

INTRODUCTION TO OPEN CONSULTATION

This open consultation is part of the evaluation of the alcohol structures Directive (92/83/EEC), under the recently adopted Commission's Better Regulation Framework. It seeks to capture the views of all interested parties.

Your contribution will automatically be registered upon completion of this online survey.

If you wish to visualise the questions, you may download a PDF version of the questionnaire via the following links: ([EN](#)) ; ([FR](#)) ; ([DE](#))

The Commission services would like to point out that this is an open public consultation. A targeted consultation is being conducted simultaneously with interested stakeholders from industry and from the administrations in the Member States.

The **targeted consultation** of stakeholders directly impacted by Directive 92/83/EC which seeks to capture the views of the categories of stakeholders below can be accessed [here](#);

- Producers of beer
- Producers of wine / winegrowers
- Producers of fermented beverages other than wine or beer
- Producers of intermediate products
- Producers of spirits
- Producers, importers, distributors or users of denatured alcohol
- Organisations representing the interests of the abovementioned stakeholders

Stakeholders are invited to reply to those questions that are of concern for them. Figures and concrete examples of fraud, evasion and abuse, and the distortion of competition within the internal market or of specific problems encountered due to the current excise rules would be highly appreciated.

As already indicated above, it is important to keep in mind that this public consultation is part of the assessment process and that no policy decisions have been taken at this stage.

1. IDENTIFICATION OF THE STAKEHOLDER

The Commission services would be interested in receiving contributions from all interested stakeholders on the issues described below. In order to analyse the responses, it will be useful to group the answers by type of respondent.

For this reason, you are kindly requested to complete the following form.

You are included in one of the following categories (please choose one):

- Citizen / Consumer
- Multinational enterprise
- Large company
- Small and medium sized enterprise (SMEs)
- National Association
- European Association
- Non-Governmental organisation (NGO)
- Tax advisor or tax practitioner
- Academic
- Others, please specify _____

Name of your organisation/ entity/ company

Country of domicile

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg

- Malta
 Netherlands
 Poland
 Portugal
 Romania
 Slovakia
 Slovenia
 Spain
 Sweden
 United Kingdom
 Other, please specify _____

Do you agree to the publication of your personal data?

- Yes
 No

Do you agree to have your response to the consultation published along with other responses?

- Yes
 No

2. CURRENT EU LEGISLATIVE FRAMEWORK

The general objective of the Directive on the structures of excise duty on alcohol and alcoholic beverages is to provide a harmonised effective legal base for the EU excise duty system for alcohol products in terms of its capacity to safeguard Member States' budgetary objectives, and ensure the proper functioning of the Internal Market while avoiding distortions in competition. To ensure equal fiscal treatment, fair competition and level playing fields, as preventing fraud, evasion and abuse of the regimes.

There are five broad categories of alcohol and alcoholic beverages defined in the Directive:

1. Beer
2. Wine
3. Fermented beverages (other than beer and wine)
4. Intermediate Products
5. Ethanol alcohol

Classification of alcohol and alcoholic beverages

The definitions used for classifying products are to a large extent reliant on how a product would have been classified, at the time the Directive entered into force, under the customs nomenclature headings 2203, 2204, 2205, 2206, 2207, and 2208. When declared to customs in the Community, goods must generally be classified according to the Combined Nomenclature (CN). Imported and exported goods have to be declared stating under which subheading of the nomenclature they fall. This determines which rate of customs duty applies and how the goods are treated for statistical purposes:

2203: Beer made from malt

2204: Wine made from fresh grapes, including fortified wines ; grape must other than that other heading 2009

2205: Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances

2206: Other fermented beverages (for example cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not included elsewhere specified or included

2208: Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages

The structures for classifying products under Directive 92/83/EEC are categorised, in broad terms, as follows:

Article	Product	Detail
1-6	Beer	The definitions & Combined Nomenclature (CN) codes - CN heading 2203 and beer mixed with non-alcoholic beverages classified to 2206 Chargeability, reduced rates and own consumption / private production.
7-10	Wine	The definitions & CN codes - All products classified to 2204 and 2205 not exceeding 15% alcohol by volume (abv) provided that the alcohol is entirely fermented; or not exceeding 18% provided that the alcohol is entirely fermented and no enrichment has been used. Chargeability, reduced rates and own consumption / private production for wine.
	Fermented beverages	The definitions & CN codes - Those products, not falling as beer and wine, which are classified to 2204, 2205 and 2206 and do not exceed 10% abv; or not exceeding 15% abv provided that the alcohol is entirely

11-15	other than wine or beer	fermented; Chargeability, reduced rates and own consumption / private production.
16-18	Intermediate products	The definitions & CN codes - All products between 1.2% and 22% abv classified to 2204, 2205 and 2206 which do not fall under the beer, wine and fermented beverage categories. Member States also have discretion to treat products that would fall under the fermented beverages category as Intermediate Product so long as the product exceeds 5.5% abv and the alcohol is not entirely of fermented origin. Chargeability and reduced rates.
19-23	Ethynol alcohol	The definitions & CN codes - (a) All products classified to 2207 and 2208, even when they form part of a product that is classified under another chapter of the nomenclature. (b) Any product classified to 2204, 2205 and 2206 that exceeds 22% abv. Chargeability, reduced rates, and certain derogations.
24-26	Miscellaneous category	Includes the application of refunds.
27	Exemptions	Across a range of issues, including the application of the exemption in the area of completely and partially denatured alcohol.
28	Derogation (UK)	To apply an exemption for concentrated malt beverage, and aromatic bitters.

3. THE QUESTIONNAIRE

3.1: Classification of alcohol and alcoholic beverages

Some producers can be inclined to alter their alcoholic products so that on appearance (taste, apparition, consistency, etc.) they resemble one product but are effectively taxed as a different product. It is not illegal to do so but can bring about two distortive consequences. Firstly, these products will be altered only slightly as to, typically, fall into a lower tax or customs duty category (e.g. through modifying the alcoholic strength, sugar content or alcoholic base of the drink), and thus causing revenue loss. Secondly, they are misleading the consumers into buying unknowingly and involuntarily a product different from the one intended. The 2 CN codes in this section are 2206 (Intermediate Product) and 2208 (Udenatured alcohol).

Question 1.1 – Given the current classification system, the consumer has enough information about what the types of alcohol they are buying and consuming?

- Strongly agree
 Agree
 Neither agree nor disagree
 Disagree
 Strongly disagree
 Don't know

Please explain more about the availability of the information

Beverages containing ethanol are carcinogen, teratogen, toxic and addictive. Neither type of alcohol, not even those with high ABV, provides consumers with adequate information about this fundamental information for allowing consumers to make informed choices.

The Eurobarometer shows two findings relevant to this question:

- A clear majority (79%) support placing warnings for pregnant women and drivers (79%) on bottles. Placing warnings on alcohol advertisements receives even clearer support (82%).
- Only a little over a quarter of EU citizens (27%) are able to give a correct answer when asked what the legal blood alcohol limit for driving is in their country

While European citizens support policy measures to increase information on alcohol products, findings show that a minority today has sufficient knowledge about crucial information concerning the purchase and consumption of alcohol. This matters because evidence shows that no matter the type of alcohol, the negative consequences for human health, societal progress and economic prosperity are related to alcohol consumption, no matter the type of alcohol.

Alcoholic beverages above 1.2% alcohol volume are exempted from the food information directive (1169/2011), and so alcoholic products are not required by law carry any of this information, ensuring that alcohol consumers receive less information than those of other consumer goods.

This is a grave concern because it has caused that consumers – even though they support labelling measures – are left without adequate information, thus lacking understanding of the health and nutritional consequences of using alcohol. This is a peculiar anomaly, and one that ought to be rectified urgently.

The alcohol industry uses this anomaly to blur the lines between different types of alcohol products. Especially mixed alcohol products are difficult to understand, but also product names are confusing, often obstructing the alcohol content and the nature of the product.

Question 1.2 – There is enough information readily available in your country about classification of alcohol products produced domestically or for any other Member State?

- Strongly agree
 Agree
 Neither agree nor disagree
 Disagree
 Strongly disagree
 Don't know

Please explain more about the availability of the information

While the alcohol industry, the producers, distributors and retailers of alcohol products can rely on the internal market in the EU, consumers cannot rely on a EU-wide space with unified information, reliable procedures and norms pertaining to alcohol.

While some countries do better in providing information about alcohol, none does a sufficient job. And the consumers are at a considerable disadvantage compared to the alcohol industry. Information needs to be much easier accessible and available; the barriers to obtain information need to be considerably reduced. Alcohol industry self-regulation has not worked in achieving this. Citizens of EU member states are also citizens of the EU: mobile, flexible, often multilingual. Information about classification of alcohol products, their geographic origin, but also the origin of the company that owns the brand should all be more easily available.

Question 1.3 – I have seen / purchased alcoholic products which were packaged to look like their equivalent higher strength spirits but lower priced than the equivalent products in the higher tax band?

- Very often
 Often
 Rarely
 Sometimes
 Never
 Don't know

If relevant, please provide additional information

In countries across the EU, the alcohol industry floats the rules through misleading packaging, constantly attempting to target young audiences and circumventing legal age limit, and/ or pricing regulations for their products.

Alcopops are a problem across the EU. It's not easily understandable from the packaging what type of alcohol they are and how high the ABV is.

Other products blur the lines and confuse consumers: are they wine-based or liquors; are they beers or liquor or mixed beverages?

Question 1.4 – In your view, is it easy to classify alcohol and alcoholic beverages under the headings listed above (for example 2206 – intermediate product, 2208 - spirit)?

- Very easy
 Easy
 Neither easy nor difficult
 Difficult
 Very difficult
 Don't know

Please explain more about the availability of the information

There are apparent difficulties with the implementation of the classification: It seems possible to classify one type of alcohol products under several categories. Furthermore, some types of alcohol products are very country-specific, and thus fail to be recognized or classified with the headings. For example, the Swedish cider. Especially difficult is the difference between mixed drinks with fermented alcohol (2206) and mixed drinks with spirits (2208).

Question 1.5 - Can you give us examples of drinks where it is not immediately obvious to you what classification they fall into and how they compare in terms of price to the similar products?

- Yes
 No

If yes, please give examples

Examples are many. We think that this situation has to be assessed scientifically, studied adequately and remedied with robust policy interventions. The current situation gives unnecessary advantages to the alcohol industry over European consumers. One example, among many from many countries, coming from the Netherlands: Ferm Fruit (Toorank Productions)

In the Siebrand case, the European Court of Justice (ECJ) ruled that the decisive criterion for the classification of goods for customs purposes is in general to be sought in their "objective characteristics" and that it was necessary to identify, from among the materials of which they are composed, the one which gives them their "essential character".

Question 1.6 - Please indicate to what extent you agree with the following statement: The criteria of the ECJ in Siebrand reduces any present and future classification problems

- Strongly agree
 Agree
 Neither agree nor disagree
 Disagree
 Strongly disagree
 Don't know

Please explain

Reality after the Siebrand case shows: It is very difficult to classify alcohol products based on their content. Part of the problem are the alcohol producers themselves who seek to circumvent regulations by choosing to focus/ highlight certain content of the product. The Toorank Productions case indicates that there remain uncertainties with the classification of alcoholic beverages. In the aftermath of the Toorank Productions case we must say: "Objective characteristics" and "Essential character" are terms that do not give a precise guideline on how to classify alcoholic beverages for customs purposes. Both terms seem open for alcohol industry floating alcohol regulations and might mislead Member States on how to classify.

Source:

<http://www.lexgo.be/en/papers/2015/06/The%20never-ending%20talks%20on%20the%20classification%20of%20alcoholic%20beverages%253A%20how%20will%20it%20taste%20the%20ECJ%20,9>

Question 1.7 - In your opinion, if you agree that there is a problem, what would be the best solution to solve these issues?

- The ECJ continues providing its rulings on a case by case basis
- The customs common nomenclature (CCN) for classification of products should be the only classification system
- More precise criteria for product classification should be established
- Other Principally, alcohol needs to be regulated much more according to the interests of public health in general and allowing consumers to make informed decisions in particular. It means that the structures of excise duties on alcohol and alcoholic beverages in the European Union need to be recalibrated. We see a situation where the alcohol industry is using the current regime to float norms and rules and it violates consumer rights and puts a burden on public health. Specifically, excise duties on alcohol and alcoholic beverages need to be structured in a way that alcohol is taxed based on ABV.

3.2: Reduced rates for small producers of beer and ethyl alcohol

For small producers the Directive allows Member States to introduce reduced rates in respect of certain alcoholic product categories:

- For beer, Article 4 of Council Directive 92/83/EEC gives Member States the option to apply reduced rates to brewers producing no more than 200,000 hectolitres (20 million litres) per year.
- For ethyl alcohol (spirits), Article 22 gives Member States the option to apply reduced rates to distillers producing no more than 10 hectolitres (1,000 litres) of alcohol per year, or 20 hectolitres (2,000 litres) if already provided when the Directive was adopted.

With regard to the other three categories of alcohol products (Wine; Fermented beverages other than Wine and Beer; and Intermediate Products) there are simply no reduced rate provisions specifically aimed at small producers.

Question 2.1 – Please indicate to what extent you agree with the following statements: There are overall benefits of establishing common EU rules for the application of reduced rates to small producers across the EU

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please say why

The taxation of alcohol should be high, and there should be no subsidies, tax breaks or any other support to the alcohol industry. Alcohol causes tremendous harm and it is crucial to use taxation as tool to generate the resources to prevent and reduce alcohol-related harm.

In the long-term it is the affordability of alcohol rather than the price itself that determines demand. In the EU, alcohol has become cheaper over time, due to inflation. Therefore, it is urgent that the increase duties on alcohol in the EU.

It is not appropriate to make alcohol more affordable – through reduced rates to small producers – in the European Union.

In addition, evidence is robust for the benefits to harmonising regulations on alcohol duties across Europe to avoid legal uncertainty about what policies are permissible.

Question 2.2 – Please indicate to what extent you agree with the following statements: The rules for small producers should apply to all categories of alcohol and alcoholic beverages

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please say why

There should not be special rules for small producers in the first place.

The burden of alcohol harm amounts to €156 billion and taxation is an important tool in generating resources to reduce this heavy burden of alcohol costs. All producers, distributors and retailers of alcohol need to play their part – through taxation – in carrying the alcohol burden, because currently it is tax payers that pay the tab.

- No matter whether small, local or gigantic

multinational producer, alcohol taxation should incentivize the development of lower strength alcohol products across all kinds of alcohol; taxes should be used to raise the real price of alcohol products in a way that their affordability declines over time; the EU minimum tax rates should be increased at least in line with inflation; and the tax on every alcohol product should be proportionate to the volume of alcohol it contains. The rate of taxation should increase with product strength.

Question 2.3 - Are there any concrete situations that you are aware of whereby the application of a reduced rate on certain alcohol and alcoholic beverages for small producers by one or more Member States is resulting in distortion of competition within the Single Market? Please explain and, if possible, give an indication of the economic impact of the distortive effects

- Yes
 No
 I don't understand the question

First and foremost EU excise duties on alcohol should be structured on the basis of public health and social development objectives – not just single market grounds.
 Secondly, there have been cases where large beer producers in Germany have created price cartels to outcompete smaller brewers.
<http://iogt.org/blog/2014/01/13/beer-producers-fined-for-price-fixing/>
 In this context, we believe that taxation and the application of reduced rates for small producers are helpful, because excise duties should be applied to alcohol products and should discourage bulk purchases and harmful use.
 To deal with distortion of competition there need to be employed other measures: stricter oversight of the large multinational alcohol producers; as well as more stringent enforcement of existing competition rules and regulations.

3.3: Exemptions

Denatured alcohol (or non-commercial / industrial or "surrogate" alcohol) that is used in the manufacture of some products not destined for human consumption, (for example screen wash, anti-freeze, hand sanitizer, mouthwash, nail varnish remover, perfumes and aftershave) is exempt from excise taxes. As a tax-exempted finished product, it is moved between the EU countries outside of the EU monitoring system for excisable products (Excise Movement and Control System - EMCS), meaning with little or no fiscal control. Those same products are often targeted by criminals to be reverted / "cleaned up" into drinking alcohol and sold on as such to shops, restaurants and/or bars. In most cases where alcohol is sold very cheaply, the consumer may know he/she is probably buying illegal alcohol, but not necessarily know that it may also actually be industrial alcohol "cleaned up" for drinking purposes, unaware of the genuine provenance and safety of the "drink".

Question 3.1 – Are you aware that the fraud described above is happening?

- Yes
 No
 I don't understand the question

Question 3.2 - Have you, your friends, or any member of your family ever been offered / bought very cheap (for example, less than supermarket prices) spirit?

- Yes
 No
 I prefer not to say

Please indicate to what extent you agree with the following statements:

The problem of denatured alcohol being reverted into spirit and sold illegally is widespread?

- Strongly agree
 Agree
 Neither agree nor disagree
 Disagree
 Strongly disagree
 Don't know

If possible, please provide evidence

In 2012, 20 people died and several people were seriously injured from consuming methanol-tainted spirits in the Czech Republic, imported from Poland. In the UK in 2012, an explosion in an illegal vodka distillery in Lincolnshire killed five people

There are examples like this from countries around the European Union and they show that illicit alcohol is a public health concern.

However, it is crucial to note: the issue of illicit alcohol is dwarfed by the public health burden from 'legitimate' alcohol.

Legal alcohol is the third biggest risk factor in Europe for non-communicable diseases, ill health and premature death. It is estimated that in the EU in 2004, 120,000 people between 15 and 64 years old died of alcohol-attributable causes – 12% of the total in this age group.

By contrast, a World Health Organisation report on the matter suggested the health risks from illicit or unrecorded alcohol are "very similar to commercial alcohol, predominantly caused by ethanol itself". It shows that a number of studies have failed to find a significant difference in toxicity between commercial and illicit alcohol. Other than extremely rare cases of contamination and poisoning like those mentioned above, the main risks stem from the strength of alcoholic beverage and the frequency of consumption, rather than anything inherent in illicit alcohol.

In many EU countries illicit alcohol is generally legitimately produced, but redirected to avoid duty.

Taxation thus is a robust and legitimate tool to regulate the price of legal alcohol and in this way protect public health, societal progress and economic prosperity.

The trade and consumption of illicit alcohol can be justified

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Please say why

How important it is for you to know that the alcohol you are drinking is both legitimate and safe to drink?

- Very important
- Important
- Neither importan nor unimportant
- Not important
- Don't know

Please say why

It is important and therefore we urgently need mandatory labelling.
The most fundamental message for labelling and

the approach to alcohol taxation is this: consumption of alcohol products is not healthy and not safe. It is carcinogen, terratogen, toxic and addictive.

Alcohol is the third biggest risk factor in Europe for non-communicable diseases, ill health and premature death. In several situations (such as pregnancy and driving) and for certain diseases (cancer), there are no safe limits for alcohol consumption.

Consumer have a right to know what they are consuming. They have a right to make informed choices. With the current structures of excise duties on alcohol in Europe, these rights are being violated.

Therefore IOGT International recommends two things:

- Countries should have the right to react flexibly by using the tax instrument to deal with specific alcohol products, for example those targeting young people.
- Alcoholic products should be marked to determine their origin and follow their movement in order to tackle illegal alcohol.

Question 3.3 - Are you willing to pay more for the certainty to know you are buying a legitimate product?

- Yes
 No
 Don't know

Question 3.4 - Are you aware that there are potentially serious health risks of consuming some of the types of illicit alcohol (for example blindness, even death)?

- Yes
 No

Question 3.5 - What in your opinion could be done to solve this problem? What do you expect the Member States to do and what should the EU do?

As we have already observed, the overall population harm from legal alcohol dwarfs that from illegal alcohol. Lowering alcohol taxes would increase consumption of alcohol, and therefore be damaging to public health. The EU should tackle the burden of alcohol harm, including legal and illicit alcohol, that Europe is currently exposed to. False dichotomies between addressing illicit alcohol or legal alcohol need to be reexamined and abandoned. It may be tempting to reduce taxes so as to lower the cost differential between licit and illicit alcohol, but evidence shows such a move would do more harm than good.

In 2004 Finland reduced its excise duties by a third on average, in an effort to prevent people travelling to Estonia to purchase alcohol. This led to an increase in alcohol consumption and a substantial increase in deaths from alcohol-attributable diseases. Deaths from liver disease rose by 46%. Rates of hospitalization, alcohol poisoning and alcohol dependence were also higher as a result of the change. Ultimately, Finland reversed its position and raised alcohol taxes. This example shows that reducing taxation has severe outcomes, and should not be used as a strategy to combat the health threats from illicit alcohol.

The EU needs to act urgently to follow the WHO Global Alcohol Strategy and the WHO Europe action plan on alcohol. EU member states have committed themselves to reduce harmful use of alcohol by 10% until 2020 in the NCDs global action plan – and member states need action of the European Commission to coordinate them

and hold them accountable.

Thus, a new and improved EU Alcohol Strategy needs to be put in place; the EU minimum excise tax rate should be increased and adjusted to inflation, at least.

3.4: Own consumption / private production

The Directive allows an exemption for the private production and own consumption (by the producer, members of his family or his guests) in the categories of beer, wine and fermented beverages.

Question 4.1 - Are you aware of this exemption in these categories?

- Yes
 No
 No opinion

Question 4.2 - Do you think the exemption should be extended to all the categories i.e. also include Intermediate Products and Ethyl Alcohol?

- Yes
 No
 No opinion

Question 4.3 - Would any extension of the provisions encourage fraudulent production and sale of ethyl alcohol? Could it also impact if there was cross-border activity with such alcohol?

- Yes
 No
 No opinion

3.5: Excise structure's importance for policy making

Question 5.1 – In your view, can the structures of excise duties on alcoholic beverages have an impact on any other policy aspects (e.g. health policy, social policy, cultural policy, agricultural policy, revenue raising, etc.)?

- Significant impact
 Some impact
 No impact

Please explain your choice

In general, in addition to being an important source of revenue, excise duties can promote and benefit health, social policies, economic prosperity and sustainable development. An important and legitimate function of excise duties is to address externalities – the harm to others from a person's alcohol consumption – and to incentivise behavioural change to encourage healthier lifestyles.

The Organisation for Economic Co-operation and Development (OECD) concludes in their report *The Role of Fiscal Policies in Health Promotion* (2015) that there is strong evidence of positive health outcomes from fiscal measures on alcohol and tobacco, and that "taxes on health related commodities can be a powerful tool for health promotion".

In particular, one potentially crucial public health function of excise duty is to incentivise the production and sale of lower strength alcoholic beverages. This is best achieved by applying higher rates of duty to higher strength alcohol products.

At this moment alcohol excise duties are based on the way the alcoholic beverage is produced (brewed, fermented, distilled), instead of basing the taxation rate on the alcohol content. So, some beverages with a high alcohol content are taxed too low and can be sold too cheaply – which is a massive concern for public health and societal progress because cheap alcohol is mainly

purchased by young people and people with alcohol use disorders, and thus cheap alcohol due to insufficient taxations is related to additional health burden.

Taxation policies in line with public health goals, help to reduce alcohol consumption, tax increases in line with the strength of the product and per unit.

Yet directive 92/83/EEC means that such a regime is not possible for wine or cider. Article 9 stipulates: "The excise duty levied by Member States on wine shall be fixed by reference to the number of hectolitres of finished product", ensuring that taxing by alcohol content is impossible. Article 13 makes the same stipulation with respect to 'other fermented beverages', including cider.

These stipulations should be altered and adjusted for taxation to be in line with public health goals, so that wine and cider can be taxed proportionately to their alcohol content.

Question 5.2 – Do you agree that the calculation of excise duty based on the volume of the product rather than the actual alcoholic content is in line with the health policy in my country.

- Strongly agree
 Agree
 Neither agree nor disagree
 Disagree
 Strongly disagree
 Don't know

Please explain your choice

Europe is the heaviest alcohol consuming region in the world with a heavy burden of alcohol harm and associated costs. Alcohol taxation is an evidence-based, cost-effective tool to tackle alcohol harm in Europe.

Taxation should be employed to reduce the affordability of alcohol in order to reduce alcohol consumption and its associated harms. Alcohol taxation employed this way becomes a tool for generating health promotion funds.

Use alcohol taxes to fund research and the promotion of health, well being and societal development.

IOGT International recommends these six points:

- Taxation should incentivize the development of lower strength alcohol products across all kinds of alcohol and support the pro- motion of alcohol-free beverages.
- Taxes should be used to raise the real price of alcohol products in a way that their affordability declines over time.
- Minimum tax rates should be increased at least in line with in a- tion and should be proportional to the alcoholic content of all beverages that contain alcohol.
- The tax on every alcohol product should be proportionate to the volume of alcohol it contains. The rate of taxation should increa- se with product strength.
- Countries should have the exibility to limit individual cross-border purchases so as to secure the impact of their tax policies.
- Countries should have the right to react exibly by using the tax instrument to deal with speci c alcoholic beverages, for example those targeting

young people.

A progressive tax rate based on the alcohol content means in practice that the effective tax pressure gradually increases the higher the alcohol content of the beverage is, regardless of the way the product is produced.

Beyond the answers and comments provided above, if you wish to submit any other comments on the functioning of the Directive, please do so here

For us as worldwide network of NGOs, based in the EU and with a high number of Member Organizations from the EU, we have been answering all question with an EU perspective, rather than focusing on one country. We would like to conclude with a summary of the main points made above. Firstly, and most importantly, we believe that the current framework for excise duty is damaging to public health as it prevents the use of fiscal instruments to incentivise the production and sale of lower strength beverages. Moreover, member states should have the ability to target these measures at larger producers, who have the flexibility to respond to such incentives. Second, we believe that the concern around illicit alcohol suggested by this consultation is disproportionate to the actual level of harm it produces, which is dwarfed by the harm resulting from the consumption of legal alcohol. Finally, we would like to insist that all types of alcohol are treated fairly and equally – arbitrary anomalies in the system which privilege certain types of beverage over others should be eradicated. Most importantly, it is urgent for the EU to reform its legislation on the structures of excise duties on alcohol and alcoholic beverages, to bring the minimum excise duty rate in line with prices and inflation rates of the year 2015, and to make use of the taxation tool, in order to generate funds to promote health, well-being for all and the best interest of Europe's children

4. SOME IMPORTANT MESSAGES ABOUT THIS CONSULTATION

The Commission would like to thank you for taking part, your views will be an important contributor to the evaluation. The Commission services would like to point out that this is an open public consultation. A targeted consultation is being conducted simultaneously with interested stakeholders from industry and from the administrations in the Member States.

Stakeholders are invited to reply to those questions that are of concern for them. Figures and concrete examples of fraud, evasion and abuse, and the distortion of competition within the internal market or of specific problems encountered due to the current excise rules would be highly appreciated.

As already indicated above, it is important to keep in mind that this public consultation is part of the assessment process and that no policy decisions have been taken at this stage.

5. FINAL OBSERVATIONS

It is important for contributors to identify clearly: name, address, e-mail, activity, other information and, in the event of representative organisations, the level of representation.

It is important to read the specific privacy statement on how your personal data and contribution will be dealt with on the following website: http://ec.europa.eu/taxation_customs/index_en.htm.

In line with the specific privacy statement of this open public consultation, respondents should be aware that **contributions received will be published on the website of DG TAXUD** together with the identity of the contributor **unless the contributor objects to the publication of his personal data** on the grounds that such publication would harm his or her legitimate interests. In this case the contribution may be published in anonymous form.

Otherwise the contribution will not be published nor will its content be taken into account.

The results will be summarised in a report to be published on the same website. Feedback would also be presented in the impact assessment report and explanatory memorandum relating to a Proposal for a Directive if the Commission decided to pursue this avenue.

Click "Finish" to close the consultation. Your answers have been saved.

If you would like a printed copy of your answers, please click the print button.

