Republic of Latvia

Cabinet

Regulation No. 9

Adopted 11 January 2022

**Procedures for Transferring the Excise Duty Paid for Excise Goods to Cover Duty Debts or for Subsequent Duty Payments or Its Refunding**

*Issued pursuant to*

*Section 26, Paragraph five, and Section 27, Paragraph 12.1 of the law On Excise Duties*

**I. General Provisions**

1. The Regulation prescribes:

1.1. the procedures (documents to be submitted, terms for the refund of excise duty (hereinafter – the duty), the requirements for the certification of the duty payment, and other conditions) by which the duty shall be transferred to cover a duty debt, for subsequent duty payments, or other tax payments or the duty shall be refunded;

1.2. the procedures (including the requirements for the payer of the duty and the documents to be submitted) by which, in accordance with the conditions of Section 27, Paragraph 12.1 of the law On Excise Duties, the duty is transferred to cover the duty debt or for subsequent duty payments or is refunded, and such excise goods are destroyed or processes which are marked with excise duty stamps (hereinafter – the duty stamp).

2. A customs warehousekeeper (if it is intended to export excise goods to a country other than the European Union Member State (hereinafter – the Member State)) and an approved warehousekeeper shall ensure separate storage of excise goods marked with the duty stamps from other goods that are in the warehouse, and also shall keep accounts so that a clear overview of the movement of excise goods in a definite time period and the condition of the excise goods at a specific time could be gained.

3. In the territory of the Republic of Latvia, duty stamps shall be removed from excise goods in a tax warehouse. Duty stamps may be also removed in a customs warehouse if it is intended to export excise goods to third countries. Duty stamps may also be removed by the respective warehousekeeper if the payer of the duty has entered into a contract with the warehousekeeper on the removal of duty stamps.

**II. Export of Excise Goods Marked with Duty Stamps from the Republic of Latvia to the Member State and Export thereof to a Country Other than the Member State**

4. A payer of the duty who has received the respective duty stamps shall submit a submission to the State Revenue Service prior to export of excise goods. The following shall be indicated in the submission:

4.1. information on the payer of the duty (name, address, registration code of the payer of he duty, the number of the special permit (licence) for commercial activities involving the respective excise goods);

4.2. the identification number of such tax warehouse or the identification number of such customs warehouse from which excise goods are to be exported and information on the time and justification for the removal of duty stamps;

4.3. information on the excise goods (type, quantity, amount of the duty):

4.3.1. on cigarettes – the name, series and interval of numbers of duty stamps, the maximum retail price, and the number of cigarettes in a pack;

4.3.2. on tobacco products (except for cigarettes) and alcoholic beverages – the name, series and interval of numbers of duty stamps;

4.3.3. on liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products – the name, series and interval of numbers of duty stamps;

4.4. information on the consignee of excise goods (name, address, country, registration code of the payer of the duty).

5. The State Revenue Service shall verify the conformity of the duty stamps with the information referred to in Sub-paragraph 4.3 of this Regulation until the export of such excise goods which have been marked with the duty stamps and shall prepare a survey statement in two copies. One copy shall remain with the State Revenue Service and the other – with the payer of the duty.

6. The paid duty shall be transferred to cover tax debts or for subsequent duty payments or refunded if the payer of the duty submits to the State Revenue Service the following in addition to the submission referred to in Paragraph 4 of this Regulation:

6.1. a document under which excise goods have been exported to the Member State or to a country other than the Member State and a certification of the consignee of another Member State on the receipt of excise goods;

6.2. a document confirming that the payment of the duty has been ensured in the Member State of the recipient;

6.3. the duty stamps and a submission for the duty stamps returned for such excise goods which have been released into free circulation or released for consumption in accordance with the laws and regulations governing the marking of alcoholic beverages, tobaccos products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products with excise duty stamps.

**III. Export of Excise Goods not to be Marked from the Republic of Latvia to Another Member State**

7. In order to transfer the paid duty to cover the duty debt or for subsequent duty payments or to receive its refund, the payer of the duty which has a special permit (licence) for activities with excise goods shall, after exporting of goods not to be marked, submit a submission to the State Revenue Service. The following shall be indicated in the submission:

7.1. information on the payer of the duty (name, address, registration code of payer of the duty, the number of the special permit (licence) for commercial activities involving the respective excise goods);

7.2. the site of the commercial activity indicated in the respective special permit (licence) from which the export of excise goods is intended;

7.3. information on the excise goods (type, quantity);

7.4. the paid duty and the date or taxation period of the submitted excise duty return;

7.5. information on the consignee of excise goods (name, address, Member State, registration code of the payer of the duty);

7.6. if a refund of the duty is requested – the credit institution (name, code) and the account number to which the respective sum of money is to be transferred.

8. In addition to the submission referred to in Paragraph 7 of this Regulation, the payer of the duty shall submit the following to the State Revenue Service:

8.1. a document under which excise goods have been exported to the Member State and a certification of the consignee of another Member State on the receipt of excise goods;

8.2. a document confirming that the payment of the duty has been ensured in the Member State of the recipient.

**IV. Destruction and Processing of Excise Goods Marked with Duty Stamps**

9. An approved tax warehousekeeper may destroy excise goods together with duty stamps or process them without duty stamps. The respective payer of the duty shall return the removed duty stamps to the State Revenue Service.

10. If a payer of the duty is not an approved warehousekeeper, the payer of the duty may enter into a contract with an approved warehousekeeper for the destruction or processing of excise goods.

11. A payer of the duty who has received the respective duty stamps shall, before the destruction or processing of the excise goods which have been marked with duty stamps and released into free circulation or released for consumption, submit a submission to the State Revenue Service. The following shall be indicated in the submission:

11.1. information on the payer of the duty (name, address, registration code of the payer of the duty, the number of the special permit (licence) for commercial activities involving the respective excise goods);

11.2. excise identification number of the tax warehouse that will ensure the destruction or processing of excise goods;

11.3. the place, time, and justification for the removal of duty stamps if excise goods are destroyed without duty stamps or processed;

11.4. information on the excise goods to be destroyed or processed (type, quantity, amount of the duty) and their duty stamps:

11.4.1. on cigarettes – the name, series and interval of numbers of duty stamps, the maximum retail price, and the number of cigarettes in a pack;

11.4.2. on tobacco products (except for cigarettes) and alcoholic beverages – the name, series and interval of numbers of duty stamps;

11.4.3. on liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products – the name, series and interval of numbers of duty stamps;

11.5. information on the excise goods to be destroyed or processed when they are released into free circulation or released for consumption.

12. A payer of the duty shall append a copy of the contract referred to in Paragraphs 3 and 10 of this Regulation, if such contract has been entered into, and accompanying documents according to which excise goods have been moved to a tax warehouse to the submission referred to in Paragraph 11 of this Regulation.

13. Prior to the destruction or processing of such excise goods which have been marked with duty stamps and released into free circulation or released for consumption, the State Revenue Service shall verify the conformity of duty stamps with the information referred to in Sub-paragraph 11.4 of this Regulation and shall prepare a survey statement in two copies. One copy shall remain with the State Revenue Service and the other – with the payer of the duty.

14. An approved tax warehousekeeper shall destroy tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products in accordance with the laws and regulations regarding exemption of tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products from the duty, but alcoholic beverages – in accordance with the laws and regulations regarding application of the duty exemption to alcoholic beverages.

15. An approved warehousekeeper shall inform the State Revenue Service in writing of the time and place for processing the excise goods not later than five working days prior to the processing of excise goods. The authorised official of the State Revenue Service may participate in the processing of excise goods.

16. An approved warehousekeeper shall draw up a statement on the processing of excise goods as regards the processing of excise goods. The type, name and total quantity of the processed excise goods, as well as the name and quantity of goods obtained as a result of processing shall be indicated in the statement. If cigarettes are processed, the maximum retail price of the cigarettes processed and obtained as a result of the processing an their number in a pack shall be additionally indicated in the statement. The statement on the processing of excise goods shall be signed by an authorised official of the State Revenue Service if he or she participates in the processing of excise goods and by a member of the executive institution of the approved warehousekeeper.

17. In order to transfer the paid duty to cover the duty debt or for subsequent duty payments or to receive its refund, a payer of the duty shall, in addition to the documents referred to in Paragraphs 11 and 12 of this Regulation, submit to the State Revenue Service the duty stamps (if excise goods are processed or destroyed without duty stamps) and a submission for the returned (destroyed) duty stamps for such excise goods which have been released into free circulation or released for consumption in accordance with the laws and regulations governing the marking of alcoholic beverages, tobacco products, liquid to be used in electronic smoking devices, ingredients for the preparation of liquid to be used in electronic smoking devices, and tobacco substitute products with excise duty stamps.

18. A statement on the processing or destruction of excise goods shall certify that the duty paid for the processed or destroyed excise goods may be transferred to cover duty debts or for subsequent duty payments of the payer of the duty or to refunded thereto.

19. A statement on the destruction of excise goods (if excise goods with duty stamps have been destroyed) which has been drawn up in the fulfilment of the conditions referred to in Paragraph 14 of this Regulation shall certify that the duty paid for the destroyed excise goods may be transferred to cover duty debts or for subsequent duty payments of the payer of the duty or refunded thereto.

**V. Closing Provision**

20. Cabinet Regulation No. 310 of 30 March 2010, Procedures by which the Excise Duty Paid for Excise Goods is Transferred to Cover Tax Debts, for Subsequent Payments of Excise Duty or Other Tax Payments or is Refunded, and Procedures for the Destruction or Processing of Alcoholic Beverages or Tobacco Products (*Latvijas Vēstnesis*, 2010, No. 50/51; 2021, No. 91), is repealed.

Prime Minister A. K. Kariņš

Minister for Finance J. Reirs