

**Mr. V. Hurtado Roa**  
Head of Unit DG TAXUD C2  
European Commission  
Rue de Spa, 3  
1000 Brussels

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### Common Partial Loss Thresholds for Excise Goods

Dear Mr. Hurtado Roa,

on behalf of the Customs and Excise Duties Working Group (CEDWG), constituted by FETSA, FuelsEurope and UPEI, we are writing today regarding the Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty (subsequently Directive). We really appreciate that partial losses due to the nature of the goods that occur during a duty suspension movement between the Member States shall not be considered a release for consumption in so far as the amount of loss falls below the common partial loss threshold for those excise goods (Article 6 (7) of the Directive).

For the mineral oil sector this is important as we mostly have bulk transports under duty suspension where quantity differences between loading and discharged volumes / weights are "daily business". Differences within accepted tolerances hinder discussions regarding those differences with different Member States involved and lead to tax assessments although it is obvious that a consumption of the energy products did not take place.

Based on Article 6 (10) of the Directive the thresholds should be laid down in a Delegated Act and consider the nature of the goods, the physical and chemical characteristics of the goods, the ambient temperature during the movement, the distance of the movement or time consumed during movement, specifying the excise goods, the corresponding common partial loss threshold as a percentage of the total quantity and other relevant aspects related to transport of the goods.

For the mineral oil sector, it is important to consider the following facts to come to realistic thresholds which reflect the nature of the goods, technical constraints and other non-controllable factors:

- ✓ For bulk deliveries the kind of the energy product, the temperature of the product itself and the outside temperature as well as the mode of transport can have an impact on transport losses. Following some examples:
  - Light products evaporate more than heavier ones. The hotter the outside temperature the higher is the evaporation.
  - LPG transported by rail is difficult to unload completely due to technical circumstances caused by the product. A transport difference of up to 1% can be caused by the technical difficulties only.
  - Heavy products such as vacuum gas oils are loaded with higher temperatures in barges and are difficult to unload completely in case the temperature falls too much (adherence issue).
  - Discharging Butane directly in a butanizing process is subject to losses > 1% because of the change in state of aggregation from liquid to gaseous.

- ✓ Thresholds for excise purposes should also consider the legally allowed calibration error of meters and scales which typically comes to 0.5% in most Member States. It should be taken into account that loading a discharge always takes 4 measurements (before and after each operation).
- ✓ Additionally, transport differences can be caused by different pumping capacities of barges and excise warehouses, extremely long discharge pipes or discharges of different products loaded in one barge in different compartments.

The aim for establishing tolerances is to reduce administrative burden for both, customs authorities and economic operators, where it is clear that the differences in numbers are not caused by the consumption of product. Only if aforementioned characteristics are considered in determining realistic thresholds for energy products these thresholds will reflect the specifics of the bulk transports of energy products and consequently ease the handling of transport losses for both, customs administrations and economic operators.

We would appreciate to explain our arguments in a personal conversation. In case a project group will be set up to deal with the thresholds, we would like to be part of it to bring in our experience.

Yours sincerely,



CEWDG / Customs and Excise contact persons: Inga Toelke ([toelke@mew-verband.de](mailto:toelke@mew-verband.de)) and Svenja Otto ([svenja.otto@uk.bp.com](mailto:svenja.otto@uk.bp.com))

CEDWG Secretariat: [info@upei.org](mailto:info@upei.org)