

Annual tax conference

**Key changes to fiscal
regulations applicable
from 2010**

Amendments to the excise duty

28 January 2010

Main amendments in the excise duties field

- ▶ Non-taxation of certain products formally subject to non-harmonised excise duties
- ▶ Introduction of the concept 'registered consignee' which replaces the 'registered trader' / 'non-registered trader'
- ▶ Introduction of the concept 'registered consignor'
- ▶ Introduction of detailed provisions regarding the EMCS system, European electronic system for monitoring intra-Community movements of excisable goods placed under excise duty suspensive regime
- ▶ Application of some provisions as of 1 January 2010 and of other provisions as of 1 April 2010

Non-taxation of certain products formally subject to non-harmonised excise duties

- ▶ As of **1 January 2010**, all excisable products for which the excise duty was provided as a percentage rate are excluded from the scope of non-harmonised excise duties
- ▶ The products subject to non-harmonised excise duties will be: green coffee, roasted coffee and soluble coffee
- ▶ Products for which excise duty is not applicable as of 1 January 2010 are: natural fur confections, crystal items, gold/platinum jewellery, perfumes, yachts and other private recreational vessels and engines with capacity over 25 HP for the latter

Registered consignee

- ▶ As of **1 April 2010**, the concepts of 'registered trader' and 'non-registered trader' are replaced by the concept of 'registered consignee'
- ▶ The registered consignee is the economic trader who will be able to receive in Romania the excisable products dispatched under an excise duty suspensive regime from another EU Member State
- ▶ The Norms impose changing the authorisations of the registered traders into authorisations of registered consignees before the intra-Community acquisitions take place, but no later than **1 September 2010**, under the sanction of revoking of the authorisation

Registered consignor

- ▶ As of **1 April 2010**, the concept of 'registered consignor' is introduced
- ▶ The registered consignor is the economic trader who will import excisable products into EU in order to dispatch them under an excise duty suspensive regime after putting them into free circulation

EMCS (Excise Movement and Control System)

- ▶ EMCS represents the European electronic system for monitoring intra-Community movements of excisable goods placed under the excise duty suspensive regime
- ▶ The purpose of the system is to replace the paper documents which currently accompany the movements of excisable products placed under excise duty suspensive regime (AADs) with electronic messages (e-AADs)
- ▶ Also, the system was designed for improving the general monitoring of the intra-Community movements of excisable goods placed under excise duty suspensive regime, by ensuring a timely confirmation of receipt at destination of such products and the possibility of controlling the goods during the transport

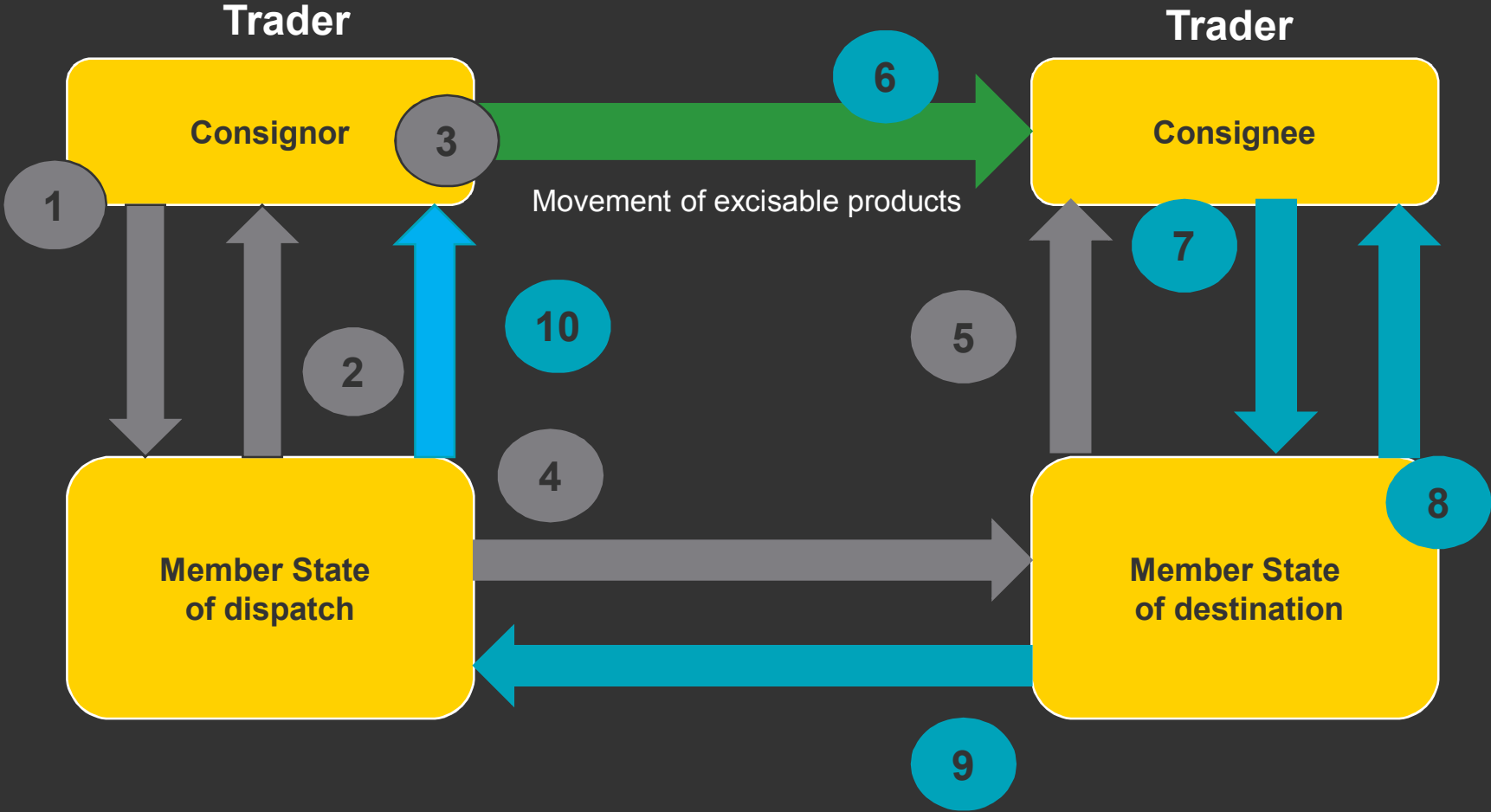
EMCS (Excise Movement and Control System)

- ▶ According to the EMCS calendar, which was established at an European level, the system will be implemented gradually by the EU Member States, some Member States acting as system Initiating Member States
- ▶ As an Initiating Member State, Romania set up as of July 2008, a preparatory electronic system for EMCS called **RO-DAI**, which allowed issuing of electronic messages only for the movements of excisable products placed under excise duty suspensive regime on the national territory and which doubled the paper based (AAD) tracking system
- ▶ RO-AAD ceased to function as of 15 January 2010, being replaced as of this date by the **EMCS-RO** system which allows the issuing of electronic messages for the movements on national territory, as well as for certain intra-Community movements
- ▶ Access to the system is made through the assistance program provided by authorities based on an access code

EMCS (Excise Movement and Control System)

- ▶ As of **15 January 2010**, the movements of excisable products transported under an excise duty suspensive regime on the national territory will be monitored through EMCS-RO and also through the paper based system
- ▶ At intra-Community level, the system will become functional as of **1 April 2010**
- ▶ The Norms provide **transitory measures** on the application after the date of 1 April 2010 of the provisions, in force until that date, regarding the movement of excisable products under excise duty suspensive regime and the utilisation of the AAD:
 - ▶ In case of movement of excisable products placed under excise duty suspensive regime initiated before 1 April 2010
 - ▶ In case of movement of excisable products under excise duty suspensive regime towards EU Member States who have not implemented the EMCS system – these transitory measures will be applicable until 31 December 2010

General operation of the EMCS in the frame of intra-Community movements



General operation of the EMCS in the frame of intra-Community movements

1. The consignor from the Member State of dispatch provides the relevant authorities the draft e-AAD
2. The Member State of dispatch validates the e-AAD and resends it to the consignor, assigning to it an administrative reference code (ARC)
3. The consignor dispatches the excisable products
4. The Member State of dispatch transmits the e-AAD to the Member State of destination
5. The Member State of destination transmits the e-AAD to the consignee
6. The excisable products arrive at destination
7. The consignee prepares and submits to the authorities from the Member State of destination a report of receipt
8. The Member State of destination validates the report of receipt and resends it to the consignee
9. The Member State of destination transmits the report of receipt to the Member State of dispatch
10. The Member State of dispatch transmits the report of receipt to the consignor

Thank you!

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