

28th November 2006

Paul Gray
Mike Hanson
Two of the Commissioners for Her Majesty's Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations and the Customs and Excise Duties (Travellers' Allowances and Personal Reliefs)(New Member States)(Amendment) Order 2006 (S.I.2006/3157) give effect to derogations contained in the Act concerning the Accession of the Republic of Bulgaria and Romania to the European Union ("the new member States")(a). Existing member States may maintain quantitative limits on the amount of cigarettes which may be brought into their territory, without further excise duty payment, from the new member States which have obtained derogations from Council Directive 92/79/EEC (regarding the approximation of taxes on cigarettes)(b).

These Regulations come into force on 1st January 2007.

Regulation 3 inserts a new paragraph into regulation 7 of the Excise Duty Points (Etc.)(New Member States) Regulations 2004 (S.I. 2004/1003) ("the Duty Points Regulations"). This new paragraph updates references to Council Directive 92/12/EEC(c) ("the Directive") in the Regulations listed in regulation 7(2)(c) to (g). The application of these listed Regulations is defined by reference to the territorial application of the Directive. From 1st January 2007 the Directive will apply to the new member States.

Regulation 4 amends the Schedule to the Duty Points Regulations so that the excise duty point, for cigarettes acquired by a person in the new member States for his own use and transported by him to the United Kingdom, is the time when the tobacco products are charged with duty. This has effect until and including 31st December 2009.

A transposition note setting out how these Regulations affect the implementation of the requirements of Council Directive 92/12/EEC is available at www.hmrc.gov.uk.

A Regulatory Impact Assessment has not been produced for this instrument as it has no impact on the costs of business, charities or voluntary bodies.

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- (a) OJ No L 157, 21.6.05, p 203. See paragraph 2 of Chapter 6 of Annex VI and paragraph 2 of Chapter 7 of Annex VII to the Act of Accession.
- (b) OJ No L 316, 31.10.92, p 8 as amended by Council Directive 1999/81/EC and Council Directive 2002/10/EC.
- (c) OJ No L 76, 23.03.92, p 1; relevant amendments made by Council Directive 94/74/EC (OJ No L 365, 31.12.94, p 46) and Article 19 of, and Protocol No 3 to, the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded(OJ No L 236, 23.9.03, p 33). Article 2 of the Directive gives a description of the Directive's territorial application; that description includes a reference to Article 227 (now 299) of the EC Treaty; paragraph 1 of Article 299 has been amended by Article 17 of the Act of Accession referred to in regulation 3 of these Regulations.

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EXCISE

**The Excise Duty Points (Etc.)(New Member
States)(Amendment) Regulations 2006**

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