

EXEMPTION FROM TAXES

granted to imports
made by travellers

COMMISSION
of the European Communities

**Exemption from taxes
granted to imports
made by travellers**

Brussels

COORDINATED TEXT OF THE MAIN ARTICLES
OF THE COUNCIL DIRECTIVE OF 28 MAY 1969

on the harmonization of provisions laid down by law, regulation or
administrative action relating to exemption from turnover tax and excise duty
on imports in international travel

(69/169/EEC)

AND OF THE COUNCIL DIRECTIVE OF 12 JUNE 1972

on the harmonization of provisions laid down by law, regulation or
administrative action relating to tax treatment applicable to turnover and to the
excise duty levied on international travel

(72/230/EEC)

Introduction

This document sets out the coordinated text of the main articles of two Council Directives on tax exemption for travellers, of 28 May 1969, and 12 June 1972.

At the time of publication, it seems appropriate for the Commission to point out what are the objects of the two directives, and what means are used to achieve them; the object being that the peoples of the European Economic Community should become more conscious of the reality of the common market.

To achieve this it was necessary, in the first place, to eliminate the double taxation which resulted in travellers paying tax on retail goods bought in the country of origin and being taxed again on the same goods when they crossed the frontier of the country, which was their destination. Secondly, a reduction in frontier controls was indicated.

The method provided by the two directives of 28 May 1969, and 12 June 1972 for elimination of double taxation is to grant to travellers carrying goods in their luggage exemption from taxes when they enter the country of their destination. The first of these directives set up a system of exemptions in units of account, with, in addition, exemptions expressed quantitatively for certain products subject to excise duty.

The second directive has increased the value of exemptions for adults from 75 UA to 125 UA (from 20 UA to 30 UA for children less than 15 years old), and the quantitative exemptions by 50% for intercommunity travel.

In relation to reduction of frontier controls, the directive of 12 June 1972 has expressly provided that the Member States must take the necessary measures to give travellers the possibility to indicate tacitly or by a simple verbal statement that they respect the limits and conditions of the (authorised) exemptions. The Commission is convinced that this measure will largely contribute to the reduction of controls, and will have a definite psychological effect on travellers.

The reader will note that the problem of travel in frontier zones, and the system for tax remission has been treated in greater detail, than in 1969 with the entry into force of "Tax Exemptions for Travellers". A minimal exemption is provided for those living and working in the frontier zone.

With the exception of paragraph 2 and the following paragraphs of Article 6 of the coordinated text of the directives of 28 May 1969, and 12 June 1972, which will come into force at the latest on 1 January 1973, all the provisions referred to in the present text have been implemented since 1 July 1972.

Coordinated text of main articles of the Council Directives "Tax Exemption for travellers" No. 69/169/EEC of 28 May 1969¹ and No. 72/230/EEC of 12 June 1972².

Article 1

1. Exemption from turnover tax and excise duty on imports shall apply, as regards travel between third countries and the Community, to goods in travellers' personal luggage, if such imports have no commercial character and the total value of the goods does not exceed twenty-five units of account per person.
2. Member States may reduce this exemption to ten units of account for travellers under fifteen years old.
3. Where the total value per person of several items exceeds twenty-five units of account or the amount fixed pursuant to paragraph 2, as the case may be, exemption up to these amounts shall be granted for such of the items as would, if imported separately, have been granted exemption, it being understood that the value of an individual item cannot be split up.

Article 2

1. Exemption from turnover tax and excise duty on imports shall apply, as regards travel between Member States, to goods in travellers' personal luggage which fulfil the conditions laid down in Articles 9 and 10 of the Treaty, if such imports have no commercial character and the total value of goods does not exceed one hundred and twenty-five units of account per person. This exemption shall be granted also where the travel includes transit through territory other than that of a Member State.
2. Member States may reduce this exemption to thirty units of account for travellers under fifteen years old.
3. Where the total value per person of several items exceeds one hundred and twenty-five units of account or the amount fixed pursuant to paragraph 2, as the case may be, exemption up to these amounts shall be granted for such of the items as would, if imported separately, have been granted exemption, it being understood that the value of an individual item cannot be split up.

¹ Journal officiel : L 133 : 4 June 1969.

² Journal officiel : L 139 : 17 June 1972.

Article 3

For the purpose of this directive:

1. The value of personal effects which are imported temporarily or are reimported following their temporary export shall not be taken into consideration for determining the exemption referred to in Articles 1 and 2.
2. Importations shall be regarded as having no commercial character if they:
 - (a) take place occasionally, and
 - (b) consist exclusively of goods for the personal or family use of the travellers, or of goods intended as presents; the nature or quantity of such goods must not be such as might indicate that they are being imported for commercial reasons.

Article 4

1. Without prejudice to national provisions applicable to travellers whose residences are outside Europe, each Member State shall apply the following quantitative limits for exemptions from turnover tax and excise duty on the goods listed below:

	I <i>Travel between third countries and the Community</i>	II <i>Travel between Member States</i>
(a) Tobacco products		
cigarettes	200 units	300 units
or		
cigarillos (cigars of a maximum weight of 3 g. each)	100 units	150 units
or		
cigars	50 units	75 units
or		
smoking tobacco	250 g.	400 g.

(b) Alcoholic beverages		
— distilled beverages and spirits of an alcoholic strength exceeding 22°	1 standard bottle (0.70 to 1 litre)	to a total of 1.5 litre
— distilled beverages and spirits, and aperitifs with a wine or alcohol base of an alcoholic strength not exceeding 22°, sparkling wines, fortified wines	to a total of 2 litres	to a total of 3 litres
and still wines	to a total of 2 litres	to a total of 3 litres
(c) Perfumes and toilet waters	50 g. $\frac{1}{4}$ litre	75 g. $\frac{3}{8}$ litre
(d) Coffee or coffee extracts and essences	500 g. 200 g.	750 g. 300 g.
(e) Tea or tea extracts and essences	100 g. 40 g.	150 g. 60 g.

2. Exemption for the goods mentioned in paragraph 1 (a), (b) and (d) shall not be granted to travellers under fifteen years old.

3. Within the quantitative limits set in paragraph 1 and taking account of the restrictions in paragraph 2, the value of the goods listed in paragraph 1 shall not be taken into consideration in determining the exemption referred to in Articles 1 and 2.

Article 5

1. Member States may lower limits as to value and/or quantity for the exemption of goods as far as to 1/10 of the value and/or quantity laid down in Article 2 and Article 4 (1) column II when they are imported from another Member State by persons residing in the frontier zone of the Member State into which they are imported or that of a neighbouring Member State, by frontier zone workers, or the crew of means of transport used in international travel.

However, for the following products, the exemption may be lowered to the following limits:

(a) Tobacco products

cigarettes	40 units
or	
cigarillos (cigars of a maximum weight of 3 g. each)	20 units
or	
cigars	10 units
or	
smoking tobacco	50 g.

(b) Alcoholic beverages

— distilled beverages and spirits of an alcoholic strength exceeding 22°	0.25 litre
or	
— distilled beverages and spirits, and aperitifs with a wine or alcohol base of an alcoholic strength not exceeding 22°, sparkling wines, fortified wines	0.50 litre
and	
— still wines	0.50 litre

2. The Member States may set lower limits as to value and/or quantity for the exemption of goods when they are imported from a third country by persons residing in the frontier zone, by frontier zone workers or by the crew of the means of transport used in travel between third countries and the Community.

3. Member States may set lower limits as to value and/or quantity for the exemption of goods when they are imported from another Member State by members of the armed forces of a Member State, including civilian personnel and spouses and dependent children, stationed in another Member State.

4. The restrictions referred to in paragraph 1 and 2 shall not be applied when the persons there cited can prove that they are travelling outside the frontier zone or that they are not returning from the frontier zone of the neighbouring Member State or neighbouring third country.

However these restrictions continue to apply to frontier zone workers, and the crews of means of transport used in international travel when they import goods while travelling for reasons connected with their work.

5. In implementing the provisions referred to in paragraphs 1, 2 and 4, the definitions are as follows:

— frontier zone, a zone which is not more than 15 kilometres as the crow flies from the frontier of a Member State. However each Member State must include in the frontier zone the communes whose territory would be partially included in such a zone;

— frontier zone worker, any person who in the exercise of his daily work is required to cross the frontier on working days.

6. Member States may exclude from exemption goods falling within headings Nos. 71.07 and 71.08 of the Common Customs Tariff.

7. Member States may reduce the quantities of the goods referred to in Article 4 (1) (a) and (d) for travellers coming from a third country who enter a Member State.

Article 6

1. Member States shall take appropriate measures to avoid remission of tax being granted for deliveries to travellers whose domicile, habitual residence or place of work is situated in a Member State and who benefit from the arrangements provided for in this Directive.

2. Without prejudice to the treatment applied to sales made in duty free shops in airports and on aeroplanes, the Member States, in the cases and under the conditions set out in paragraphs 3 and 4, may authorize, for retail sales, remission of turnover tax for goods transported in the personal luggage of travellers leaving a Member State. No remission of excise duty may be granted.

3. For travellers whose domicile or habitual residence is outside the Community, each Member State may set its limits and conditions for granting remission of tax.

For travellers whose domicile, habitual residence or place of work is situated in a Member State, remission of tax is only allowed for those objects whose total unitary value, tax included, is greater than that fixed in Article 2 paragraph 1.

The Member States may fix this total at a higher level. They may also exclude their residents from the benefits of remission of tax.

4. Remission of tax is subject to the following:

(a) For the cases referred to in paragraph 3, first sub-paragraph: the presentation of a copy of the bill or another document to that effect stamped by the Customs of the Member State from which it is exported certifying the exit of the goods.

(b) For the cases referred to in paragraph 3 second sub-paragraph: the presentation of a copy of the bill or another document to that effect, stamped by the Customs of the Member State into which it has been definitively imported, or by another authority of this Member State having jurisdiction in the matter of turnover tax.

5. In implementing this present Article, the definitions are as follows:

— domicile, or habitual residence, the place so named in the passport, or identity card, or lacking these, any other identity document recognised as valid by the Member State from which the exportation is made;

— object: chattel or group of chattels normally forming a whole.

Article 7

Member States may round off the amount in national currency resulting from the conversion of the amounts in units of account stated in Articles 1 and 2.

Article 7(2)

For intercommunity travel, the Member States shall adopt the necessary measures to give travellers the possibility of indicating tacitly or by means of a simple verbal statement, that they respect the limits and the conditions of the authorised exemptions.