

From: [REDACTED] (TAXUD)
Sent: Thursday, July 06, 2017 4:57 PM
To: QUEST Stephen (TAXUD); [REDACTED] (TAXUD); [REDACTED] (TAXUD); [REDACTED] (TF50); FABREGAS FERNANDEZ Maria Teresa (TAXUD)
Cc: [REDACTED] (TAXUD); KERMODE Philip (TAXUD); [REDACTED] (TAXUD)
Subject: Meeting with [REDACTED] of the European Travel Retail Confederation (ETRC) on 23 June 2017

Please find enclosed a short report of a meeting with [REDACTED] of the European Travel Retail Confederation (ETRC) on 23 June 2017.

On Tuesday 23 June 2017, Philip Kermode, Director TAXUD A and [REDACTED] met with [REDACTED] of the European Travel Retail Confederation (ETRC). ETRC emphasised the opportunities for duty and tax free sales when the UK would leave the EU. Annually 20 million passengers are travelling on ferries from and to the UK as well as 150 million air passengers. EU legislation provides the opportunity as soon as the UK becomes a third country for reintroducing duty and tax free sales. For the UK, amendments to their excise legislation would be needed, this mainly relates to tobacco. ETRC had also spoken to the Head of the Unit responsible for aviation in DG MOVE.

PK emphasised that for the time being it is not clear what will be the final situation and future relationship/agreement between the EU and UK and that BREXIT related issues are being dealt with in the Commission by the Article 50 Task Force. He appreciated the initiative taken by ETRC to provide advance information on the matter.

ETRC has commissioned a study to provide more information on potential turnovers in the future and estimated travel patterns. The study should provide further details to have a better understanding on the possible impact of re-introducing duty and tax free sales, including on the consequences for EU retailers.

ETRC referred to a big campaign that the region of Calais has already launched on the possibilities for duty and tax free sales. They see a need to provide further clarity on a possible transitional period and avoiding abuse of allowances. In discussions with the sector industry possible ways were already discussed on how the abuse could be avoided during a transitional period. It had also been mentioned in these discussions with the sector that the VAT cash back principle should not be allowed.

Further information is expected to be exchanged in autumn when the above-mentioned study has been completed.

Report by [REDACTED], visa P. Kermode

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