Republic of Latvia

Cabinet

Regulation No. 755

Adopted 6 December 2022

**Procedures for Exempting Non-alcoholic Beverages and Coffee from Excise Duty**

*Issued pursuant to*

*Section 19, Paragraph five of the law On Excise Duties*

**I. General Provisions**

1. The Regulation prescribes:

1.1. the requirements and procedures for exempting the following non-alcoholic beverages and coffee from excise duty (hereinafter – the duty):

1.1.1. those which are used for determining the quality of non-alcoholic beverages and coffee;

1.1.2. those which are used in the production of other food commodities (including alcoholic beverages);

1.1.3. those which are destroyed;

1.2. the requirements for destroying non-alcoholic beverages and coffee.

2. The Regulation shall not be applicable to confiscated non-alcoholic beverages and coffee.

**II. Procedures for Exempting the Non-alcoholic Beverages and Coffee Used for Determining the Quality of Non-alcoholic Beverages and Coffee or Destroyed from Excise Duty, and the Requirements for Destroying the Respective Goods**

3. In accordance with Section 19, Paragraph one and Paragraph two, Clause 1 of the law On Excise Duties (hereinafter – the Law), the taxpayer shall not pay the duty for the non-alcoholic beverages and coffee that are used for determining the quality of non-alcoholic beverages and coffee (including for the verification of the accuracy of testing results) if it submits to the State Revenue Service one of the following documents in addition to the duty return:

3.1. a testing report (if the respective document has been issued in another European Union Member State, translation thereof in the official language shall be submitted) which has been issued by a testing laboratory or the notified laboratory of another European Union Member State that has determined the quality of the respective goods;

3.2. a certification of the respective testing laboratory (if the respective document has been issued in another European Union Member State, translation thereof shall be submitted in the official language) that the goods will be used for verifying the accuracy of testing results.

4. The report or certification referred to in Paragraph 3 of this Regulation shall indicate the type and quantity (in litres or kilograms) of the goods used for determining the quality of non-alcoholic beverages and coffee in accordance with the duty rate specified in Section 15 of the Law.

5. Non-alcoholic beverages and coffee may be brought (imported) into the Republic of Latvia from a foreign country other than a European Union Member State for the purpose referred to in Section 19, Paragraph one and Paragraph two, Clause 1 of the Law (including for the verification of the accuracy of test results) if the respective goods are moved to a tax warehouse where it is allowed to perform activities involving non-alcoholic beverages and coffee.

6. In order to exempt the non-alcoholic beverages and coffee to be destroyed from the duty in accordance with Section 19, Paragraph four of the Law, a tax warehousekeeper (hereinafter – the warehousekeeper) shall destroy the non-alcoholic beverages and coffee in facilities for the operation of which a permit for the performance of a polluting activity has been issued in accordance with the laws and regulations in the field of pollution.

7. The primary (trade) packaging of non-alcoholic beverages and coffee may be incinerated in specially equipped waste incineration facilities or transferred to a waste manager for the operation of which a permit for the performance of a polluting activity has been issued in accordance with the laws and regulations in the field of pollution.

8. The warehousekeeper shall, at least five working days before the destruction of non-alcoholic beverages and coffee, inform the State Revenue Service in writing of the time and place of the destruction of the respective goods, and also indicate the type, name, and quantity (in litres or kilograms) of the goods in accordance with the duty rate specified in Section 15 of the Law. The State Revenue Service shall assess the need to participate in the destruction of the respective goods.

9. A statement on destruction shall be drawn up for the destruction of non-alcoholic beverages and coffee. The statement on destruction shall be signed by a representative of the warehousekeeper and the authorised official of the State Revenue Service if he or she has participated in the destruction of goods.

10. The statement on destruction shall indicate the type, name, and the total quantity (in litres or kilograms) of the destroyed goods in accordance with the duty rate specified in Section 15 of the Law.

11. The statement on destruction shall confirm the right of the warehousekeeper to apply the duty exemption.

**III. Procedures for Exempting Non-alcoholic Beverages and Coffee Used in the Production of Other Food Commodities (Including Alcoholic Beverages) from the Duty**

12. Non-alcoholic beverages and coffee intended for use in the production of other food commodities (including alcoholic beverages) shall be exempted from the duty in accordance with Section 19, Paragraph three of the Law if the respective goods are removed or dispatched by the warehousekeeper.

13. In order to receive and use non-alcoholic beverages and coffee for the purpose referred to in Section 19, Paragraph three of the Law (except for the production of alcoholic beverages), the user (recipient) of non-alcoholic beverages and coffee shall submit a written confirmation to the warehousekeeper (supplier) that the purchased goods will only be used for the purpose referred to in Section 19, Paragraph three of the Law.

14. The written confirmation shall contain at least the following information:

14.1. the full name of the user (recipient);

14.2. the taxpayer’s registration code of the user (recipient);

14.3. the address, postal code, and telephone number of the user (recipient);

14.4. the purpose of use and quantity (in litres or kilograms) of non-alcoholic beverages and coffee in accordance with the duty rate specified in Section 15 of the Law;

14.5. the date of issue of the written confirmation;

14.6. the given name, surname, and signature of the responsible person.

15. Non-alcoholic beverages and coffee intended for use in the production of alcoholic beverages shall be exempted from the duty in accordance with Section 19, Paragraph three of the Law if the respective goods are supplied to a merchant who has obtained a special permit (license) issued by the State Revenue Service for the activity of a warehousekeeper indicating the specific type of activity, i.e. production of alcoholic beverages.

**IV. Closing Provision**

16. The Regulation shall come into force on 1 January 2023.

Prime Minister A. K. Kariņš

Minister for Finance J. Reirs