

Alcohol, Tobacco and Fuel Excise Duty Act

Passed 4 December 2002

(RT¹ I 2003, 2, 17),

entered into force 1 April 2003,

amended by the following Acts:

23.11.2004 entered into force 01.01.2005 - RT I 2004, 84, 569;

17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602;

17.12.2003 entered into force 01.01.2004 - RT I 2003, 88, 591;

12.06.2003 entered into force 07.07.2003 - RT I 2003, 48, 345.

Part 1

General Part

Chapter 1

General Provisions

Division 1

General Definitions

§ 1. Object of tax

(1) Pursuant to this Act, excise duty is imposed on alcohol, tobacco products and fuel (hereinafter together referred to as excise goods).

(2) The commodity codes of alcohol specified in this Act are based on the combined nomenclature (hereinafter CN) established by the Council Regulation 2658/87/EEC as at 31 December 1992 and the commodity codes of fuel are based on the CN as at 1 January 2002. (17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(3) (Repealed - 17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 1¹. Territory and state

(1) For the purposes of this Act, the territory of the European Community (hereinafter EC) means the territory defined in Article 2 of the Council Directive 92/12/EEC and to which the specified Directive applies.

(2) For the purposes of this Act, "Member State" means a state or a territory located within the EC territory.

(3) For the purposes of this Act, “third country” means a state or a territory located outside of the EC territory.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 2. Excise warehouse

For the purposes of this Act, “excise warehouse” means premises where an excise warehousekeeper has the right to produce, store, receive and dispatch excise goods under an excise suspension arrangement pursuant to the procedure provided for in this Act.

§ 3. Excise warehousekeeper

For the purposes of this Act, “excise warehousekeeper” means a person authorised to produce, store and receive excise goods in an excise warehouse and to dispatch excise goods from the excise warehouse.

§ 4. Excise suspension arrangement

For the purposes of this Act, “excise suspension arrangement” means the suspension of a tax liability upon the production, storage, dispatch or transportation of excise goods pursuant to the procedure provided for in this Act.

§ 4¹. Release for consumption of excise goods

For the purposes of this Act, “release for consumption of excise goods” means termination of the excise suspension arrangement and production or import outside an excise suspension arrangement.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 4². Registered trader

(1) For the purposes of this Act, “registered trader” means a person who, pursuant to § 40 of this Act, has been granted the right to receive excise goods transported from another Member State under an excise suspension arrangement for commercial purposes.

(2) Registered traders do not have the right to store or dispatch excise goods under an excise suspension arrangement.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 5. Storage of excise goods

For the purposes of this Act, “storage of excise goods” means the holding of excise goods in the possession of a person or body.

§ 6. Dispatch of excise goods

For the purposes of this Act, “dispatch of excise goods” means the transportation of excise goods outside an excise warehouse.

§ 7. Receipt of excise goods

Excise goods are deemed to have been received when a delivery note specified in subsection 45 (1) of this Act has been signed by the consignee indicated thereon or when the customs declaration for the release of the excise goods for free circulation has been accepted.

§ 8. Transfer of excise goods

For the purposes of this Act, “transfer of excise goods” means the sale, exchange or transfer without charge of excise goods or the provision of excise goods by an employer to an employee or to a member of a management or controlling body.

§ 9. Importer of excise goods

For the purposes of this Act, “importer of excise goods” means a person by whom or on whose behalf excise goods are declared for the customs procedure of release for free circulation within the meaning of the Council Regulation 2913/92/EEC (hereinafter Community Customs Code).

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 10. Import of excise goods

(1) For the purposes of this Act, “import of excise goods” means the release of excise goods for free circulation within the meaning of the Community Customs Code.

(2) For the purposes of this Act, the transportation of excise goods to Estonia from the territories set out in Article 5(1) of the Council Directive 92/12/EEC, second indent, is also deemed to be the import of excise goods.

(3) The transportation of excise goods to Estonia from the territories defined in Article 2(4) of the Council Directive 92/12/EEC is not deemed to be import.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 11. Export of excise goods

(1) For the purposes of this Act, “export of excise goods” means the application of the export customs procedure to excise goods within the meaning of the Community Customs Code.

(2) The transportation of excise goods from Estonia to the territories set out in Article 5(1) of the Council Directive 92/12/EEC, second indent, is also deemed to be the export of excise goods.

(3) The transportation of excise goods from Estonia to the territories defined in Article 2(4) of the Council Directive 92/12/EEC is not deemed to be the export of excise goods.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

Chapter 6

Excise Duty on Tobacco

§ 56. Rates of excise duty on tobacco

(1) The rate of excise duty on cigarettes consists of a fixed rate per one thousand cigarettes and a proportional rate calculated on the basis of the maximum retail price of the cigarettes. The fixed rate is 240 kroons and the proportional rate is 25 per cent of the maximum retail price of the cigarettes. As of 1 July 2005, the fixed rate shall be 275 kroons and the proportional rate shall be 26 per cent of the maximum retail price of the cigarettes, as of 1 July 2006, the fixed rate shall be 315 kroons and the proportional rate shall be 27 per cent of the maximum retail price of the cigarettes, as of 1 July 2007, the fixed rate shall be 360 kroons and the proportional rate shall be 28 per cent of the maximum retail price of the cigarettes and as of 1 July 2008, the fixed rate shall be 405 kroons and the proportional rate shall be 29 per cent of the maximum retail price of the cigarettes.

(23.11.2004 entered into force 01.01.2005 - RT I 2004, 84, 569)

(2) The rate of excise duty on cigars and cigarillos is 2500 kroons per one thousand cigars or cigarillos.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(3) The rate of excise duty on smoking tobacco and chewing tobacco is 240 kroons per one kilogram of the tobacco product. As of 1 July 2005, the rate of excise duty on smoking tobacco and chewing tobacco shall be 280 kroons per one kilogram of the corresponding tobacco product, as of 1 July 2006, the rate of excise duty on smoking tobacco and chewing tobacco shall be 320 kroons per one kilogram of the corresponding tobacco product, as of 1

July 2007, the rate of excise duty on smoking tobacco and chewing tobacco shall be 360 kroons per one kilogram of the corresponding tobacco product and as of 1 July 2008, the rate of excise duty on smoking tobacco and chewing tobacco shall be 400 kroons per one kilogram of the corresponding tobacco product.

(23.11.2004 entered into force 01.01.2005 - RT I 2004, 84, 569)

§ 57. Tobacco products brought into Estonia from outside EC territory in traveller's baggage and exempt from excise duty

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(1) Upon first arrival in Estonia from outside the EC territory within one day, a traveller of at least 18 years of age is permitted to bring up to two hundred cigarettes or one hundred cigarillos or fifty cigars or 250 grams of smoking tobacco or 250 grams of chewing tobacco into Estonia for non-commercial purposes inside the baggage with which he or she is travelling, without paying excise duty.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(2) When baggage which has been accidentally sent to the wrong destination arrives in Estonia, it shall be treated as baggage with which the traveller is travelling.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 57¹. Tobacco products brought into Estonia from another Member State in traveller's baggage and exempt from excise duty

Upon first arrival in Estonia from another Member State within one day, a traveller of at least 18 years of age is permitted to bring tobacco products into Estonia for personal use inside the baggage with which he or she is travelling, without paying excise duty. The customs authorities have reason to think that the tobacco products are not for personal use if the quantity of tobacco products exceeds the following quantitative limits:

- 1) 800 cigarettes;
- 2) 400 cigarillos with a weight of up to 3 grams each;
- 3) 200 cigars;
- 4) one kilogram smoking tobacco and chewing tobacco.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 58. Tobacco products sent to natural person and exempt from excise duty

It is permitted to import up to fifty cigarettes or twenty-five cigarillos or ten cigars or fifty grams of smoking tobacco or fifty grams of chewing tobacco for non-commercial purposes without paying excise duty if the following conditions are met:

- 1) the tobacco products are sent to a natural person of at least 18 years of age in Estonia by a natural person residing in a third country;
- 2) tobacco products are not sent to the same person more frequently than three times per calendar year.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 58¹. Permit for exemption from excise duty on tobacco products

- (1) A permit for exemption from excise duty on tobacco products issued by the head of the customs office of the residence or seat of the applicant grants the right to import tobacco products specified in clause 27 (1) 18¹) of this Act or to acquire such tobacco products from an excise warehousekeeper. A person of a foreign state who operates an aircraft or a ship for commercial purposes during an intra-Community passenger service may import or acquire from an excise warehousekeeper tobacco products specified in clause 27 (1) 18¹) of this Act on the basis of a signed application of the captain of the aircraft or ship which sets out the name, amount and description of the tobacco products.
- (2) Upon issue of a permit for exemption from excise duty on tobacco products, the provisions of clauses 50 (5) 12) and 13) and §§ 52 and 53 concerning the issue of permits for exemption from excise duty on alcohol apply, taking account of the fact that the provisions concerning alcohol apply to tobacco products.
- (3) Upon suspension or revocation of a permit for exemption from excise duty on tobacco products, the provisions of § 54 apply, taking account of the fact that the provisions concerning alcohol apply to tobacco products.
- (4) The holder of a permit for exemption from excise duty on tobacco products is required to comply with the provisions of subsection 55 (1) of this Act, taking account of the fact that the provisions concerning alcohol apply to tobacco products.
- (5) The form of a permit for exemption from excise duty on tobacco products and the procedure for completion of the form shall be established by a regulation of the Minister of Finance.
- (6) The customs authorities shall exercise supervision over the end-use of tobacco products exempt from excise duty.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 59. Transfer of cigarettes

It is prohibited to transfer cigarettes or offer cigarettes for sale at a price exceeding maximum retail price.

§ 60. Excise duty on cigarettes without revenue stamps

Excise duty on cigarettes without revenue stamps shall be calculated based on the prevailing cigarette price on the basis of which the rate of excise duty applicable at the time of the creation of the tax liability was established.

§ 61. Revenue stamping

(1) “Revenue stamping of tobacco products” means affixation of a revenue stamp to a tobacco product or the sales packaging thereof. If the sales packaging is covered with a transparent wrapping, the revenue stamp shall be affixed directly to the sales packaging beneath the transparent wrapping.

(2) The design and the types of revenue stamps, the procedure for the issue and return of revenue stamps, the form of the delivery note for revenue stamps and the procedure for completion of the form shall be established by a regulation of the Minister of Finance.

(3) A revenue stamp shall be affixed to tobacco products in the following cases:

- 1) upon import, unless the tobacco products are subject to an excise suspension arrangement or exemption from excise duty;
- 2) upon dispatch from an excise warehouse outside an excise suspension arrangement;
- 3) upon use of the tobacco products in an excise warehouse for a purpose to which no excise suspension arrangement or exemption from excise duty applies;
- 4) upon release for consumption.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(4) In Estonia, revenue stamps shall be affixed to tobacco products only in excise warehouses or customs warehouses, although the affixer of the revenue stamps may be a producer of tobacco products without revenue stamps or a person holding a written authorisation document issued by the producer of the tobacco products for such purpose.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(5) Revenue stamps may be affixed to tobacco products in a customs warehouse with the permission of the customs authorities. When granting permission, the customs authorities shall take into consideration the possibilities for exercising supervision.

(6) It is prohibited for tobacco products without a revenue stamp which are not under a customs procedure, under an excise suspension arrangement or exempt from excise duty to be handled for commercial purposes. Tobacco products sold by distance sale may be without revenue stamps.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(7) A symbol indicating the type of tobacco product and the quantity of the tobacco product in the sales packaging shall be printed on the revenue stamp affixed to a tobacco product or the sales packaging thereof, except the sales packaging of cigarettes. On revenue stamps affixed to sales packaging containing cigarettes, the maximum retail price of the cigarettes shall be printed.

(8) Revenue stamps imported into Estonia from outside the EC territory or exported from Estonia to outside the EC territory shall be declared to the customs authorities. The printing costs of the revenue stamps shall be indicated in the customs declaration.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(9) Tobacco products with revenue stamps, and revenue stamps which have not been affixed to tobacco products and on which excise duty has not been paid shall not be transferred by the importer of the tobacco products, an excise warehousekeeper or a registered trader, unless the revenue stamps are returned to the Tax and Customs Board.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(10) It is prohibited to store tobacco products which are revenue stamped with revenue stamps issued to an excise warehousekeeper and on which excise duty has not been paid in Estonia in an excise warehouse belonging to another excise warehousekeeper, unless the revenue stamps are returned pursuant to subsection 61 (2) of this Act. It is prohibited to store tobacco products which are revenue stamped with revenue stamps issued to a registered trader and on which excise duty has not been paid in Estonia in an excise warehouse or receive these by another registered trader. It is prohibited to store tobacco products which are revenue stamped with revenue stamps issued to an importer who is not an excise warehousekeeper or a registered trader and on which excise duty has not been paid in an excise warehouse or receive these by another registered trader.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

§ 62. Ordering and issue of revenue stamps

(1) Revenue stamps shall be ordered from the Tax and Customs Board by the importer of the tobacco products, an excise warehousekeeper or a registered trader. The Tax and Customs

Board shall accept the order for revenue stamps and issue the revenue stamps to the person who ordered them if the person meets all the following requirements:

(17.12.2003 entered into force 01.01.2004 - RT I 2003, 88, 591; 17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

1) the person holds a valid excise warehouse activity licence, an activity licence of a registered trader or the importer holds an activity licence for the import and export of tobacco products or a notation regarding the import of tobacco products has been made in the register of economic activities;

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

2) the person has no tax arrears, including tax arrears payable in instalments;

3) the person has compensated for the costs of printing revenue stamps incurred in the case specified in subsection (4) of this section;

4) the person has provided security accepted by the Tax and Customs Board.

(17.12.2003 entered into force 01.01.2004 - RT I 2003, 88, 591)

5) a registered trader who orders revenue stamps affixes them to the tobacco products or the sales packaging thereof in a customs warehouse or a foreign state;

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

6) the importer of tobacco products who orders revenue stamps and is not an excise warehousekeeper or a registered trader affixes the revenue stamps to the tobacco products or the sales packaging thereof in a customs warehouse or a third country.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(2) The Tax and Customs Board has the right to refuse to issue revenue stamps if the security provided by the person who ordered the revenue stamps is not sufficient to ensure payment of the excise duty.

(17.12.2003 entered into force 01.01.2004 - RT I 2003, 88, 591)

(3) When ordering revenue stamps, an importer of tobacco products, an excise warehousekeeper or a registered trader shall notify the Tax and Customs Board of the maximum retail price of cigarettes in Estonian kroons to the accuracy of 0.50 kroons.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(4) If a person who has ordered revenue stamps refuses to accept the revenue stamps or returns the revenue stamps which are not affixed to tobacco products or the sales packaging thereof before the term for payment of excise duty, the person shall compensate the Tax and Customs Board for the costs of printing the revenue stamps if, pursuant to a decision of the Tax and Customs Board, such revenue stamps cannot be issued to another person who has

ordered revenue stamps and are to be destroyed by the Tax and Customs Board, unless the Tax and Customs Board has issued defective revenue stamps or the revenue stamps which are returned before the term for payment of excise duty were damaged during the revenue stamping of the tobacco products.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(5) If a person who has ordered revenue stamps fails to take delivery of the revenue stamps within thirty days as of the requested date of delivery thereof, such failure is deemed to be refusal to accept revenue stamps.

§ 63. Securing payment of excise duty on tobacco by person other than excise warehousekeeper

(1) Revenue stamps shall be issued to an importer of tobacco products if security has been provided.

(2) An importer of tobacco products who is not an excise warehousekeeper or a registered trader shall provide security in the amount of the excise duty payable on the tobacco products subject to revenue stamping. The size of the security shall enable tax liabilities which arise or may arise to be discharged at any time during the period covered by the security.

(17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)

(3) Subsection 31 (3) of this Act applies to the provision of security by an importer of tobacco products.

§ 64. Obligation to submit delivery note for revenue stamps

Upon the import of tobacco products subject to excise duty, the delivery note for the revenue stamps shall be submitted together with the customs declaration, except in the case where tobacco products without revenue stamps are imported into an excise warehouse by the excise warehousekeeper.

§ 65. Return of revenue stamps

(1) Revenue stamps may be returned if:

- 1) they have not been affixed to tobacco products or the sales packaging thereof;
- 2) they have been damaged during revenue stamping but they have remained intact to the extent of at least 80 per cent;
- 3) they have been affixed to tobacco products which have not been consumed or to the sales packaging of such tobacco products and the recipient of the revenue stamps proves in a

manner which satisfies the customs authorities that the tobacco products have not been consumed.

(2) Revenue stamps are deemed to have been returned when the recipient of the revenue stamps has returned the revenue stamps to the Tax and Customs Board together with the documents specified in the list established by a regulation of the Minister of Finance.

(17.12.2003 entered into force 01.01.2004 - RT I 2003, 88, 591)

(3) In order to return revenue stamps, the stamps may only be removed from tobacco products or the sales packaging thereof under the supervision of the customs authorities. Revenue stamps are also deemed to have been returned if they are destroyed in the presence of representatives of the Tax and Customs Board.

(17.12.2003 entered into force 01.01.2004 - RT I 2003, 88, 591; 17.12.2003 entered into force 01.05.2004 - RT I 2003, 90, 602)