Dispatch of alcohol released for consumption from Estonia to another Member State (certified consignor)

The sale of alcohol to an economic operator of another Member State is a wholesale activity which can be carried out by a person registered in the commercial register and whose economic activity entered in the register of economic activities is wholesale of alcohol.

Alcohol dispatched to another Member State must be revenue stamped in accordance with the requirements of the Alcohol, Tobacco, Fuel and Electricity Excise Duty Act and comply with the requirements for alcohol permitted for handling established by the Alcohol Act.

Alcohol released for consumption may be dispatched from Estonia to another Member State for commercial purposes only by operators who have registered as certified consignors in Estonia. In another Member State, the alcohol dispatched must be received by an operator who has registered as a certified consignee in the country of destination.

The transport of alcohol released for consumption between EU Member States and the registration of operators as certified consignors or consignees are mainly regulated by the Alcohol, Tobacco, Fuel and Electricity Excise Duty Act and its implementing legislation. User manuals for the information systems used for submitting electronic delivery notes are available on the website of the Estonian Tax and Customs Board (ETCB).

Before dispatching alcohol released for consumption, economic operators must:

1. register as certified consignors in the Excise Movement and Control System (EMCS) (see instructions for submitting e-SAD delivery notes in the EMCS (in Estonian). Excise warehousekeepers and holders of a permit for exemption from excise duty must also register. The number of a certified consignee allows a person to receive an agreed quantity of excise goods from a certified consignor of another Member State on a one-off basis (as a single consignment). Upon registering as a certified consignor, the consignor must know the number of the certified consignee in another Member State.

2. allow the Estonian Tax and Customs Board to inspect the consignment of excise goods before it is dispatched.

The excise duty previously paid will be refunded to the person dispatching the alcohol released for consumption to another Member State if:

1. an e-SAD delivery note for the transport of alcohol has previously been submitted in the EMCS;

2. the alcohol has been transported to another Member State and received by a certified consignee located there and this is confirmed by a report of receipt of excise goods sent from another Member State via the EMCS;

3. an application for refund of excise duty has been submitted via the EMCS. More information: refund of excise duty on excise goods released for consumption in Estonia (§ 45[1] of the Alcohol, Tobacco, Fuel and Electricity Excise Duty Act) and the EMCS user manual.

Special cases of dispatching excise goods from Estonia:

1. In the case of distance sales, the LRM1K delivery note number and the pre-notification number for the receipt of excise goods submitted in the SADHES are not considered to be the certified consignee/consignor number, because in the case of distance sales, EU legislation does not require the consignor or consignee of excise goods to be registered as a certified consignor/consignee. More information on distance sales can be found on the ETCB's website.

2. Dispatch of food supplements and flavourings containing alcohol to a Member State where such goods are exempt from excise duty. To our knowledge, one such country is Latvia.

   According to information provided by the Latvian tax authority, food supplements and flavourings containing alcohol are exempt from excise duty and other excise-related formalities in Latvia. Nevertheless, consignees in Latvia can receive goods dispatched from Estonia on the basis of accompanying documents compiled in the EMCS in the following ways.

   - **Dispatch of alcohol released for consumption (subject to excise duty)**

     Where products containing alcohol released for consumption – that is, products subject to excise duty – are dispatched from Estonia, the Latvian consignee must register as a **temporarily certified consignee**. In such cases, the goods are cleared in the EMCS on the basis of an **e-SAD (LRA**) delivery note. However, before dispatching such products, the Estonian economic operator must register as a **certified consignor** in the EMCS.

   - **Dispatch of alcohol under an excise suspension arrangement**

     Where alcohol is moved under an excise suspension arrangement from an excise warehouse in Estonia to a consignee in Latvia, the latter must register as a **registered consignee receiving goods occasionally**. In such cases, the goods are cleared in the EMCS on the basis of an **e-AD (LRA**) delivery note.

   In light of the above, we recommend that you discuss these options with your business partner. If you have any further questions, your business partner should contact the Latvian tax authority for clarification.