office of exit from which it will leave the EU territory and will be, respectively for the two above scenarios, accompanied by e-AD or MVV.