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Report

drawn up on behalf of the Committee on Economic and Monetary Affairs

on the proposal from the Commission of the European Communities to the Council (Doc. 12/78) for a regulation laying down the customs procedure applicable to the stores of vessels, aircraft and international trains

Rapporteur: Mr K. NYBORG

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PE 53.559/fin.

By letter of 20 March 1978 the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation laying down the customs procedure applicable to the stores of vessels, aircraft and international trains (Doc. 12/78).

On 31 March 1978 the European Parliament referred this proposal to the Committee on Economic and Monetary Affairs.

At its meeting of 27 and 28 April 1978 the Committee on Economic and Monetary Affairs appointed Mr NYBORG rapporteur.

The committee considered this proposal at its meeting of 17 May 1978 and, at the same meeting, adopted the motion for a resolution unanimously.

Present: Mr Glinne, chairman; Mr Leonardi, vice-chairman; Mr Nyborg, rapporteur; Mr De Keersmaecker, Mr Deschamps, Mr Ellis, Mr Lange, Mr H.W. Müller, Mr Normanton, Mr Pisoni, Mr Schwörer, Mr Spinelli, Mr Starke and Mr Stetter.

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The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation laying down the customs procedure applicable to the stores of vessels, aircraft and international trains

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council pursuant to Article 235 of the EEC Treaty (Doc. 12/78),
 - having regard to the fact that the proposal concerns the customs procedure applicable to goods intended for consumption on vessels, aircraft and international trains, and does not affect the rules governing goods sold to passengers for subsequent consumption elsewhere,
 - having regard to the report of the Committee on Economic and Monetary Affairs (Doc. 129/78),
- approves the Commission's proposal.

¹ OJ No. C 73, 23.3.1978, p.4

EXPLANATORY STATEMENT

1. The purpose of the Commission's proposal is to lay down Community provisions to replace the existing national provisions governing the customs procedure applicable to goods consumed on board vessels, aircraft and international trains. This procedure consists mainly in granting relief from import duties under certain circumstances on the arrival in the customs territory of the means of transport in question, and, on its departure, in treating the shipment of stores for consumption on board as exports from that customs territory. As the stores of these means of transport raise somewhat similar problems as regards both customs and taxation, the customs procedure has been drawn up with reference to the provisions on the uniform basis of assessment laid down by the Council in its Sixth Directive on the harmonization of the laws of the Member States relating to turnover taxes.
2. The Committee on Economic and Monetary Affairs has stressed on many occasions (the most recent being in its report on the development of the customs union and the internal market - Doc. 557/77) the need for common rules on the administration of the customs union, and it therefore welcomes the Commission's proposal to replace the existing national provisions by Community rules.
3. Goods consumed on vessels, aircraft and international trains must be exempted from customs duties primarily to ensure that Community means of transport enjoy the same conditions of competition as the means of transport of third countries. If Community means of transport had to pay duty on products consumed on board vessels engaged in international transport, they would be at a disadvantage when competing with other countries' means of transport.
4. The introduction of common rules on customs procedure is also designed to prevent fraudulent practices detrimental to the Community's economy and budget and affecting both its revenue (collection of customs duties) and its expenditure (granting of export refunds).
5. The rapporteur has examined the Commission's proposal and would describe it as highly technical. Implementing provisions are to be adopted for this regulation, and will be submitted to the Committee on Duty-Free Arrangements¹.

¹ Set up under Council Regulation (EEC) No. 1798/75 of 10 July 1975
OJ No. L 184, 15.7.1975.

After examining the proposal for a regulation, the rapporteur sees no grounds for proposing any amendments. To enable the Committee on Duty-Free Arrangements to decide on the implementing provisions, the rapporteur feels that the European Parliament ought to support the Commission proposal forthwith without unnecessary discussion, unless members of the Committee on Economic and Monetary Affairs wish to propose specific amendments of a political nature.

6. However, the rapporteur would emphasize that the Commission proposal only concerns products intended for consumption on means of transport and not, therefore, products purchased by passengers on vessels, in airports, etc. for subsequent consumption which are duty-free and tax-free: such sales are governed by other rules.

In its report on the development of the customs union and the internal market, the Committee on Economic and Monetary Affairs urged the Commission to submit, as soon as possible, a proposal preventing citizens from being taxed on the same product in different Member States or not paying tax at all. The rapporteur wishes to draw attention here to the urgent need to end sales of duty-free goods to passengers; with regard to the present proposal such a measure could naturally lead to attempts to find a way round the provisions on products for consumption on means of transport. In other words, the regulations on fraudulent practices must be sufficiently effective. The rapporteur is not in a position to make a detailed assessment of the proposed rules in this particular area, and therefore simply requests the Commission to take note of this aspect when drawing up the implementing provisions.

