

Republic of Latvia

Cabinet

Regulation No. 310

Adopted 30 March 2010

Procedures by which the Excise Duty Paid for Excisable Goods is Transferred for Covering of Tax Debts, Subsequent Payments of Excise Duty or Other Tax Payments or is Refunded, and Procedures for Destruction or Processing of Alcoholic Beverages or Tobacco Products

*Issued pursuant to
Section 26, Paragraph five and
Section 27, Paragraph 12.¹
of the Law On Excise Duties*

I. General Provisions

1. This Regulation prescribes the procedures by which:

1.1. excise duty (hereinafter – duty) is refunded or transferred for covering of tax debts, subsequent duty payments or other tax payments where it has been paid for excisable goods that are released for free circulation or released for consumption and that:

1.1.1. are moved from the Republic of Latvia to the Member States of the European Union (hereinafter – Member States);

1.1.2. are exported from the Republic of Latvia to third countries;

1.1.3. are destroyed or processed if excisable goods are labelled with excise duty stamps (hereinafter – duty stamps), which a taxpayer returns to the State Revenue Service;

1.2. alcoholic beverages and tobacco products are destroyed or processed; and

1.3. documents are submitted and the transfer or refund of the paid duty is performed.

2. A customs warehousekeeper (if it is intended to export excisable goods to a third country) and an approved warehousekeeper shall ensure separate storage of excisable goods labelled with the duty stamps from other goods that are in the warehouse, as well as shall conduct accounting so that a third party qualified in accounting issues would get a clear idea regarding the movement of excisable goods in a definite time period and the condition of the excisable goods at a specific time.

3. In the territory of the Republic of Latvia duty stamps shall be removed from excisable goods in a tax warehouse. If it is intended to export the excisable goods to third countries, duty stamps may be also removed in a customs warehouse. Duty stamps may also be removed by the respective warehousekeeper, if the taxpayer has entered into a contract with the warehousekeeper regarding the removal of the duty stamps.

4. The State Revenue Service shall, from the day when the taxpayer has fulfilled the requirements of this Regulation, take a decision in accordance with the procedures specified in the Administrative Procedure Law regarding transfer of the paid duty for covering of tax debts, subsequent duty payments or other tax payments or refund the paid duty.

II. Movement of Excisable Goods Labelled with Duty Stamps from the Republic of Latvia to the Member States and Export thereof to Third Countries

5. The taxpayer who has received the respective duty stamps shall submit a written submission to the State Revenue Service prior to movement or export of excisable goods. The following shall be indicated in the submission:

5.1. information regarding the taxpayer (name, address, taxpayer registration code, number of the special permit (licence) for commercial activities involving the respective excisable goods);

5.2. the excise duty identification number of the tax warehouse or the identification number of the customs warehouse, from which the movement or export of excisable goods is intended;

5.3. if a contract referred to in Paragraph 3 of this Regulation has been entered into - the date and number of entering into the contract;

5.4. information regarding the excisable goods (type, quantity, amount of the duty);

5.5. information whether it is intended to move or export the excisable goods with or without duty stamps;

5.6. the place, time and justification of removal of the duty stamps;

5.7. information regarding the duty stamps:

5.7.1. regarding cigarettes – name, series and number interval of the duty stamps, the maximum retail price and the number of cigarettes in a pack;

5.7.2. regarding tobacco products (except cigarettes) and alcoholic beverages – name, series and number interval of the duty stamps;

5.8. information regarding the recipient of the excisable goods (name, address, state, taxpayer registration code);

5.9. if it is intended to move the excisable goods to a Member State - information regarding the tax administration of the respective Member State (name, address, Member State, phone, fax);

5.10. the type of means of transport;

5.11. the route and time of movement of the excisable goods; and

5.12. if a refund of the duty is requested – a credit institution (name, code) and the number of the account, to which the respective sum of money is to be transferred.

6. A taxpayer shall append the following documents to the submission referred to in Paragraph 5 of this Regulation:

6.1. a copy of a document confirming the payment of the duty for the excisable goods referred to in the submission;

6.2. a document confirming that the payment of the duty has been ensured in the Member State of the recipient; and

6.3. a copy of the contract referred to in Paragraph 3 of this Regulation if such has been entered into.

7. The State Revenue Service shall ascertain the conformity of duty stamps to the information referred to in Sub-paragraph 5.7 of this Regulation until the movement or export of the excisable goods, which have been labelled with duty stamps, and shall prepare a survey statement in two copies. One copy shall remain with the State Revenue Service and the other – with the taxpayer.

8. If the State Revenue Service has determined that a taxpayer has provided incomplete information in the submission and the documents appended thereto, the State Revenue Service shall not approve a submission and shall request (upon determination of provision of

false information – may request) the relevant taxpayer to eliminate the established deficiencies.

9. The taxpayer shall move or export excisable goods after the State Revenue Service has performed verification of the information indicated in the submission referred to in Paragraph 5 of this Regulation and the appended documents in accordance with the procedures determined in the Administrative Procedure Law and has approved the submission. The State Revenue Service may inspect the excisable goods prior to approval of the submission and movement or export of the excisable goods.

10. In order to transfer the paid duty for covering of tax debts, subsequent duty payments or other tax payments or to receive a refund thereof, a taxpayer shall submit the following documents in addition to the documents referred to in Paragraphs 5 and 6 of this Regulation to the State Revenue Service:

10.1. a copy of the document referred to in Commission Regulation (EEC) No. 3649/92 of 17 December 1992 on a simplified accompanying document for the intra-Community movement of products subject to excise duty which have been released for consumption in the Member State of dispatch (hereinafter – Commission Regulation No. 3649/92) if the excisable goods are brought out to a Member State;

10.2. a copy of a customs declaration if the excisable goods are exported to a third country;

10.3. international accompanying documents of the carriage of goods or copies thereof (including the contract for the carriage of goods, international rail consignment note, bill of lading, air consignment note referred to in the Convention on the Contract for the International Carriage of Goods by Road (CMR) of 19 May 1956 and in the Protocol of 5 July 1978 relating to this Convention) if the excisable goods are exported to a third country;

10.4. duty stamps and a submission regarding the returned duty stamps for such excisable goods which have been released for free circulation or released for consumption. The following shall be indicated in the submission:

10.4.1. information regarding cigarettes – the number and date of the document issued by the State Revenue Service, on the basis of which duty stamps have been issued, the series and number interval of duty stamps, the number of cigarettes in a pack, the maximum retail price, the quantity of duty stamps, the duty rate, the sum of the calculated duty for the returned duty stamps, the date and number of a document confirming the payment of the duty, the justification of returning the duty stamps;

10.4.2. information regarding tobacco products (except cigarettes) – the number and date of the document issued by the State Revenue Service, on the basis of which duty stamps have been issued, and the number corresponding to the tobacco product and indicated in the referred to document, the series and number interval of duty stamps, the quantity of duty stamps according to the types and packaging units of tobacco products, the duty rate, the sum of the calculated duty for the returned duty stamps, the date and number of a document confirming the payment of the duty, the justification of returning the duty stamps;

10.4.3. information regarding alcoholic beverages – the number corresponding to the alcoholic beverage, which is indicated in the document issued by the State Revenue Service on the basis of which duty stamps have been issued, the date of receipt of duty stamps, the sub-group of alcoholic beverage, series and number interval of duty stamps, the number of duty stamps, the calculated sum of the duty, the date of a document confirming the payment of the duty and the paid sum of the duty, the justification of returning the duty stamps.

III. Movement of the Excisable Goods not to be Labelled from the Republic of Latvia to Another Member State

11. A taxpayer who has a special permit (licence) for activities involving excisable goods shall submit a written submission to the State Revenue Service prior to movement of the excisable goods not to be labelled. The following shall be indicated in the submission:

11.1. information regarding the taxpayer (name, address, taxpayer registration code, the number of the special permit (licence) for commercial activities involving the respective excisable goods);

11.2. the site of the commercial activity indicated in the respective special permit (licence), from which the movement of excisable goods is intended;

11.3. information regarding the excisable goods (type, quantity, amount of the duty);

11.4. information regarding the recipient of the excisable goods (name, address, Member State, taxpayer registration code);

11.5. tax administration of the respective Member State (name, address, Member State, telephone, fax);

11.6. the type of means of transport;

11.7. the route and time of movement of the excisable goods; and

11.8. if a refund of the duty is requested – a credit institution (name, code) and the number of the account, to which the respective sum of money is to be transferred.

12. A taxpayer shall append to the submission referred to in Paragraph 11 of this Regulation a copy of a document confirming the payment of the duty for the excisable goods referred to in the submission and a document confirming that the payment of the duty is ensured in the recipient Member State.

13. If the State Revenue Service has determined that a taxpayer has provided incomplete information in the submission and the documents appended thereto, the State Revenue Service shall not approve a submission and shall request (upon determination of provision of false information – may request) the relevant taxpayer to eliminate the established deficiencies.

14. A taxpayer shall move excisable goods after the State Revenue Service has performed the examination of the information indicated in the submission referred to in Paragraph 11 of this Regulation and the appended documents in accordance with the procedures determined in the Administrative Procedure Law and has approved the submission. The State Revenue Service may inspect the excisable goods prior to approval of the submission and movement of the excisable goods.

15. The paid duty shall be transferred for covering of tax debts, subsequent duty payments or other tax payments or refunded if a taxpayer in addition to the documents referred to in Paragraphs 11 and 12 of this Regulation submits a copy of the document referred to in Commission Regulation No. 3649/92 to the State Revenue Service.

IV. Destruction and Processing of Excisable Goods Labelled with Duty Stamps

16. In order to transfer the duty, which has been paid for excisable goods destroyed or processed in the Republic of Latvia, for covering of tax debts, subsequent duty payments or other tax payments or to receive the refund thereof, an approved warehousekeeper shall destroy or process excisable goods without duty stamps. The respective taxpayer shall return the removed duty stamps to the State Revenue Service.

17. If a taxpayer is not an approved warehousekeeper, the taxpayer may enter into a contract with an approved warehousekeeper regarding the destruction or processing of excisable goods.

18. A taxpayer who has received the respective duty marks shall submit a written submission to the State Revenue Service prior to the destruction or processing of the excisable goods, which have been labelled with duty stamps and released for free circulation or released for consumption. The following shall be indicated in the submission:

18.1. information regarding the taxpayer (name, address, taxpayer registration code, the number of the special permit (licence) for commercial activities involving the respective excisable goods);

18.2. excise identification number of the tax warehouse that will ensure the destruction or processing of the excisable goods;

18.3. if the contract referred to in Paragraphs 3 and 17 of this Regulation has been entered into - the date and number of entering into the contract;

18.4. information regarding the excisable goods to be destroyed or processed (type, quantity, amount of the duty);

18.5. the place, time and justification of removal of the duty stamps;

18.6. information regarding the duty stamps:

18.6.1. regarding cigarettes – name, series and number interval of duty stamps, the maximum retail price and the number of cigarettes in a pack;

18.6.2. regarding tobacco products (except cigarettes) and alcoholic beverages – name, series and number interval of duty stamps;

18.7. if a refund of the duty is requested – a credit institution (name, code) and the number of the account, to which the respective sum of money is to be transferred.

19. A taxpayer shall append to the submission referred to in Paragraph 18 of this Regulation a copy of the document confirming the payment of the duty for the excisable goods referred to in the submission and a copy of the contract referred to in Paragraphs 3 and 17 of this Regulation if such a contract has been entered into.

20. The State Revenue Service shall ascertain the conformity of the duty stamps to the information referred to in Sub-paragraph 18.6 of this Regulation until the destruction or processing of the excisable goods which have been labelled with duty stamps and released for free circulation or released for consumption and shall prepare a survey statement in two copies. One copy shall remain with the State Revenue Service and the other – with the taxpayer.

21. An approved warehousekeeper shall destroy tobacco products in accordance with the regulatory enactments regarding exemption of individual tobacco products from the duty, but alcoholic beverages – in accordance with the regulatory enactments regarding application of exemption from the duty to alcoholic beverages.

22. An approved warehousekeeper shall inform the State Revenue Service regarding the time and place of processing of the excisable goods not later than five working days prior to processing of the excisable goods. The authorised official of the State Revenue Service may participate in the processing of excisable goods.

23. An approved warehousekeeper shall draw up a statement on the processing of excisable goods as regards the processing of excisable goods. The type, name and total quantity of the processed excisable goods, as well as the name and quantity of goods obtained as a result of processing shall be indicated in the statement. If cigarettes are processed, the maximum retail price and the number of cigarettes in a pack, which were processed and acquired as a result of the processing, shall be indicated in the statement in addition. The statement on the processing of excisable goods shall be signed by an authorised official of the State Revenue Service if he or she participates in the processing of excisable goods and by a member of the executive institution of the approved warehousekeeper.

24. In order to transfer the paid duty for covering of tax debts, subsequent duty payments or other tax payments or to receive a refund thereof, a taxpayer shall submit the documents referred to in Sub-paragraph 10.4 of this Regulation to the State Revenue Service in addition to the documents referred to in Paragraphs 18 and 19 of this Regulation.

25. The statement on the processing or destruction of excisable goods and the confirmation provided by the State Revenue Service for the submission referred to in Sub-paragraph 10.4 of this Regulation shall confirm that the duty paid for the destroyed or processed excisable goods may be transferred for covering of tax debts, subsequent duty payments or other tax payments of a taxpayer or may be refunded to a taxpayer.

V. Closing Provisions

26. Cabinet Regulation No. 581 of 22 July 2008, Procedures by which Excise Duty Paid for Excisable Goods is Transferred for Covering of Tax Debts, Subsequent Payments of Excise Duty, Other Tax Payments or is Refunded, as well as Procedures for the Performance of Destruction or Processing of Alcoholic Beverages or Tobacco Products (*Latvijas Vēstnesis*, 2008, No. 119), is repealed.

27. This Regulation shall come into force on 1 April 2010.

Prime Minister

V. Dombrovskis

Minister for Finance

E. Repše