



# Excise duty on motor fuel additives

This information sheet contains frequently asked questions about the levy of excise duty on motor fuel additives following the Newsletter on additives published in April 2012.

## 1 Which products fall under the control provisions of the Excise Duty Act as from 1 January 2013?

Pursuant to Article 5(4)(h) of the Excise Duty Act [*Wet op de accijns*], as it will read on 1 January 2013, it is not allowed to manufacture products of CN codes 3811 110, 3811 190, 3811 1900 and 3811 9000 outside a tax warehouse allocated for these products, nor is it allowed to have these products available without them having been taxed in accordance with the provisions of the Act. This concerns fuel additives.

## 2 Does this also apply to fuels for heating purposes?

CN code 3811 9000 also relates to additives intended to be added to fuels for heating purposes. As a result, these additives also fall under the control provisions. However, no excise duty is levied on these additives (see question and answer 5).

## 3 And what about lubricants?

As from 1 January 2013, lubricant additives do not fall under the control provisions of the Excise Duty Act. An Implementing Decision of the European Commission that has now been withdrawn related to all products of CN code 3811, therefore also to lubricant additives. Based on this, CN code 3811 has been included in Article 5(4)(h) of the Excise Duty Act as from 1 July 2012. Following questions about this topic, the European Commission has decided to only have motor fuel additives fall under the control provisions. The Implementing Decision was therefore replaced by a new Implementing Decision, the date of entry into force being 1 January

2013. The State Secretary for Finance has decided not to implement Article 5 - amended on 1 July 2012 - in the meantime.

## 4 Which additives are subject to excise duty as from 1 January 2013?

Pursuant to Article 28(2) of the Excise Duty Act, as it will read on 1 January 2013, excise duty is levied on additives of CN codes 3811 110, 3811 190, 3811 1900 and 3811 9000, insofar as they are meant to be added to motor fuels.

## 5 Does this also apply to fuels for heating purposes?

No, additives for heating fuels are not taxed. However, these additives will fall under the control provisions as from 1 January 2013 (see question and answer 2).

## 6 And what about crude oil?

On release for consumption, no excise duty is levied on additives which are only meant to be added to crude oil. For crude oil is not used as motor fuel and, therefore, no excise duty rate is set for this.

## 7 Which excise duty rate is levied on motor fuel additives?

For the purpose of the rate, the additives are considered equivalent to the motor fuel they are meant to be added to. If, for example, the additive is meant to be added to light oil (petrol), the excise duty for light oil will be levied.

## **8 What if additives can be added to several types of motor fuels?**

Pursuant to Article 28(6) of the Excise Duty Act, as it will read on 1 January 2013, additives of CN codes 3811 110, 3811 190, 3811 1900 and 3811 9000 that can be added to several types of motor fuels will, for the purpose of the rate, be considered equivalent to motor fuels with the highest rate. If, for example, an additive can be added to both light oil (petrol) and gas oil (diesel), the rate for light oil will be applied.

## **9 How to determine whether an additive can be added to several types of motor fuels?**

Here, Customs will look at the totality of facts and circumstances, such as the presentation of the product and the packaging.

## **10 How are additives taxed which can be added to motor fuels, but are used for other purposes?**

Additives are only taxed if it is established that they are added to motor fuels. In other cases, such as addition to heating fuels or use in the production of, for example, plastic products, they will not be taxed. The records of the authorised warehouse keeper must show the use assigned to the additives.

## **11 How to include additives in the tax return?**

In the periodical excise duty return or the daily/weekly excise duty return, the additives are stated as the product they are meant to be added to. If, for example, an additive is meant to be added to light oil, it will be stated in the light oil category of the return. If an additive can be added to both light oil and gas oil, it will also be stated in the light oil category in the return (see question and answer 7).

## **12 How to file a request for a refund for additives?**

The request for a refund of excise duty and consumer taxes will, just as the return, state the additives as the product they are meant to be added to.

## **13 What happens to the additives which a company has in stock prior to 1 January 2013?**

The products of CN codes 3811 110, 3811 190, 3811 1900 and 3811 9000 which a company possesses prior to 1 January 2013 will not be taxed as from 1 January 2013. If he comes into possession of these products after 1 January 2013, the control provisions as referred to in the new Article 5(4)(h) of the Excise Duty Act will apply to these products. At the request of Customs, the company must be able to demonstrate that additives are correctly exempt from taxation because it already possessed them prior to 1 January 2013. If the company stores the additives which it possesses prior to 1 January 2013 in a tax warehouse intended for additives of which it comes into possession after this date, it will have to pay excise duty on release for consumption.

## **14 What if they are mixed with other additives after 1 January 2013?**

This will be regarded as the manufacturing of an excisable product. It is not allowed to do this outside a tax warehouse.

## **15 Which requirements does Customs set on a tax warehouse for additives?**

In principle, the normal statutory requirements apply to tax warehouses as they apply to any random excisable product. More information about this can be found in the downloadable brochure '*Informatie over het gebruik van de Vergunning opslag in een accijnsgoederenplaats en de Vergunning vervaardiging in een accijnsgoederenplaats*' (Information on the use of an Authorisation to store goods in a tax warehouse and to manufacture goods in a tax warehouse). An exception is made to the average annual quantity to be available in a tax warehouse. In general, a minimum stock of 10,000 hl applies to mineral oils. However, no requirements will be set on the minimum stock of additives.

## **16 How do you know if an authorised warehouse keeper is allowed to receive additives in another EU member state?**

All authorised warehouse keepers are listed in a European database. This database states, among other things, the goods for which the authorisation has been issued. Anyone can check whether a receiver of excisable goods has the required authorisation in one of the member states. This can be done on the website of the European Union, SEED - Excise Authorisation Verification ([http://ec.europa.eu/taxation\\_customs/ddsz/seed/seed\\_consultation.jsp?Lang=nl](http://ec.europa.eu/taxation_customs/ddsz/seed/seed_consultation.jsp?Lang=nl)). Not all member states register the goods for which the authorisation is valid in the same way. It could be that an authorisation is valid in a certain member state for all mineral oil products, so including additives (product category E) or for additives only (E930).

## **17 For what space can a tax warehouse authorisation be granted?**

A space could be an entire warehouse, part of a warehouse or, for example, a rack in a warehouse. The space must be described in the authorisation. This is done in consultation with the customs region granting the authorisation.

## **18 Can I have another location included in my tax warehouse authorisation if this is better from a logistics point of view?**

Yes, you can. A tax warehouse authorisation may include several locations. All requirements that apply to a tax warehouse are set on this location. More information about this can be found in the downloadable brochure '*Informatie over het gebruik van de Vergunning opslag in een accijnsgoederenplaats en de Vergunning vervaardiging in een accijnsgoederenplaats*' (Information on the use of an Authorisation to store goods in a tax warehouse and to manufacture goods in a tax warehouse).

**19 Is it allowed to store goods other than additives in the tax warehouse space?**

Yes. If it concerns excisable goods, then these must be mentioned in the tax warehouse authorisation. Goods other than excisable goods may automatically be stored in the tax warehouse space.

**20 What rate is used for calculating the security?**

In calculating the security, the rate is used of the motor fuel the additive is meant to be added to. If the additive can be added to several types of motor fuels, the motor fuel with the highest rate will be used.

**21 Do gas oil markers (for example Solvent Yellow 124) fall under additives?**

No. These markers do not fall under CN code 3811.

**22 Is it allowed to mix additives placed in a tax warehouse under a customs suspension arrangement with non-Community oil?**

No. Excise duty legislation does not provide for this.

**23 How are additives mixed on board a ship loaded with mineral oil from a storage terminal (tax warehouse)?**

As from 1 January 2013, the additives with an e-AD are delivered to the storage terminal under excise duty suspension arrangements. The additives are included in the stock accounts of the storage terminal and mixed under the responsibility of the authorised warehouse keeper. The consignor must, however, agree on this with the authorised warehouse keeper in advance. If there is no agreement on this, the additives cannot be mixed on board the ship.

**24 When must a 'mixture at the buoys' be reported?**

Based on the policy rule of 'mixture at the buoys', this must be reported to Customs within 48 hours before the mixture. Practice has shown that the addition of additives is not known until a very late stage, as a result of which the 48-hour period cannot be observed. Customs is still assessing whether the policy rule can be adjusted for additives.

**25 What to do as an authorised warehouse keeper if the destination of the additives is unknown?**

If the destination of the additives is unknown, they cannot be transported under excise duty suspension arrangements. In case of a transport of mineral oil by sea or via inland waterways, the destination can be submitted later under certain conditions. Transport of the additives without knowing the destination is always possible after release for consumption with payment of excise duty.

**26 As an authorised warehouse keeper, am I responsible for excise duty if I produce additives**

**for a client in my tax warehouse and I am not involved in the transport?**

If the additives are sent under excise duty suspension arrangements from your tax warehouse to a tax/bonded warehouse, to a registered consignee in another member state or to a location where they leave the territory of the EU, you must prepare an electronic administrative document for this. In that case, you are responsible for excise duty until the moment when the additives have reached their destination. The owner or the carrier is responsible if he has provided security with respect to the excise duty that may be owed in the Netherlands or in another EU member state.

**27 As an authorised warehouse keeper (A), I produce additives for another authorised warehouse keeper (B). The latter sells the additives to authorised warehouse keeper (C). Is it possible to prepare an electronic administrative document for the additives from A to B first and then from B to C, while the goods go directly from A to C?**

No, this is not possible. The goods must first be transported from A to B and then from B to C. Direct delivery between authorised warehouse keepers (so-called ABC supply) is not permitted. Transport from A to C is possible with an electronic administrative document from A to C.

**28 I purchase additives in a bonded warehouse in France and sell them to a customer in Germany. Is it possible for this to go through my tax warehouse from an accounting point of view?**


No, the additives must be physically included in your tax warehouse. After that, you transport the additives with an electronic administrative document to an authorised warehouse keeper in Germany. It is also possible for the bonded warehouse to transport the additives to the authorised warehouse keeper in Germany.

**29 Does the addition of additives to mineral oil always require an authorisation for manufacture in a tax warehouse?**

No. This is also possible with an authorisation for storage in a tax warehouse, but permission must have been granted for this in the authorisation.

**30 How does the delivery go from a tax warehouse of additives intended to be added to the fuel of a seagoing ship?**

A delivery within the Netherlands requires the filing of a customs export declaration. With respect to the release for consumption from the tax warehouse, an exemption from excise duty is granted, under certain conditions, on mineral oils used for driving ships or as naval stores on board ships. The exemption is granted if the owner or operator of the ship or his representative on board the ship states that the mineral oils to be delivered to him are used for driving



ships or as naval stores on board ships.

If the seagoing ship is located in another EU member state, a customs export declaration must be filed and the additives must be transported with an electronic administrative document under excise duty suspension arrangements to the location where the additives leave the territory of the EU.

**31 How does the refund procedure go in case of a delivery with a simplified accompanying administrative document?**

A refund of excise duty may be granted under certain conditions if the additives have been transported by a company to a company or a body governed by public law, other than as a company, in another member state. The excise duty owed in this member state must be paid in accordance with the statutory provisions of this member state. A request for a refund is made no later than three months after the end of the calendar quarter in which the additives reached their destination.

**32 Is it possible to use EMCS for additives throughout the EU as from 1 January 2013?**

Yes, EMCS works throughout the EU and is adjusted for the additives.

**33 How do other EU member states deal with additives?**

The measures are a result of an Implementing Decision of the European Commission of 20 April 2012. This decision is effective in all EU member states as from 1 January 2013.