

COMMISSION IMPLEMENTING REGULATION (EU) 2016/1867**of 20 October 2016****amending the Annex to Regulation (EC) No 3199/93 on the mutual recognition of procedures for the complete denaturing of alcohol for the purposes of exemption from excise duty**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 92/83/EEC of 19 October 1992 on the harmonisation of the structures of excise duties on alcohol and alcoholic beverages ⁽¹⁾, and in particular Article 27(4) thereof,

Whereas:

- (1) Pursuant to Article 27(1)(a) of Directive 92/83/EEC, Member States are required to exempt from excise duty alcohol which has been completely denatured in accordance with the requirements of any Member State, provided that such requirements have been duly notified and accepted in accordance with the conditions laid down in paragraphs 3 and 4 of that Article.
- (2) Denaturants which are employed in each Member State for the purposes of the complete denaturing of alcohol in accordance with Article 27(1)(a) of Directive 92/83/EEC are described in the Annex to Commission Regulation (EC) No 3199/93 ⁽²⁾.
- (3) Commission Implementing Regulation (EU) No 162/2013 ⁽³⁾ introduced a common procedure for the complete denaturing of alcohol. That common procedure involves the use, per hectolitre of absolute ethanol, of three litres of isopropyl alcohol (IPA), three litres of methyl ethyl ketone (MEK) and one gram of denatonium benzoate. That common procedure was intended to replace the various national denaturing procedures in order to prevent evasion, avoidance and abuse.
- (4) Although that common denaturing procedure is acknowledged to be robust, efficient and effective in combatting fraud while preventing accidental or deliberate consumption, it has not been applied in the majority of industry uses, largely because of the higher costs of that procedure in comparison to some national denaturing procedures. The large number of national denaturing procedures weakens effective supervision and offers opportunities for fraud.
- (5) In discussion with competent authorities and having regard to the views of the industry, consensus has been reached on a single common denaturing procedure. That procedure entails lower costs, since it reduces the required quantity of isopropyl alcohol (IPA), methyl ethyl ketone (MEK) and denatonium benzoate per hectolitre of absolute ethanol, while guaranteeing a sufficient level of prevention.
- (6) Consequently, all national denaturing procedures should be removed from the Annex to Regulation (EC) No 3199/93. Member States which continue to use national denaturing procedures will do so under the conditions of Article 27(1)(b) of Directive 92/83/EEC, which provides for exemption from harmonised excise duty for denatured alcohol used in the manufacture of any product not for human consumption.
- (7) The Commission transmitted all the communications referred to in Article 27(3) of Directive 92/83/EEC to the other Member States.
- (8) No objections, as referred to in Article 27(4) of Directive 92/83/EEC, has been received to the requirements notified.
- (9) It is appropriate to provide for a reasonable period of time to allow the industry time to adapt to the new common denaturing procedure and to allow it to fulfil existing contractual obligations.

⁽¹⁾ OJ L 316, 31.10.1992, p. 21.

⁽²⁾ Commission Regulation (EC) No 3199/93 of 22 November 1993 on the mutual recognition of procedures for the complete denaturing of alcohol for the purposes of exemption from excise duty (OJ L 288, 23.11.1993, p. 12).

⁽³⁾ Commission Implementing Regulation (EU) No 162/2013 of 21 February 2013 amending the Annex to Regulation (EC) No 3199/93 on the mutual recognition of procedures for the complete denaturing of alcohol for the purposes of exemption from excise duty (OJ L 49, 22.2.2013, p. 55).

- (10) Regulation (EC) No 3199/93 should therefore be amended accordingly.
- (11) The measures provided for in this Regulation are in accordance with the opinion of the Committee on Excise Duties,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EC) No 3199/93 is replaced by the text in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 August 2017.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 20 October 2016.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX

‘ANNEX

1. List of products with their Chemical Abstracts Service (CAS) registry number authorised for the complete denaturing of alcohol:

Denatonium benzoate	CAS: 3734-33-6
Isopropyl alcohol (IPA)	CAS: 67-63-0
Methyl ethyl ketone (butanone) (MEK)	CAS: 78-93-3

2. Synonyms of the authorised products are available in various official languages of the Union in the European Customs Inventory of Chemical Substances database.
 3. The term “absolute ethanol” is used in this Annex in conformity with the terminology used by International Union of Pure and Applied Chemistry (IUPAC).
 4. The common denaturing procedure employed in all Member States for completely denatured alcohol:
Per hectolitre of absolute ethanol, the following substances shall be added:
 - 1,0 litre isopropyl alcohol (IPA),
 - 1,0 litre methyl ethyl ketone (MEK),
 - 1,0 gram denatonium benzoate.
 5. A dye may be added to the denatured alcohol to give it a characteristic colour, making it immediately identifiable.’
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