

**Excise**  
**Revenue's Guide for Tax Warehousekeepers**  
**(Alcohol Products)**

**To be read in conjunction with Public Notice 1890 (Authorisation of Warehousekeepers  
and Approval of Tax Warehouses)**

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## 1 Introduction

This Notice provides information on the operation of premises approved by Revenue as tax warehouses (General Storage and Distribution, Facilitation, Operations and Manufacturing), with the exception of mineral oil warehouses and tobacco warehouses.

It explains Revenue's requirements for the manufacture, holding, and movement of excisable products to and from the tax warehouse under duty suspension, both within the State and the European Union (EU).

This Notice is relevant to persons who:

- Are already, or are planning to become, an authorised warehousekeeper, either as the proprietor (that is, a person who for the time being has possession or control of a tax warehouse) or a tenant (that is, a person who has been accepted by the proprietor as a tenant in the proprietor's tax warehouse),
- Wish to put excisable goods into warehouse or remove excisable goods from warehouse,
- Wish to process spirits, or other manufactured alcoholic beverages, and
- Wish to carry out operations on warehoused excisable products.

This Notice should be read in conjunction with the following Public Notices:

**Public Notice 1890:** Excise: Authorisation of Warehousekeepers and Approval of Tax Warehouses.

**Public Notice 1880:** Excise: Import of Excisable Products from EU Member States for commercial purposes.

**Public Notice 1886:** Excise: Alcohol Products Tax.

**Public Notice 1887:** Receipt and use of denatured and undenatured alcohol products.

## 2 Legislation

The EU law for the general arrangements for excisable products is set down in **Council Directive 2008/118/EC** of 16 December, 2008 (The Directive) which applied with effect from 1 April, 2010. Production, processing and holding of excisable products in a tax warehouse are covered by Chapter III of that Directive, and intra EU movement of excisable products under duty-suspension is covered by Chapter IV.

The national provisions for the general arrangements for excise duties are in **Part 2 of the Finance Act, 2001**, which has been substantially amended by the Finance Act 2010. All references in this Guide to sections are, unless otherwise stated, to sections of that Part.

**Section 108A** of that act covers production, processing and holding in a tax warehouse, and Section 109 provides for the authorisation of warehousekeepers and the approval of tax

warehouses, subject to conditions on any authorisation granted, breach of which is an offence under Section 121.

**Chapter 1 of Part 2 of the Finance Act 2003** sets down the charging provisions, rates, and tax requirements for Alcohol Products Tax.

**The Alcohol Products Tax Regulation 2004 (S.I. No. 379 of 2004)** sets down requirements and procedures to be followed in the tax warehouse.

**Section 136, of the Finance Act 2001**, provides that authorised Officers of the Revenue Commissioners may at any time enter premises and may there make enquiries and take samples, require the production of books, accounts and records, and inspect, take extracts from, copy, or remove records relating to products chargeable with excise duty. It is an offence, under Section 123 to refuse to give information or to give false information to an Officer or to obstruct or impede an Officer exercising powers under the Act.

**A person convicted of a summary offence under these provisions is liable to a penalty of €5,000.**

**Part 47, Chapter 4 of the Taxes Consolidation Act 1997** makes it an offence for a person to knowingly deliver to the Revenue Commissioners incorrect returns, statements or accounts, to knowingly produce incorrect receipts, invoices or other documents, or, to knowingly claim exemptions or reliefs to which the person is not entitled.

**Section 1078 (3) of the Taxes Consolidation Act 1997** provides that persons convicted of an indictable offence under these provisions shall be liable to fines of up to €126,970 and/or a maximum of five years imprisonment.

**Section 119, of the Finance Act 2001**, makes it an offence for any person to directly or indirectly fraudulently evade, or attempt to evade, excise duty. A person convicted of an indictable offence under these provisions shall be liable to a penalty of three times the value (including all taxes) of the excisable products concerned, or €126,970, whichever is the greater, and/or a maximum of 5 years imprisonment.

### **3 Excise Licences**

A warehousekeeper involved in the wholesaling of alcoholic products requires a Dealer's Licence. Different types of dealers' licences may apply depending on the nature of the trade, e.g. wine/beer/spirits. These licences are issued by the National Excise Licence Office, (NELO), Waterford.

A warehousekeeper involved in manufacturing excisable product requires the appropriate Manufacturer's Licence. A Manufacturer's Licence authorises the holder to act as a wholesale dealer at the premises where the product is manufactured.

For further information on excise licences, please refer to Revenue's **Guide to Excise Licences** available on its website via the following link:

<http://www.revenue.ie/en/tax/excise/leaflets/guide-to-excise-licences.pdf>

## **4 Excise Duty Rates**

The excise duty rates applicable to excisable products are published on the Revenue website, see notice on **Excise Duty Rates** via the following link:

<http://www.revenue.ie/en/tax/excise/duties/excise-duty-rates.html>

## **5 Enquiries and Assistance**

Further advice in relation to any aspect of this Notice can be obtained by contacting the appropriate Revenue Office using the following link:

<http://www.revenue.ie/en/contact/index.html>

## **6 Warehousekeeper's Responsibilities**

A **proprietor warehousekeeper** is a person who for the time being has possession or control of a tax warehouse.

A **tenant warehousekeeper** is a person who has been accepted by a proprietor as a tenant in the proprietor's tax warehouse

### **Notes**

**References in this notice to warehousekeepers should be taken to refer to proprietor warehousekeepers. Tenant warehousekeepers will be specifically referred to where appropriate.**

**References in this Notice to the warehousekeeper's authorisation should be taken to include the warehouse approval where this is appropriate, i.e. for a proprietor warehousekeeper.**

**Further details on the Authorisation of Warehousekeepers and the Approval of Tax Warehouses can be found in Public Notice 1890.**

The authorised warehousekeeper is responsible for controlling the warehouse and the activities within it. The warehousekeeper is at all times responsible for the duty on **all** excisable products in the warehouse, including product held by tenant warehousekeepers in the warehouse, and must provide the bond to cover the excise duty on the products held.

The warehousekeeper must ensure that the goods in the warehouse are safeguarded and properly and fully accounted for. It is expected that effective management controls will be in place to ensure that the accounting systems and physical checks required to comply with the warehousekeeper's authorisation are being maintained. The warehousekeeper should also have appropriate security systems and procedures in place that are designed to ensure there is no unauthorised access to any part of the approved premises. These should be maintained and reviewed periodically.

The warehousekeeper must:

- Take effective measures to safeguard excisable goods in the warehouse.
- Raise all accounts accurately and promptly.
- Maintain satisfactory records of all goods in the warehouse,
- Control all operations, receipts and deliveries,
- Verify physical stock in warehouse by regular partial stock checks, and a complete stocktaking at least once every twelve months,
- Prepare, discharge and retain a copy of all official documentation pertaining to operations, deliveries and receipts,
- Examine all losses critically and take full responsibility for same,
- Immediately investigate and report any indication of irregularity,
- Submit stock returns and schedules as specified in this notice and in the authorisation document, and
- Provide and maintain such appliances and facilities as are reasonably required to enable Revenue Officers to take any account or to examine goods, or to perform other duties at the warehouse.

## **7 SEED Registration**

Before operations commence in a warehouse, the premises must be registered on the SEED database (**S**ystem for the **E**xchange of **E**xcise **D**ata).

This database contains details of all authorised warehousekeepers, tax warehouses and registered consignees in each EU Member State that are approved to dispatch and/or receive duty suspended excise products. If confirmation of the status of a trader is required you may contact Revenue, see [par 5](#).

Further information on SEED can be found on the Europa website via the following link:  
[http://ec.europa.eu/taxation\\_customs/dds2/seed/seed\\_home.jsp?Lang=en&redirectionDate=20110120](http://ec.europa.eu/taxation_customs/dds2/seed/seed_home.jsp?Lang=en&redirectionDate=20110120)

## **8 EMCS**

Since 1st January 2011, all intra-EU consignments of excisable products under duty suspension must be carried out under the **E**xcise **M**ovement **C**ontrol **S**ystem (EMCS). All authorised warehousekeepers and other traders involved in intra-EU movement of duty



suspended excise products must be capable of issuing and receipting an e-AD (electronic Administrative Document)

These economic operators must interface with Revenue using open market web services. For this purpose, Revenue utilises the same IT interface strategy as the Customs Automated Entry System (AEP). Communications between traders and the Revenue EMCS application will be through the Revenue On-line System (ROS).

To interact correctly with EMCS, traders must ensure that they have the appropriate registration with ROS. Further information can be found in the **EMCS ROS User Guide** available on the Revenue website via the following link:

<http://www.revenue.ie/en/tax/excise/emcs/emcs-ros-user-guide.doc>

## **9 Opening Hours**

The opening hours of the warehouse are at the warehousekeeper's discretion. Appropriate security arrangements, Health and Safety and management systems must be in operation during these hours.

## **10 Requirements in Respect of Records**

All records relating to excisable goods must be kept for a period of six years, or such lesser period as may be advised by Revenue. The warehousekeeper's records should incorporate clear audit trails.

These records, including returns and accounts of any authorised warehousekeepers who are tenants of the tax warehouse concerned, must be made available to Revenue on request. The records must be kept either at the registered place of business, or tax warehouse of the warehousekeeper or at such other place as Revenue may allow.

Great importance is attached to the standard of stock control and management in warehouses. Stock records are required for all alcohol products produced in, received into, held in and delivered from the tax warehouse. A stock account is required under Regulation 24 of the Alcohol Products Tax Regulations 2004 (S.I. No. 379 of 2004), and Schedule 3 to those Regulations specifies other records that are required to be kept.

Upon application to Revenue, a warehousekeeper may be authorised to produce records in a particular format, or, for example, on company stationary. Official requirements in this regard are set out in Regulation 21 of the Alcohol Products Tax Regulations 2004 (S.I. No. 379 of 2004).

While the precise format of these records may vary, stock accounts must contain all the information needed for Revenue purposes. [Appendix 1](#) sets out general requirements, which are in line with good commercial practice. If for any reason, location-based details cannot be

provided in the stock account, this may be allowed, on application to Revenue, provided that all goods in warehouse can be produced on demand.

## **11 Stock Returns**

A certified summary stock return must be completed and submitted to Revenue on a monthly basis by a warehousekeeper. The return, and, if required, any supporting schedules, should be submitted within 5 working days of the end of the month to which they refer. In the case of returns in respect of the production of beer and cider, the deadline is the 10<sup>th</sup> working day of the month. Separate returns are required for each major category of goods in warehouse, as per Excise Reference Number (ERN).

The ERN codes for alcohol products are listed in Appendix 2 to **Notice 1886 on Alcohol Products Tax** available on Revenue's website via the following link:

<http://www.revenue.ie/en/tax/excise/leaflets/pn1886.pdf>

While Revenue reserves the right to require that stock returns be submitted on a prescribed form, they will normally be accepted in the form of computerised printouts, or other electronic format, provided they contain all the relevant data specified in [Appendix 2](#).

Each stock return must be signed by the proprietor of the tax warehouse or by a person authorised to sign on behalf of that proprietor as being true and complete and to represent the actual stock in warehouse. A director or company secretary, or any person authorised by them, may sign on behalf of a company.

Sole responsibility rests with the authorised warehousekeeper to ensure that the appropriate person signs such stock returns.

**It is essential that all returns are accurate and are submitted by the due dates.**

## **12 Storage (Holding) of Goods**

### **12.1 Storage of Duty Suspended and Duty Paid Goods**

Duty suspended and duty paid goods must always be stored in separate locations. The warehousekeeper's authorisation will state the area of the premises approved for the storage of duty suspended goods. Duty paid goods may not be stored in the duty suspended (bonded) area. Duty suspended goods may not be stored, even for short periods, in any area outside the bonded area.

Revenue may require that the bonded area be physically identified by means of a line painted on the warehouse floor. In certain circumstances it may be required that the duty suspended

area be physically separated from the rest of the premises, e.g. by means of a wall or wire mesh. Any such specific requirements will be advised to the warehousekeeper in the warehouse approval process.

## **12.2 Operations in Storage and Distribution Warehouse**

The following operations may be allowed on application to Revenue:

- Adjusting, repackaging and dividing cased goods (including damaged cases),
- Re-labelling bottles, and
- Re-marking or re-numbering packages, including repacked packages.

## **13 Revenue Controls**

Revenue has a responsibility to ensure that where a liability arises, the proper taxes are paid on excisable products. To meet this responsibility, Revenue exercise varying degrees of control over the production, warehousing, delivery from warehouse and movement of excisable goods on which the duty has not been paid. Revenue will carry out checks to ensure that the warehousekeeper is complying with obligations as defined in the law, in this Notice, and in the warehousekeepers authorisation.

The main focus of official control of the warehouse will be periodic visits to verify returns and declarations, combined with audits of stock records, accounting systems and stock challenges.

Revenue will normally make a prior appointment when it is intended to undertake an audit, and would expect that the warehousekeeper will make available any records that may be required. Warehousing facilities provided for individual tenants are also subject to examination by Revenue. This may be done in the context of an audit of the specific tenant, or in order to verify details contained in the warehouse records.

Verification visits may be made without notice by Revenue Officers to ensure that the warehousekeeper is complying with all obligations arising. These visits will usually involve physical inspections of particular areas of the warehousekeeper's business and may include stock checks.

It is a condition of the warehousekeeper's authorisation that accommodation and other facilities are provided for Revenue staff when they call to the premises and that all necessary assistance is afforded to such staff in the performance of their duties.

## **14 Movement of Excisable Goods**

### **14.1 Receipts**

#### **14.1.1 Receipt of Goods into Warehouse**

When goods are received into warehouse, the warehousekeeper must:

- Inspect vehicles to confirm that they are secure on arrival. Check that locks and seals, if fitted, are intact and that the identifying numbers of the seals agree with those advised,
- Make a thorough external examination of all containers, casks, and packages,
- Deposit goods in warehouse without delay,
- Be satisfied as to the quantities received,
- Investigate any deficiencies, or any indication of interference and keep a record thereof,
- Record the goods in the arrivals book (sample page [Appendix 3](#)) and stock account on the basis of the actual quantity received,
- Issue a certificate of receipt to the warehouse of dispatch, and
- Ensure that the goods are adequately described in documents and on labels.

Revenue reserves the right to examine incoming goods. Advance notice of consignments may be required to be provided to Revenue during a stated period. In such cases the warehousekeeper may be asked to hold the consignments unopened for a specified time.

All supporting documentation relating to goods received into warehouse must be retained for a period of six years, or such lesser period as may be advised by Revenue.

#### **14.1.2 Receipt of Goods from Other Tax Warehouses in the State**

Form C&E 1116 is the relevant document used by Revenue to control the movement of excisable product and should be completed in triplicate. Copies 2 and 3 should accompany the goods from the dispatching warehouse:

- The warehousekeeper should endorse copies 2 and 3 with details of the goods received,
- The actual quantities received should be specified and any discrepancies between the amount advised and that received should be endorsed on the C&E1116. If there is any indication that a deficiency has arisen due to an irregularity such as theft, a report to this effect should accompany Copy 3 when being returned to the dispatching warehousekeeper,
- Copy 2 of the document should be retained and filed,
- Copy 3 should be returned to the warehousekeeper of dispatch, and
- A record must be kept of all losses/discrepancies. Any correspondence relating to losses/discrepancies between the warehousekeeper and suppliers or insurers should be retained.

#### **14.1.3 Receipt of Goods from Other Member States**

Under the Excise Movement Control System (EMCS), the responsibility for EMCS procedures on receipt of a consignment of goods under duty suspension rests with the warehousekeeper who is the designated consignee for the goods. This responsibility includes:

- Submitting a report of receipt as soon as the goods received into the warehouse have been input to the warehouse system. In order to discharge the movement guarantee the report of receipt must be submitted within 5 days of receipt of the goods,
- Ensuring that any discrepancies, damages, shortages or excesses are included on the report of receipt, and
- The warehousekeeper must inform the Revenue Officer of any serious irregularities in relation to the receipt of goods. The Officer will investigate any major shortages or excesses.

For further information see the EMCS Trader Guide available on the Revenue website via the following link:

<http://www.revenue.ie/en/tax/excise/emcs/emcs-trader-guide-v32.doc>

#### **14.1.4 Goods Arriving Without an e-AD**

If a consignment of goods under duty suspension arrives without the required e-AD cover (or appropriate fallback document), the warehousekeeper should immediately advise Revenue. The goods should be entered in the warehouse accounts as a warehouse receipt and the dispatching warehousekeeper must be advised to submit an e-AD immediately. Excisable products travelling without valid cover are liable to forfeiture. The warehousekeeper should ensure that the dispatching warehousekeeper adheres to the proper EMCS procedures for any future deliveries.

#### **14.1.5 Receipt of Goods from 3rd Countries**

Excisable goods must be declared to Customs at the point of arrival in the State using the Single Administrative Document (SAD). The goods must be declared for tax warehousing on the AEP system, and any liability to Customs duty must be paid or secured on the AEP system at this point.

Form C&E 1021 is the relevant document used by Revenue to control the movement of excisable product and must be completed requesting that the goods be moved to the relevant warehouse. Financial security in the form of a bond must be in force to secure the duty on the goods during the movement. The C&E 1021 and a copy of the SAD should accompany the goods from the point of importation to the warehouse and be retained by the warehousekeeper.

The warehousekeeper must return a receipted copy of the C&E 1021 to the appropriate Customs Office at the import station. A further copy of the C&E 1021 must be provided to Revenue.

For further information please consult Revenue's guide to **Customs Import Procedures** available on the Revenue website via the following link:

<http://www.revenue.ie/en/customs/leaflets/import-procedures-guide.pdf>

#### **14.1.6 Receipt of Tax Relieved Alcohol**

Alcohol is exempt from excise duty throughout the EU when it has been rendered unfit for human consumption by an EU approved procedure for completely denaturing the alcohol. The EU approved denaturants, which are employed in each Member State for the purposes of completely denaturing alcohol are described in the Annex to Commission Regulation (EC) No 3199/93 as amended by (EC) 162/2013. The Regulation is reproduced at Appendix 3 of **Public Notice 1887 – Receipt and Use of Denatured and Udenatured Alcohol Products** available on the Revenue website via the following link:

<http://www.revenue.ie/en/tax/excise/leaflets/pn1887.pdf>

Bulk consignments of **completely denatured alcohol** are not subject to the procedures for consignment under duty-suspension, and are instead to be consigned under cover of the simplified accompanying document and under the procedures that apply to consignments of duty-paid excisable products.

**Any alcohol product that has been denatured in any way other than the approved procedures for complete denaturing is, however, subject to the requirements for consignment under duty-suspension.**

#### **14.1.7 Examination of Consignments**

When a Revenue Officer decides to examine a particular consignment(s), the warehousekeeper will be informed to hold the consignment(s) intact for examination for a period of two hours from the agreed time of examination.

### **14.2 Deliveries from Warehouse - General**

#### **14.2.1 Purposes for Which Goods May be Delivered from a Warehouse.**

In accordance with the terms of a warehousekeeper's authorisation, goods may be delivered for the following purposes:

- Home consumption on payment of duty,
- Under duty suspension to:
  - Other tax warehouses in the State and in other Member States,
  - Registered consignees and temporary registered consignees in other EU Member States,
  - Duty-free shops,
  - Ships as stores,
  - In-flight catering,
  - Diplomatic privilege,
  - Other duty free uses, e.g. used in denatured product, medicinal product or used in scientific or research purposes,
- Export under customs procedures to 3rd countries,
- Destruction (as allowed by Revenue in accordance with requirements).

This list is not exhaustive and Revenue should be contacted in advance of deliveries for other purposes.

### **14.2.2 General Delivery Procedures**

Detailed information is provided in the following paragraphs on each particular type of delivery. However certain basic rules must be observed. Before delivery the warehousekeeper must:

- Prepare appropriate documentation and retain copy of same,
- Take account of the goods to be removed carrying out any necessary examination,
- Write the goods out of the stock accounts, and
- Supervise the delivery and carry out management checks.

All deliveries must be individually scheduled for stock return purposes.

After delivery of duty suspended goods (e.g. for export, to duty-free shops or to other approved warehouses) the warehousekeeper must ensure that certificates of shipment or receipt are obtained promptly.

## **14.3 Deliveries for Home Consumption**

### **14.3.1 Daily/Monthly Return**

The warehousekeeper is required to complete and retain a daily summary of each day's deliveries of goods entered for home consumption, along with relevant back up documentation. This summary must specify:

- Warehouse stock numbers,
- Quantities (litres of alcohol or bulk litres etc.) as appropriate,
- Excise Reference Number (ERN),
- Rates and amounts of excise duty and VAT payable in respect of each day's deliveries,
- A cumulative total of excise duty and VAT payable for the month to date.

The warehousekeeper must monitor daily deliveries to ensure that the cumulative duty liability in any month does not exceed the amount guaranteed by the deferred payment account, see par [14.3.4](#)

At the end of each month, the warehousekeeper must prepare a monthly summary in respect of that month's deliveries. This summary should specify the number of packages, quantities (litres of alcohol or bulk litres etc. as appropriate), Excise Reference Numbers, and rates and amounts of excise duty and VAT payable in respect of the month's deliveries.

The warehousekeeper must be in a position to certify each daily and monthly summary to be a true and accurate account of the deliveries for home consumption on that day/month.

Relevant stock accounts should be updated accordingly. The daily/monthly summary, with relevant back up/supporting information, and all consignment or delivery notes, must be retained and be available for inspection by Revenue.

### **14.3.2 Home Consumption (HC) Warrants - C&E 1115**

Home Consumption Warrant C&E 1115 should be used by warehousekeepers when declaring excisable goods for home consumption or otherwise chargeable with duty, e.g. chargeable deficiencies.

The warehousekeeper is required to enter the total quantities delivered in the month (the aggregate totals from the daily summaries) on the appropriate monthly warrant. In the event of a duty change during the month, e.g. budgetary changes, separate HC warrants must be submitted in respect of deliveries before and after the change.

If necessary, Revenue may require that the appropriate warrants are lodged, together with payment for any duty arising, either with the Officer or in the Regional Accounts Office, (Cash Office) on the day the products are delivered for home consumption.

The warehousekeeper should lodge Copies 1 & 2 with the appropriate Revenue Accounts Office (Cash Office) no later than noon of the 2<sup>nd</sup> working day of the month following that in which the goods were released or became chargeable with duty. Copy 3 should be retained by the warehousekeeper. For a list of Regional Accounts Offices see [Appendix 4](#).

Individual warrants are required in respect of each tenant warehousekeeper who has in place a deferred payment account, on delivery of goods to home consumption from the warehouse. It is the responsibility of the proprietor warehousekeeper, in accordance with the terms and conditions of the authorisation, to ensure that all necessary warrants are lodged by the due date.

A 'nil' return is required where there are no deliveries or other releases for consumption during the month.

Home Consumption Warrants must be delivered by the due date every month. In cases of failure to adhere to the due date, Revenue may issue a warning letter. Persistent non-compliance with the due dates for delivery of the Home Consumption Warrant may result in the imposition of administrative penalties by Revenue, see [par 18](#).

### **14.3.3 Charging of VAT**

In most circumstances, excise duty and VAT are payable when alcohol products are delivered from warehouse for home consumption. The VAT is chargeable on the full value of the goods, including the alcohol products tax. VAT is payable at the same time as the alcohol products tax. VAT is not payable by manufacturers on delivery from warehouse of their own home manufactured products, provided no transfer of ownership has taken place before delivery.



While deferred payment of VAT is not required to be secured by financial guarantee, the non-availability of guarantee cover means that payment of the VAT liability cannot be effected by direct debit. In such instances the trader will be required to make alternative arrangements for payment of VAT by the due date, i.e. date on which the excise duty is payable.

For further information please consult the leaflet on **VAT Treatment of Alcohol Products** available on Revenue's website via the following link:

<http://www.revenue.ie/en/tax/vat/leaflets/alcohol-products.html>

#### **14.3.4 Guarantee for Deferred Payment of Duty**

While liability to excise duty (alcohol products tax) and VAT arises on delivery from the tax warehouse for Home Consumption, the payment of both may be deferred. All deferred duty payments must be made under the Deferred Payment Bank Direct Debit scheme and the conditions of that scheme fully complied with by the warehousekeeper (both proprietor and tenant).

The scheme is administered by Revenue's AEP Bureau, see **AEP Information Leaflet** available on Revenue's website via the following link:

<http://www.revenue.ie/en/customs/leaflets/aep-payment-methods.html>

All warehousekeepers are obliged to maintain in place a bank guarantee sufficient to cover their deferred excise duty liabilities. It is a breach of the warehousekeepers's conditions of authorisation to release goods for home consumption with a cumulative excise duty liability in excess of the amount guaranteed.

Warehousekeepers should be aware of the mechanism for 'topping-up' deferred guarantees by lodging cash or a bank draft to the relevant AEP account. Where it becomes evident that the warehousekeeper's guarantee is insufficient to meet normal monthly liabilities, the amount of the guarantee should be increased using this mechanism.

### **14.4 Deliveries under Duty Suspension in the State**

#### **14.4.1 Deliveries to Other Warehouse - General Requirements**

As with all deliveries under duty suspension, (including tenant to tenant transfers within the same warehouse) the warehousekeeper must be satisfied that the consignee is entitled to receive duty-suspended goods, and that there is an adequate bond in force to cover the movement.

The relevant Revenue control document is C&E 1116 (three part set):

- Copy 1 is the dispatching warehousekeeper's copy,
- Copies 2 and 3 accompany the goods in the course of delivery,

- Copy 3 is returned as a certificate of receipt which should be retained and filed with Copy 1 by the warehousekeeper.

Evidence of completion of the delivery is provided by the return of Copy 3 to the consignor. This should be checked by the warehousekeeper for agreement with delivery advices. If the warehousekeeper has any difficulty in obtaining certificates of receipt they should advise Revenue promptly.

Copy 1 and Copy 3 (when returned) should be retained and filed by the warehousekeeper.

If the proper certificate of receipt for the consignment is not obtained by the 15<sup>th</sup> day of the month following dispatch of the goods, duty is payable on the goods concerned.

#### **14.4.2 Return of Excisable Products to Dispatching Warehouse**

Once started, an inter-warehouse movement can only be completed by the provision of a certificate of receipt for the full consignment advised by the warehouse of dispatch (less any deficiency in transit). Goods cannot be re-directed or diverted while in transit from one tax warehouse to another within the State.

If, for any reason, a receiving warehousekeeper wishes to return goods to the original warehouse of dispatch, the normal receipt and delivery procedures must be followed before doing so.

#### **14.4.3 Deliveries to Exempt Consignees in the State**

There are 3 Categories of Exempt Consignees in the State:

- (i) Diplomatic and consular staff,
- (ii) Recognised international organisations, established under international conventions,
- (iii) In very exceptional cases where, under an agreement with a 3rd country (i.e. non-EU), excisable products are allowed to be delivered without payment of excise or VAT.

Before a consignment is dispatched from a warehouse in the State, to a foreign diplomat or other qualifying person/organisation in the State, the Embassy or qualifying person/organisation must supply an exemption form (DIP 1 – available from Protocol Section, Department of Foreign Affairs) for the products concerned, endorsed by the Dept. of Foreign Affairs, to the consigning authorised warehousekeeper.

The following procedures continue to apply:

- All DIP 1 Forms are to be recorded and numbered,
- Proof of delivery is required in the form of copy 3 of C&E 1116 stamped by the Embassy, etc,
- Proof of delivery is to be filed with the DIP 1 form,

- A warrant (C&E 1116) is to be completed by the warehousekeeper for each delivery to diplomatic privilege. This warrant should be cross-referenced with the DIP 1 form,
- The warrant is to be filed with DIP 1 forms and proofs of delivery,
- Warehousekeepers should print, and have available for inspection by Revenue, a separate monthly report for all deliveries of exempt consignments.

## **14.5 Deliveries Under Duty Suspension to Other Member States (OMS)**

Deliveries of duty suspended excisable products may be made to:

- Authorised warehousekeepers and tax warehouses in another Member State, registered as required on SEED by the Fiscal Authority of that Member State,
- Registered Consignees and Temporary Registered Consignees, registered as required on SEED by the Fiscal Authority of that Member State.

With EMCS, the responsibility for completion and submission of the e-AD, and all other EMCS procedures, rests with the consigning warehousekeeper. These responsibilities include:

- Ensuring that a receipt for goods dispatched from the warehouse is received within the timeframe allowed, i.e. journey time plus 5 days,
- Making any changes to the e-AD that may be required, e.g. change of destination, transporter, etc.,
- Informing Revenue of any discrepancies during transport to the destination,
- Ensuring adequate security is in force to cover the potential excise duty, valid for any Member State of transit and destination in relation to that consignment. Normally, the warehousekeeper will be responsible for guaranteeing the duty on the goods and the warehouse bond will include provision for this, but there is provision for a guarantee to be provided by the consignee or the transporter,
- Ensuring that the container or goods are sealed and the seal is identified on the e-AD.

The warehousekeeper should monitor consignments to ensure that a report of receipt has been received in the allotted time. If a report of receipt has not been received within the specified timeframe, it is the responsibility in the first place of the dispatching warehouse to resolve the matter. Any instances of difficulty, e.g. where it is not possible to establish why a report of receipt has not been received, should be referred by the warehousekeeper to Revenue.

## **14.6 Exports to 3rd Countries**

### **14.6.1 General Requirements**

A Single Administrative Document (SAD) must be completed by the warehousekeeper or agent in respect of all 3<sup>rd</sup> country exports. A paper copy of the SAD or a delivery/consignment note must accompany the goods from the warehouse to the point of exportation. In the case of indirect exports the Export Control System (ECS) and EMCS must be used for control of the goods, see [par 14.6.3](#).

In all cases the warehousekeeper must seal the container and quote the seal number on the export documents. A copy of the SAD should be retained by the warehousekeeper.

For further information please consult the guide to **Customs Export Procedures** available on Revenue's website via the following link:

<http://www.revenue.ie/en/customs/leaflets/export-procedures-guide.pdf>

#### **14.6.2 Direct Export via OMS Using EU Transit Procedure**

Financial security in the form of a bond must be in force to cover the movement of duty suspended excisable products from the warehouse to the port. This bond will be discharged by the return of a certificate of export on a hardcopy SAD or on a delivery/consignment note. If the latter is used, it must contain all particulars of the export including the SAD number. This certified copy must be retained and filed by the warehousekeeper.

#### **14.6.3 Indirect Export via OMS Without Use of the EU Transit Procedure.**

Consignments under duty suspension for export from the EU via another Member State must, where the EU transit procedure is not used, be carried out under EMCS. The warehousekeeper may only dispatch the consignment following successful cross-checking of the EMCS and the Customs Export Control System (ECS).

The warehousekeeper must submit an e-AD within EMCS for the consignment. The Administrative Reference Code (ARC) generated must be input to Box 40 on the SAD. Following validation of documentation, the warehousekeeper will receive a notification of Accepted Export (IE829) and the status of the e-AD will change to *Exporting*. At this stage the goods can be moved. Examples of different scenarios can be found in the **EMCS Trader Guide** available on Revenue's website via the following link:

<http://www.revenue.ie/en/tax/excise/emcs/emcs-trader-guide-v32.doc>

#### **14.6.4 Export Control System (ECS)**

ECS is an IT system that has been introduced throughout the EU for the control of indirect exports, i.e. goods that are exported from one Member State (Office of Export) but that exit the Community via another Member State (Office of Exit). An example of an indirect export is where goods leave Dublin, are flown to Paris and are then flown onwards to the United States. In this scenario, Ireland is the country of export with Dublin Airport being the Office of Export and France is the Country of Exit with Charles de Gaulle airport in Paris being the Office of Exit. Irish and French Customs Authorities communicate electronically with each other in relation to this indirect export via ECS.

Further information is available in the guide to **Customs Export Procedures** available on Revenue's website via the following link:

<http://www.revenue.ie/en/customs/leaflets/export-procedures-guide.pdf>

## **14.7 Other Duty Suspended Deliveries**

### **14.7.1 General Requirements**

As with other deliveries under duty suspension, the following basic requirements must be complied with by the warehousekeeper:

- Confirmation that the consignee is entitled to receive duty suspended goods,
- Confirmation that an adequate bond is in force to cover the movement, and
- Certificate of Receipt must be received by the 15th day of the month following dispatch, otherwise duty is payable.

### **14.7.2 Deliveries of Ships' Stores**

Excisable products may be shipped free of duty on ships, boats and yachts departing on a foreign voyage from the State, for the use of the Master, Officers, crew and passengers on board. They may also be provided for fishing vessels departing to certain fishing grounds, vessels of the Irish Naval Service, and to oil/gas rigs/platforms. The quantities of alcohol products allowed, will, as a general rule, be restricted.

The shipment of stores is subject to certain conditions:

- (i) Approval by the Revenue Officer in the port of departure,
- (ii) Shipment to the vessel must be made under bond.

Form C&E 1116 is the relevant control document and should be utilised as set out in [par 14.4.1](#) on Deliveries to Other Warehouses.

### **Note**

The above procedures are under review in the context of Commission Regulation (EU) No. 430/10. Any changes to the procedures will be included in future versions of this notice.

### **14.7.3 Deliveries for Aircraft Supplies**

Excisable products may be shipped free of duty for consumption on board both intra-EU and 3<sup>rd</sup> country flights. On intra-EU flights, alcohol products can be supplied only in sizes suitable for consumption on board, e.g. spirit miniatures, cans of beer and ¼ bottles of wine. No tobacco products can be supplied free of duty on intra-EU flights.

For 3<sup>rd</sup> country flights, excisable products (including tobacco products) can be supplied free of duty, without restriction on size, both for consumption on board and for sales to passengers.

Form C&E 1116 is the appropriate control document and should be utilised as set out in [par 14.4.1](#) on Deliveries to Other Warehouses.

## **Note**

The above procedures are under review in the context of Commission Regulation (EU) No. 430/10. Any changes to the procedures will be included in future versions of this notice.

### **14.7.4 Deliveries to Duty-Free Shops**

Excisable products may be shipped free of duty to duty-free shops.

All Duty-Free shops that receive excisable products under duty suspension must be authorised as Tax Warehouses. Companies that receive excisable products under duty suspension for the provision of in-flight catering in respect of 3rd country flights must be similarly authorised.

Form C&E 1116 is the appropriate control document and should be utilised as set out in [par 14.4.1](#) on Deliveries to Other Warehouses.

### **14.7.5 Deliveries to Exempt Consignees in Other Member States**

There are 3 categories of Exempt Consignees in other Member States to whom duty suspended excisable products can be delivered:

- (i) Diplomatic and Consular staff,
- (ii) NATO troops, or the civilian staff accompanying them,
- (iii) Recognised international organisations, established under international conventions.

Before the consignment is dispatched to an exempt consignee in another Member State, the consignor must receive a certificate, referred to as an 'Exemption Certificate', for the consignment, certified by the Competent Authority of the Member State of destination. The form of the Exemption Certificate is set down in Commission Regulation (EC) No 31/96. A copy of the VAT and Excise Duty Exemption Certificate can be obtained from Revenue.

The consignor must retain a copy of the Exemption Certificate as a record, and ensure that, in addition to the e-AD, a copy of the Exemption Certificate accompanies the consignment. The Authorities in the exempt consignee's Member State will, for the most part, receipt the e-AD. There will be some exceptions, e.g. Lithuania, where it will be receipted by the Embassy.

### **14.7.6 Deliveries of Tax Relieved Alcohol**

Persons who trade in tax-relieved alcohol products must be authorised to do so by Revenue. This Authorisation should be in the form of a letter, and should contain an Authorisation Number and an issue date, as well as conditions governing the approval.

Deliveries ex-warehouse of tax-relieved alcohol products (denatured and undenatured) may only be made on receipt of a requisition for the goods in question on Form APT2. A photocopy of the relevant Authorisation referred to above should be attached to the APT2.

Forms APT2 are issued to authorised receivers by Revenue as required.

The warehousekeeper, once satisfied that the applicant is authorised to receive the alcohol product, and that the movement is secured by bond, should generate a C&E1116 in order to remove the goods from the system. This form is not required to accompany the goods. The goods should be dispatched accompanied by Copies 2 & 3 of the APT2 to the premises of the consignee (the warehousekeeper retains Copy 1 of the APT2 along with the C&E1116).

The consignee should sign Copy 3 of the APT2 on receipt of the goods and return it to the warehousekeeper as a certificate of receipt.

The procedures for this movement are set out in paragraph 4 of Public Notice 1887 which can be accessed via the following link:

<http://www.revenue.ie/en/tax/excise/leaflets/pn1887.pdf>

## **15 Manufacturing & Processing in Tax Warehouses**

### **15.1 Manufacturing / Operations Allowed on Alcoholic Products**

Warehousekeepers may normally carry out manufacturing, brewing, cider manufacturing, distilling, and other processing operations on goods in cask, drums or vats that are normally necessary in the production process, or in order to preserve the goods. This does not require specific authorisation from Revenue, although restrictions and conditions may be imposed on permitted operations, and how they may be conducted in the warehouse. In the normal course of events, the approval of the premises should detail the production process that is intended to be used.

### **15.2 Notice of Operations**

While there is no specific requirement on the warehousekeeper to give advance notice of operations, such a requirement may be imposed as a specific condition attaching to the authorisation. The warehousekeeper may be required to post advance notice of operations in a designated record, and to alert Revenue in advance.

However, a distiller/warehousekeeper will be required to record and notify the Revenue Officer of the dates of commencement and conclusion of each distillation period. The distillation period shall not exceed five weeks.

The spirits produced in any distillation period may not be mixed or moved until account has been taken of the spirits produced.

## **15.3 Warehousekeeper's Responsibilities**

### **(i) Manufacturing and other Operations**

The warehousekeeper must:

- Supervise all operations closely,
- Record details of materials used in production,
- Record details of quantities produced from manufacture,
- Record details of the opening and closing gravity of wort/wash and the quantity of wash produced for each distillation period,
- Take, and record immediately, accounts prior to, during and after each operation,
- Impose and record check measures and tests of strength,
- Record all losses and establish loss patterns,
- Investigate and record the reasons for any excessive losses,
- Ensure that all vats, casks and other containers, including remnants, are kept secure,
- Ensure that all emptied casks or other containers of bulk alcoholic liquids are completely drained, and that the casks are removed promptly from the warehouse,
- Ensure that all empty packages not intended for immediate re-use are removed from warehouse or placed in packaging materials compartments without delay,
- Destroy used pads following filtration or other operations, subject to environmental considerations.

### **(ii) Bottling Operations**

For each bottling operation the warehousekeeper must:

- Take account prior to bottling,
- Take and record bottle measurements of strength and liquid content,
- Carry out filling adjustments to ensure that the intended strength and quantity are achieved in practice,
- Allocate an identifying number to filled cases,
- Balance the operation account,
- Investigate and record the reasons for excessive losses,
- Complete a declaration of out turn,
- Secure any remnant,
- Complete stock accounts.

Production records of the strength of bottled goods and quantity per case should agree with the strength and quantity shown on the bottle labels, which must comply with National and EU legislation. If more than one size of bottle is to be filled, the number of cases of each size must be recorded.

As an alternative to the accounting for bottling operations on an individual basis, approval may be given for continuous bottling operations over set periods. Application should be made to Revenue.



## 15.4 Methods for measuring strength of spirits

For the purposes of measuring the strength of spirits, Part 4 of the Alcohol Products Tax Regulations 2004 (S.I. 379 of 2004) specifies that:

- (i) The EEC Alcohol Hydrometer described in the Annex to Council Directive 76/765 EEC, may be used in conjunction with the Practical Alcohol Tables drawn up by the EU Commission under Council Directive 76/766 EEC, and
- (ii) A thermometer, graduated to 0.5<sup>o</sup>C, may be used to determine the strength of spirits for excise duty purposes, or by such other methods that has been approved by Revenue. The results produced must be accurate, and in the event of a dispute, the measurements provided by the hydrometer shall be definitive.

The warehousekeeper / distiller must record strength and volume during an operation as accurately as possible to ensure that the correct amount of duty is paid when it becomes due. Adjustment should be made for any obscuration caused by the presence of sweetening, colouring, or other ingredients. Strength should be recorded to one decimal place only, rounded down. Figures beyond the first decimal place should be disregarded. For example, if the average strength resulting from an operation, or separate fills within it, falls between 40.01% and 40.09%, the strength should be recorded as 40.00%. These records should be kept for a maximum of 6 years except where otherwise advised by Revenue.

## 15.5 Bottling Tolerances

Revenue do not set down specific bottling tolerances and recognise that there may be a margin of error. The warehousekeeper must be able to demonstrate that when measuring strength and volume a genuine effort is made to achieve the strength and volume to be indicated on bottles or other containers. In particular, the minimum strength of spirituous beverages requirements as per Regulation (EC) No 110/2008 and the European Communities (Spirit Drinks) Regulations 2009 (S.I. 429 of 2009 & S.I. 118/2013) must be complied with.

### (i) Labelled Strength

Normally, Revenue will accept the labelled strength as the basis of duty calculations. For this to be acceptable the warehousekeeper must be able to show that operations are controlled so that:

- A higher strength is not achieved than that shown on the label,
- Corrective action is taken promptly if the actual strength is less than or exceeds the label strength.

### (ii) Labelled Volume

Normally, Revenue will accept the labelled volume as the basis of duty calculations. For this to be acceptable the warehousekeeper must be able to show that he/she has complied with their obligations under the metrology legislation.

The NSAI Legal Metrology Service (LMS) is the statutory body responsible for regulating and supervising metrology (weights and measures) in the Republic of Ireland.

If it is found that the warehousekeeper has packaged goods at strengths and volumes exceeding those on the labels, Revenue may demand that any additional duty due is paid, depending on the circumstances involved. If strengths and volume are over declared, any duty overpaid will not be refunded.

## **15.6 Sampling**

### **15.6.1 General Requirements**

#### **(a) Duty Paid Samples**

Trade samples used for commercial or promotional purposes, or for tasting or consumption may only be taken duty paid and must be removed from warehouse as a normal delivery for home consumption. Duty and VAT on such removals must be accounted for as set out in [par 14.3.2](#) on Home Consumption Warrants.

#### **(b) Duty Free Samples**

The warehousekeeper may draw small quantities from cask or vat for testing strength, etc. without the requirement to keep records provided the sample is not removed from warehouse and is returned to its original container without delay.

The warehousekeeper may draw and remove duty free samples from warehouse if intended for:

- Production and quality control checks, including analysis,
- Organoleptic appreciation, but not for consumption, and
- Scientific research or testing.

Revenue Officers may take samples as required for official purposes.

### **15.6.2 Records to be Kept of Samples Taken**

Warehousekeeper records must include the following details:

- Identification of each sample,
- Size and strength of the sample,
- Date and purpose of drawing,
- Place where held for reference, and
- Disposal of sample.

Duty free samples must be labelled as such. The label must bear details which can be cross-referenced to stock records.

### **15.6.3 Disposal of Duty Free Samples**

Any samples or remnants must be destroyed or returned to stock as appropriate. Duty is payable on samples which are not disposed of in accordance with this section.

## **15.7 Issue of 'Certificates of Age'**

Age Certificates (C&E 96, Rev.1) are necessary for consignments of Irish whiskey being exported to 3rd countries and must be countersigned by Revenue Officers. Traders should lodge these Age Certificates with Revenue in advance of dispatch of the goods.

The applicant warehousekeeper must retain a record of the usage of these forms. This record must be kept up to date and be available for inspection by Revenue.

## **15.8 Monthly Report on Manufacturing / Operations**

At the end of every month, the warehousekeeper must prepare a report, in a format agreed with Revenue, detailing all operations in the warehouse throughout the month. The report should contain details of all excisable products used in operations, the quantities produced and losses incurred in that month.

Manufacturing warehousekeepers must prepare a report in a format agreed with Revenue, detailing materials used and products manufactured throughout the month.

A warehousekeeper engaged in distilling must also make a report/declaration of the type and quantity of cereals used, the original and final gravities and the quantity of wort/wash produced for distillation.

The warehousekeeper should also furnish a separate Bottling Report. This report should include details of all different bottling operations, by ERN Code, performed over the month. Each bottling operation should be balanced and reconciled from inputs to outputs on a quantitative basis – bulk litres for wine and litres of alcohol for spirits. Explanations should be provided for any significant losses. The Report should include details of the products bottled for each operation, number of cases produced, bottles per case, bottle size, bulk litres per case, strength & obscuration (if applicable), total bulk litres, total Litres of Alcohol (L.A.s for spirits). The individual bottling operations by ERN Code/Product are accumulated for the month and reflected in the Bottling Report, Stock Records and Monthly Stock Reports.

## **16 Losses/Destructions**

### **16.1 Introduction**

As a general rule, under Section 98A (4)<sup>1</sup> Revenue will allow losses without payment of duty on goods provided the losses are caused by events outside the warehousekeeper's control or inherent in the nature of the product, production processes, holding, storage or transportation and are not considered to have been released for home consumption.

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<sup>1</sup> As inserted by S93(C) Finance act 2010

## **16.2 Payment**

In all cases where a liability arises on losses, the warehousekeeper will be formally advised in writing that excise duty is payable. The letter will include details of the amount of duty payable, the type and quantity of product on which the duty is payable and the circumstances giving rise to the payment.

## **16.3 Losses During Storage in Warehouse**

Duty will not be charged on losses or deficiencies occurring in warehouse provided the warehousekeeper can show to Revenue's satisfaction that the loss was due to fortuitous events or *force majeure*, or is inherent in the nature of the product being stored, e.g. evaporation of spirits held in cask.

The warehousekeeper is required to have work practices in place to prevent or minimise the occurrence of accidents and other losses, and to safeguard stocks. If satisfactory control procedures are not in place, or if the level or pattern of losses being incurred in the warehouse is significantly out of line with the industry standard, duty may be charged.

Where a loss or deficiency is discovered, the warehousekeeper should report the matter, by telephone or e-mail in the first instance, and subsequently in writing to the Revenue Officer. Evidence of loss of the goods may be required, and may require a visit to the premises by the Officer to investigate the claim.

All losses must be recorded in the appropriate stock accounts.

Under no circumstances will losses be allowed without payment of duty (or repayment of duty where it has already been paid) in respect of theft or pilferage of goods from the premises.

Where a warehousekeeper has submitted a claim, supported by all available evidence, for allowance of a loss without payment of duty, he/she will be subsequently advised as to whether the application to allow the loss without payment of the duty has been approved, or not. Where the application is allowed, the goods should be delivered from the stock account as an allowable deficiency. Where the application is refused, the goods should be delivered from the stock account as a chargeable deficiency and the warehousekeeper should prepare and submit a Home Consumption Warrant (Special) for the duty concerned (see [par 16.8](#)). In the event that the application is refused, the warehousekeeper may appeal this decision, but only after the duty has been paid.

## **16.4 Losses During Movement Within the State**

Deficiencies and breakages arising during the duty suspended movement of goods within the State will be highlighted by the consignee on the returned Copy 3 of Form C&E 1116 or

Copy 3 of Form APT2 (alcohol products relieved from tax under Alcohol Products Tax Regulations 2004 (S.I. No. 379 of 2004).

The deficiencies and breakages should be dealt with as follows:

### **Cased Goods**

Where breakages and losses occur and these are due to ‘force majeure’ (fortuitous events or inherent in the nature of the products in the course of their transportation), written application should be made to Revenue to allow the loss without payment of duty. The application should outline the circumstances leading to the loss, and be supported by appropriate evidence.

If this application is not granted, the warehousekeeper should prepare and submit a Home Consumption Warrant for the duty concerned, see however [par 16.8](#).

All other deficiencies in transit are chargeable with duty and the warehousekeeper should prepare and submit a Home Consumption Warrant for the duty concerned, see however [par 16.8](#).

### **Bulk Goods**

Duty is chargeable on losses in bulk goods in transit, but such losses may be allowed without payment of duty where it is shown that the losses were due to fortuitous events or inherent in the nature of the products in the course of their transportation. In the light of the circumstances set out in the Certificate of Receipt from the receiving warehouse, the warehousekeeper will make a decision on whether or not a loss may be allowed. If however a loss exceeds 1% of the total quantity of the consignment or an irregularity was involved, e.g. seal broken, pilferage etc, the warehousekeeper should immediately contact the Revenue Officer by phone or e-mail in the first instance, and subsequently in writing, outlining the circumstances leading to the loss.

Where these losses are due to ‘force majeure’, the warehousekeeper may include with the notification of the loss to the Officer, an application requesting non-payment of the duty involved. Detailed records of all losses should be retained for possible examination by the Officer.

Where an application is not made, or refused, the warehousekeeper should prepare and submit a Home Consumption Warrant for the duty concerned, see however [par 16.8](#).

## **16.5 Losses During Intra-Community Movement**

### **16.5.1 General Provisions**

The consigning warehousekeeper, as shown on the e-AD, may be liable for payment of the duty on any loss or deficiency that arises during the course of an Intra-Community movement of goods.

Losses recorded on an e-AD by the consignee of the other Member State, on the Report of Receipt, as being attributable to breakages, fortuitous events or 'force majeure' will not be charged with duty. In addition, goods delivered in bulk, which incur losses that are shown to be inherent in the nature of the product, are also exempt.

### **16.5.2 Losses Where an Irregularity is Involved.**

Losses where an irregularity is involved are chargeable as hereunder:

- If it can be determined where the loss occurred, the dispatching warehousekeeper will be liable for payment of the duty at the rate in force in the Member State where the loss occurred, and this duty is payable to the Fiscal Authority in that Member State,
- If the location of the loss cannot be determined, the dispatching warehousekeeper will be liable for payment of duty at the rate in force in the Member State where the loss is detected, and this duty is payable to the Fiscal Authority in that Member State, and
- If a consignment does not arrive at its destination, and it is not possible to determine where the loss or irregularity occurred, the dispatching warehousekeeper will be liable for payment of duty at the rate in force in Ireland, and this duty is payable to Revenue.

## **16.6 Losses During Manufacturing/Processing**

Warehousekeepers are required to record all losses incurred during operations. Duty may not be charged on losses which are shown to be due to fortuitous events, or inherent in the nature of the products in the course of their production or processing. The warehousekeeper will determine in the first instance as to whether or not a loss or deficiency in operations may be written off. This should be determined having regard to established loss levels for the product and the operation involved. The warehousekeeper is required to maintain detailed records of losses which will be examined by Revenue on a regular basis. If Revenue considers the losses or deficiencies incurred to be excessive, a charge for the duty involved will be raised.

The warehousekeeper should be aware that non-payment of duty in respect of losses will only be granted where effective supervision is in place.

## **16.7 Destructions**

If goods held in warehouse are considered to be either unfit for consumption or unfit for sale, the warehousekeeper may apply to have the goods destroyed without payment of duty. The application should detail the goods involved, the reason for destruction and the proposed method of destruction. The warehousekeeper should hold the goods intact in the warehouse pending approval. If necessary, the Revenue Officer will examine the goods and/or take

samples for analysis. In the absence of any evidence to the contrary the warehousekeeper's assessment of the conditions of the goods will usually be accepted.

The warehousekeeper must notify Revenue of the date and time of all destructions. The method of destruction is at the discretion of the warehousekeeper (but must be in accordance with Health and Safety requirements).

Attendance by a Revenue Officer to witness destruction may be required and, where possible, take place within normal working hours during the course of a routine visit. Normal hours are deemed to be from 8 am to 6 pm, Monday to Friday inclusive but excluding bank holidays. Where special attendance is required outside normal hours or for attendance at places where Officers are not normally on duty, a 'Merchants' Request' attendance charge will usually apply, i.e. the expenses for the attendance of the Officer is paid for by the warehousekeeper.

Once the goods are destroyed the warehousekeeper should make the appropriate adjustment in the stock accounts.

### **16.8 Home Consumption Warrant (Special)**

Duty for losses/shortages should be paid on a 'Special' Home Consumption Warrant (C&E 1115). Payment is not usually made from the warehousekeeper's deferred payment account, but rather by bank draft or Electronic Fund Transfer (EFT).

At the discretion of the Officer, and by agreement with the warehousekeeper, payment for losses/shortages of a routine nature may be included and paid for via the next monthly Home Consumption Warrant.

## **17 Repayments**

In certain circumstances, the repayment of excise duty may arise where duty has been overpaid, e.g. where goods are delivered at the incorrect duty rate or where quantities delivered for home consumption are incorrect.

The warehousekeeper should make an application in writing to Revenue, outlining the circumstances leading to the overpayment, and seeking to have the duty involved repaid. Claims should be supported by appropriate documentary evidence, e.g. credit note from supplier etc.

All relevant documentation in respect of the repayment claim must be made available for inspection by the Revenue Officer.

Revenue subject to conditions, may also repay excise duty on alcohol products which are shown to have become spoilt, unfit for human consumption or use, and have been returned to the warehouse from which they were dispatched.

The warehousekeeper should make an application in advance to Revenue in respect of the repayment of excise duty on the alcohol products which have become spoilt, unfit for human consumption or use.

Under current legislation, a statutory limit of 4 years applies to repayment claims.

## **18 Administrative Penalties**

Section 99B of the Finance Act 2001, as inserted by the 2011 Finance Act, provides for a system of tax –geared penalties for deliberately or carelessly making incorrect returns.

Section 124A (as amended), provides for the imposition of administrative penalties on authorised warehousekeepers in certain circumstances.

A warehousekeeper may be liable for an administrative penalty of €1,500 in respect of each instance of non-compliance with a condition of authorisation, non-compliance with excise primary legislation or non-compliance with any regulation made under that legislation.

The penalty will be civil in nature and therefore recoverable by civil court proceedings.

## **19 Appeals**

Information for the public on appeals relating to excise matters is contained in **Information leaflet C&E 6 (Appeal Procedures Relating to Excise Matters)** available on Revenue's website via the following link:

<http://www.revenue.ie/en/tax/excise/leaflets/cande6.html>



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## **Appendix 1**

### ***Basic Details Required in Stock Accounts***

#### **1. General**

Stock accounts are records of all goods received into and delivered from the warehouse. Records may be kept on computer provided that hard copy or visual interrogation facilities are readily available.

Any supplementary accounts should be cross-referenced to the main stock account. All information must be permanent. If products are entered incorrectly on a stock accounts computer system, the entry should be cancelled, but not deleted, and a new entry made with the correct details.

#### **2. Essential Requirements**

Stock Accounts must provide:

- (i) Full description of the goods:
  - Excise Reference Numbers
  - Product Code
  - Brand name
  - Number of cases, casks or other packages
  - Bottles per case
  - Litres/litres of alcohol per case or cask
  - Strength
  - Total bulk litres/litres of alcohol
  - Age of spirits in cask or vat
- (ii) Consignment details relating to source/origin of goods;
- (iii) The current location of goods in the warehouse;
- (iv) Owner of the goods;
- (v) Duty status of the goods, and evidence of any duties paid;
- (vi) Value for VAT purposes;
- (vii) The means of identifying all goods in the warehouse to or from their stock number;

### **3. Operations in Warehouse**

While carrying out operations on goods, the goods must be recorded out of the original stock account reference. On completion, the resulting goods should be entered as a new receipt, together with a new stock number and suitable cross-reference with the old stock number.

## **Appendix 2**

### *Monthly Stock Return*

While Revenue reserves the right to require that stock returns be submitted on a prescribed form, they will normally be accepted in the form of computerised printouts, provided they contain all the relevant data specified hereunder:

- (i) Opening monthly balance for each category of goods in cases, casks or other packages, and chargeable quantity - litres for wines and cider; litres of alcohol (LA) for spirits; hectolitre per cent of alcohol (HL%) for beer;
  
- (ii) Details of goods received during the month, including a total of all goods received and sub-totals itemising goods received as being from:
  - Other Member States of EU (OMS)
  - 3rd countries
  - Other warehouses
  - Distillery
  - Operations
  - Increases in operations
  - Deficiencies returned
  - Otherwith totals in cases, casks or other packages and chargeable quantity for each category;
  
- (iii) Details of the disposal of all excisable goods during the month under the following headings:
  - Home consumption, with details of excise duty and VAT payable
  - Removals to other warehouses
  - Exports (EU and 3rd country)
  - Operations
  - Losses in operations (chargeable and exempt)
  - Duty free shops
  - Ships stores
  - In-flight catering
  - Diplomatic privilege

- Other duty free use, e.g. manufacture of foodstuffs, medicinal products, products not for human consumption, etc
- Methylation (denaturing)
- Destruction
- Deficiencies which are chargeable with duty
- Deficiencies which are exempt
- Other

with totals in cases, casks or other packages and chargeable quantity for each category; and

- (iv) Closing monthly balance for each category of goods in cases, casks or other packages and chargeable quantity.

Each stock return must be signed by the proprietor of the tax warehouse or by a person authorised to sign on behalf of that proprietor, and advised to the Revenue Officer to be true and complete and to represent the actual stock in warehouse. A director or company secretary, or any person authorised by them, may sign on behalf of a company.



## **Appendix 4**

### **Regional Accounts Offices**

#### **Dublin (Dublin and County)**

Office of the Revenue Commissioners,  
South City District,  
1st Floor,  
85-93 Lower Mount Street  
Dublin 2.

**Phone** (01) 6474099

**Fax** (01) 6474374

#### **Galway (Galway, Mayo, Sligo, Donegal, Louth, Cavan, Monaghan, Leitrim, Longford, Offaly, Roscommon and Westmeath)**

Office of the Revenue Commissioners,  
Cash Office,  
Geata na Cathrach,  
Fairgreen,  
Galway.

**Phone** (091) 547700

**Fax** (091) 547775

#### **Waterford (Waterford, Wexford, Kildare, Wicklow, Meath, Kilkenny, Carlow, Laois and Tipperary)**

Office of the Revenue Commissioners,  
Accounts Section,  
Government Buildings,  
The Glen,  
Waterford.

**Phone** (051) 862125

**Fax** (051) 862251

#### **Limerick (Limerick, Clare and Kerry)**

Office of the Revenue Commissioners,  
Accounts Section,  
Ground Floor,  
River House,  
Charlotte Quay,  
Limerick.

**Phone** (061) 402178

**Fax** (061) 402182

**Cork (Cork City and County)**

Office of the Revenue Commissioners,  
Cash Office,  
Revenue House,  
Blackpool,  
Cork.

**Phone** (021) 6027665

**Fax** (021) 6027108