

Commission Regulation (EC) No 1670/2006 of 10 November 2006 laying down certain detailed rules for the application of Council Regulation (EC) No 1784/2003 as regards the fixing and granting of adjusted refunds in respect of cereals exported in the form of certain spirit drinks (Codified version)

COMMISSION REGULATION (EC) No 1670/2006

of 10 November 2006

laying down certain detailed rules for the application of Council Regulation (EC) No 1784/2003 as regards the fixing and granting of adjusted refunds in respect of cereals exported in the form of certain spirit drinks

(Codified version)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) 1784/2003 of 29 September 2003 on the common organisation of the market in cereals<sup>(1)</sup>, and in particular Article 18 thereof,

Having regard to Council Regulation (EC) No 2799/98 of 15 December 1998 establishing agrimonetary arrangements for the euro<sup>(2)</sup>, and in particular Article 3(2) thereof,

Whereas:

- (1) Commission Regulation (EEC) No 2825/93 of 15 October 1993 laying down certain detailed rules for the application of Council Regulation (EEC) No 1766/92 as regards the fixing and granting of adjusted refunds in respect of cereals exported in the form of certain spirit drinks<sup>(3)</sup> has been substantially amended several times<sup>(4)</sup>. In the interests of clarity and rationality the said Regulation should be codified.
- (2) Article 16 of Regulation (EC) No 1784/2003 provides that, in so far as it is necessary to take account of the particular features of the production of certain spirituous beverages obtained from cereals, the criteria for granting export refunds may be adapted to this particular situation. It would appear necessary to provide for such adjustment for certain spirit drinks where, on the one hand, the price of cereals at the moment of export is not linked to the price of cereals at the moment of production and, on the other hand, the final product derives from a mixture of numerous products, so that it has become impossible to monitor the identity of the cereals incorporated in the final product for exportation, all the more so since those spirit drinks are also subject to compulsory ageing of at least three years.
- (3) Difficulties of this nature have been encountered in particular in respect of Scotch whisky, Irish whiskey and Spanish whisky.
- (4) The usual system of refunds should, as far as possible, be applied on a similar basis. A refund should therefore be paid for cereals meeting the conditions provided for in Article 23(2) of the Treaty used *pro rata* in terms of the quantities of spirit drinks

---

*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

exported. To this end, the quantities of such distilled cereals should be multiplied by an overall, flat-rate coefficient calculated on the basis of national statistics supplied by the Member States concerned. Use of the ratio between the total quantities of spirit drinks concerned which have been exported and the total quantities which have been sold seems to afford a fair and simple basis. It is necessary to define what is meant by 'total quantities exported' and 'total quantities marketed'. For the purpose of determining the quantities of cereals distilled and the coefficient, the quantities subject to inward processing arrangements should be excluded.

- (5) It is necessary to make provision for the coefficient to be adjusted in particular to guard against the possibility that payments of the refunds might serve to increase stocks abnormally.
- (6) Article 13(3) of Regulation (EC) No 1784/2003 provides for the possibility of differentiating the refund according to destination. Therefore, objective criteria should be provided for which would lead to the abolition of the refund for certain destinations.
- (7) The day determining the applicable refund rate should be fixed. That day should be linked in the first instance to the time at which the cereals are placed under control and, for the quantities distilled subsequently, to each fiscal distillation period. Before the refund is paid proof must be furnished in the form of a distillation declaration that the cereals have been distilled. Such a declaration must contain the information necessary for the calculation of the refunds. The first day of each fiscal distillation period may also be the operative event for the agricultural conversion rate pursuant to Article 3 of Regulation (EC) No 2799/98.
- (8) It is necessary for the purposes of this Regulation to record that the products have left the Community and in certain cases to identify their destination as well. It is thus necessary to employ the definition of exportation set out in Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code<sup>(5)</sup> and to use the evidence provided for in Commission Regulation (EC) No 800/1999 of 15 April 1999 laying down common detailed rules for the application of the system of export refunds on agricultural products<sup>(6)</sup>.
- (9) In order to establish the coefficient, it should be compulsory to provide proof that the quantities of spirit drinks have been exported. It is appropriate to provide that Article 43 of Commission Regulation (EC) No 1291/2000 of 9 June 2000 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products<sup>(7)</sup>, should apply to goods returning to Community territory if the special conditions are met.
- (10) The Member States should be required to pass on the necessary information to the Commission.
- (11) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

#### Article 1 **U.K.**

1 This Regulation lays down detailed rules for fixing and granting export refunds for cereals exported in the form of spirit drinks as referred to in Article 16 of Regulation (EC) No 1784/2003 and for which a compulsory ageing period of at least three years is part of the manufacturing process.

2 Commission Regulation (EC) No 1043/2005<sup>(8)</sup> shall not apply to the spirit drinks referred to in paragraph 1, save as otherwise provided in Article 6(1) of this Regulation.

#### Article 2 **U.K.**

The refunds referred to in Article 1 may be granted for cereals meeting the conditions laid down in Article 23(2) of the Treaty and used in the production of the spirit drinks falling within CN codes 2208 30 32, 2208 30 38, 2208 30 52, 2208 30 58, 2208 30 72, 2208 30 78, 2208 30 82 and 2208 30 88 manufactured in accordance with Council Regulation (EEC) No 1576/89<sup>(9)</sup>.

#### Article 3 **U.K.**

For the purposes of this Regulation:

- (a) ‘given distillation period’ means a period corresponding to a distillation period agreed between the beneficiary and the customs authorities or other competent authorities for the purposes of checks on excise duty (fiscal period);
- (b) ‘total quantities exported’ means the quantities of spirit drinks fulfilling the terms of Article 23(2) of the Treaty and exported to a destination for which the refund applies;
- (c) ‘total quantities marketed’ means the quantities of spirit drinks fulfilling the terms of Article 23(2) of the Treaty which have been finally dispatched from production or storage facilities with a view to their sale for human consumption;
- (d) ‘placed under control’ means the placing under a customs control procedure, or under an administrative procedure offering equivalent assurances, of cereals intended for the manufacture of the spirit drinks referred to in Article 2.

#### Article 4 **U.K.**

1 The quantities of cereals eligible for the refund shall be the quantities placed under control and distilled by those entitled to the refund during a given distillation period, weighted by a coefficient to be fixed annually for each Member State concerned and applicable to all eligible parties concerned. The coefficient shall express the average ratio between the total quantities exported and the total quantities marketed of the spirit drinks concerned, on the basis of the trend noted in those quantities during the number of years corresponding to the average ageing period of the spirit drink in question.

For the purpose of determining the quantities of cereals distilled and the coefficient, quantities which have been subject to inward processing arrangements shall be excluded.

When the coefficient is calculated, account shall also be taken of variations in the stocks of one of the spirit drinks in question.

The coefficient may differ according to the cereal used.

2 The competent bodies shall at regular intervals check on the volume actually exported and on the volume of stocks.

*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

#### Article 5 **U.K.**

The coefficient referred to in Article 4(1) shall be fixed before 1 July each year.

It shall apply from 1 October until 30 September of the following year.

The coefficient shall be fixed in accordance with information supplied by the Member States on the period 1 January to 31 December of the years preceding the year of fixing.

#### Article 6 **U.K.**

1 The rate of the refund applicable shall be that fixed in accordance with the first paragraph of Article 14 of Regulation (EC) No 1043/2005.

[<sup>F1</sup>]<sup>F2</sup> The rate of the refund shall be that applicable on the day on which the cereals are placed under control. However, as regards the quantities distilled in each of the fiscal distillation periods following that in which the placing under control occurred, the rate shall be that applicable on the first day of each fiscal distillation period concerned.

The operative event for the exchange rate applicable to the refund shall be that referred to in Article 1(1) of Commission Regulation (EC) No 1913/2006<sup>(10)</sup>.]]

#### Textual Amendments

- F1** Substituted by [Commission Regulation \(EC\) No 1913/2006 of 20 December 2006 laying down detailed rules for the application of the agrimonetary system for the euro in agriculture and amending certain regulations.](#)
- F2** Substituted by [Commission Regulation \(EC\) No 873/2007 of 24 July 2007 amending and correcting Regulation \(EC\) No 1913/2006 laying down detailed rules for the application of the agrimonetary system for the euro in agriculture.](#)

#### Article 7 **U.K.**

1 Where the situation on the world market or the specific requirements of certain markets so dictate, the refund shall be abolished for certain destinations.

2 If the refund is abolished pursuant to paragraph 1, or if it is reintroduced, and if certain markets become ineligible for export refunds pursuant to an Act of Accession or agreements with third countries, the coefficient referred to in Article 4(1) shall be adjusted. That adjustment shall involve as appropriate, the exclusion or inclusion, in the total exported quantities used for calculating that coefficient, of the quantities exported to those markets for which the refund is abolished or reintroduced. The adjusted coefficient shall apply from the first day of the fiscal distillation period following the change in the eligibility of the markets concerned.

#### Article 8 **U.K.**

For the purposes of this Regulation, cereals may be replaced by malt.

In that case the coefficient for calculating the barley equivalent of malt shall be 1,30.

However, where the malt that is placed under control is green malt with a moisture content of between 43 % and 47 %, the coefficient for calculating the equivalent weight of malt with a moisture content of 7 % shall be 0,57.

#### Article 9 **U.K.**

1 Only distillers established in the Community shall be entitled to the refund.

---

*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

2 The distiller shall communicate to the competent authorities prior to the commencement of each fiscal distillation period a declaration including all the particulars necessary for determining the refund, in particular:

- a a description of the cereals or malt in accordance with the nomenclature of the common customs tariff, where necessary broken down by homogeneous lot;
- b the net weight of the products and the moisture content, broken down for each lot referred to under (a);
- c confirmation that the cereals fulfil the conditions laid down in Article 23(2) of the Treaty;
- d the place of storage and distillation.

During the fiscal distillation period the declaration may be updated as the distillation process proceeds in order to take account of the larger or smaller quantities actually being distilled.

3 After each fiscal distillation period the distiller shall lodge with the competent authorities a declaration, hereinafter called a 'distillation declaration', in which he confirms that he has distilled, during the distillation period concerned, the cereals set out in the declaration referred to in paragraph 2, in order to produce one of the spirit drinks in question; he shall indicate the quantity of distilled products obtained. This declaration shall be certified by the authorities carrying out the placing under control.

4 The refund shall be paid once proof has been furnished that the cereals have been placed under control and distilled.

5 The weight of cereals to be taken into consideration for calculation of the payment shall be the net weight, if the moisture content is not more than 15 %. If the moisture content of the cereals used is more than 15 % but not more than 16 %, the weight to be taken into consideration shall be the net weight reduced by 1 %. If the moisture content of the cereals used is more than 16 % but not more than 17 %, the reduction shall be 2 %. If the moisture content of the cereals used is more than 17 % the reduction shall be two percentage points for each percentage point of moisture above 15 %.

The weight of malt other than green malt, as referred to in Article 8, which is to be taken into consideration for calculation of the payment shall be the net weight, if the moisture is not more than 7 %. If the moisture content of the malt used is more than 7 % but not more than 8 %, the weight to be taken into consideration shall be the net weight reduced by 1 %. If the moisture content of the malt used is more than 8 % the reduction shall be two percentage points for each percentage point of moisture above 7 %.

The Community reference method for determining the moisture content of cereals and malt intended for production of the spirit drinks referred to in this Regulation shall be that shown in Annex IV to Commission Regulation (EC) No 824/2000<sup>(11)</sup>.

#### Article 10 **U.K.**

Member States shall take the measures necessary to verify the accuracy of the declarations referred to in Article 9 and those relating to the physical control of the cereals, the distillation process and the use of the distilled product obtained.

#### Article 11 **U.K.**

1 The by-products of processing shall be exempt from control if it has been established that they do not exceed the quantity of by-products normally obtained.

---

*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

2 No refund shall be granted where the cereals or malt are not of sound and fair merchantable quality.

*Article 12* **U.K.**

1 The refund shall be paid by the Member State in which the declarations referred to in Article 9 are accepted.

2 The refund shall be paid only on written application by the trader. Member States may prescribe a special form to be used for this purpose.

3 Except in cases of *force majeure* the documents required for the granting of the refund must be lodged within 12 months of the day on which the authorities carrying out the placing under control accepted the distillation declaration, otherwise entitlement to the refund shall be lost.

4 Where the coefficient is adjusted pursuant to Article 7(2), refunds incorrectly paid from the date of application of the adjusted coefficient shall be repaid by the beneficiaries.

*Article 13* **U.K.**

1 For the purposes of Article 4, proof shall be provided that the quantities of spirit drinks which fulfil the conditions laid down in Article 23(2) of the Treaty have been exported.

2 The proof applicable shall be that provided for in Regulation (EC) No 800/1999.

3 For the purposes of this Regulation, 'export' means:

- a export within the meaning of Articles 161 and 162 of Regulation (EEC) No 2913/92;
- and
- b deliveries to destinations covered by Article 36 of Regulation (EC) No 800/1999.

4 Products having been placed in a victualling warehouse approved pursuant to Article 40 of Regulation (EC) No 800/1999 shall also be considered to have been exported. When products have been placed in such warehouses, Articles 40 to 43 of the abovementioned Regulation shall apply *mutatis mutandis*.

*Article 14* **U.K.**

1 Spirit drinks shall be deemed to have been exported on the day on which customs export formalities were completed.

2 The declaration submitted when the customs export formalities are completed must contain:

- a a description of the spirit drinks concerned, in accordance with the combined nomenclature;
- b the quantities, expressed in litres of pure alcohol, of spirit drinks being exported;
- c a description of, or other reference to, the composition of the spirit drinks such that the type of cereals used can be determined;
- d the Member State of production.

3 For the purposes of paragraph 2(c), if the spirit drink is obtained from different types of cereals and it results from a subsequent blending it shall be sufficient to state this in the declaration.

*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

#### Article 15 **U.K.**

1 For a quantity of a spirit drink to be deemed to have been exported, the proof referred to in Article 13 must be submitted to the designated authorities within six months of the date on which the customs export formalities are completed.

2 If proof has not been produced within the prescribed time limit despite the exporter's best endeavours to obtain it within that time limit, extensions to the time limit, not exceeding six months altogether, may be granted.

However, if proof of export is provided outside the time limit which would permit the export operation to be included with exports performed during the same calendar year, the export operation in question shall be aggregated with exports performed during the following calendar year.

#### Article 16 **U.K.**

1 Where the Community transit procedure applies, the drinks referred to in Article 13(1) shall be placed under the Community external transit procedure.

2 For the purposes of Regulation (EEC) No 2913/92, the spirit drinks referred to in Article 13(1) of this Regulation shall be deemed to be goods in respect of which the requisite customs export formalities for the granting of export refunds have been completed. Such drinks may not be placed in free circulation unless an amount corresponding to the export refund paid is reimbursed.

#### Article 17 **U.K.**

Where Article 7 applies, proof must also be provided that the spirit drinks concerned have reached the destination for which the refund was fixed.

In that event, the proof of importation into a third country in respect of which the refund applies shall be the proof provided for in Articles 15 and 16 of Regulation (EC) No 800/1999.

#### Article 18 **U.K.**

1 The Member States concerned shall inform the Commission of the names and addresses of the bodies competent to apply this Regulation.

2 The Member States concerned shall provide the Commission with the following information before 16 July each year:

- a the quantities of cereals and malt fulfilling the terms of Article 23(2) of the Treaty and distilled in the period from 1 January to 31 December of the preceding year, broken down in accordance with the combined nomenclature;
- b the quantities of cereals and malt, broken down in accordance with the combined nomenclature, which were the subject of inward processing arrangements during the same period;
- c the quantities of spirit drinks covered by Article 2, broken down in accordance with the categories given in Article 19, including both quantities exported and quantities marketed during the same period;
- d the quantities of spirit drinks produced under inward processing arrangements and exported to third countries during the same period, broken down in accordance with the categories given in Article 19;
- e the quantities of spirit drinks in store on 31 December of the preceding year and the quantities produced during that period.

---

*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

3 The Member States concerned shall also provide the Commission with the information listed under (a) to (d) for each calendar quarter before 16 October, 16 January and 16 April, where available.

4 At the request of the Commission, the Member States concerned shall also provide the information necessary for adjusting the coefficient referred to in Article 7(2).

*Article 19* **U.K.**

For the purposes of Article 18:

- (a) 'grain whisky' means whisky made from malt and cereals;
- (b) 'malt whisky' means whisky made exclusively from malt;
- (c) 'Irish whiskey, category A' means whiskey made from malt and cereals, with less than 30 % malt;
- (d) 'Irish whiskey, category B' means whiskey made from barley and malt, with at least 30 % malt;
- (e) the percentages of the various types of cereals used in the manufacture of the spirit drinks referred to in Article 14(3) shall be determined on the basis of the total quantities of the various types of cereals used in manufacturing the spirit drinks referred to in Article 2.

*Article 20* **U.K.**

Regulation (EEC) No 2825/93 is repealed.

References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex II.

*Article 21* **U.K.**

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

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



*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

## ANNEX I U.K.

### REPEALED REGULATION WITH ITS SUCCESSIVE AMENDMENTS

Commission Regulation (EEC) No 2825/93	(OJ L 258, 16.10.1993, p. 6)
Commission Regulation (EC) No 3098/94	(OJ L 328, 20.12.1994, p. 12)
Commission Regulation (EC) No 1633/2000	(OJ L 187, 26.7.2000, p. 29)

## ANNEX II U.K.

### CORRELATION TABLE

<b>Regulation (EEC) No 2825/93</b>	<b>This Regulation</b>
Article 1	Article 1
Article 2	Article 2
Article 3	Article 3
Article 4(1)	Article 4(1), first and second subparagraphs
Article 4(2)	Article 4(1), third subparagraph
Article 4(3)	Article 4(1), fourth subparagraph
Article 4(4)	Article 4(2)
Article 5	Article 5
Article 6	Article 6
Article 7	Article 7
Article 8	Article 8
Article 9	Article 9
Article 10	Article 10
Article 11	Article 11
Article 12	Article 12
Article 13(1) and (2)	Article 13(1) and (2)
Article 13(3), introductory sentence	Article 13(3), introductory sentence
Article 13(3), first indent	Article 13(3)(a)
Article 13(3), second indent	Article 13(3)(b)
Article 13(4)	Article 13(4)
Article 14	Article 14
Article 15	Article 15
Article 16	Article 16

---

**Status:** Point in time view as at 31/12/2020.

**Changes to legislation:** There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)

---

Article 17	Article 17
Article 18	Article 18
Article 19	Article 19
Article 20	—
—	Article 20
Article 21, first paragraph	Article 21
Article 21, second paragraph	—
—	Annex I
—	Annex II

*Status: Point in time view as at 31/12/2020.*

*Changes to legislation: There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

- (1) [OJ L 270, 21.10.2003, p. 78](#). Regulation as amended by Commission Regulation (EC) No 1154/2005 ([OJ L 187, 19.7.2005, p. 11](#)).
- (2) [OJ L 349, 24.12.1998, p. 1](#).
- (3) [OJ L 258, 16.10.1993, p. 6](#). Regulation as last amended by Regulation (EC) No 1633/2000 ([OJ L 187, 26.7.2000, p. 29](#)).
- (4) See Annex I.
- (5) [OJ L 302, 19.10.1992, p. 1](#). Regulation as last amended by Regulation (EC) No 648/2005 of the European Parliament and of the Council ([OJ L 117, 4.5.2005, p. 13](#)).
- (6) [OJ L 102, 17.4.1999, p. 11](#). Regulation as last amended by Regulation (EC) No 671/2004 ([OJ L 105, 14.4.2004, p. 5](#)).
- (7) [OJ L 152, 24.6.2000, p. 1](#). Regulation as last amended by Regulation (EC) No 410/2006 ([OJ L 71, 10.3.2006, p. 7](#)).
- (8) [OJ L 172, 5.7.2005, p. 24](#).
- (9) [OJ L 160, 12.6.1989, p. 1](#).
- (10) [<sup>F1</sup>[<sup>F2</sup>[OJ L 365, 21.12.2006, p. 52](#).]]
- (11) [OJ L 100, 20.4.2000, p. 31](#).

#### **Textual Amendments**

- F1** Substituted by [Commission Regulation \(EC\) No 1913/2006 of 20 December 2006 laying down detailed rules for the application of the agrimonetary system for the euro in agriculture and amending certain regulations](#).
- F2** Substituted by [Commission Regulation \(EC\) No 873/2007 of 24 July 2007 amending and correcting Regulation \(EC\) No 1913/2006 laying down detailed rules for the application of the agrimonetary system for the euro in agriculture](#).

**Status:**

Point in time view as at 31/12/2020.

**Changes to legislation:**

There are outstanding changes not yet made to Commission Regulation (EC) No 1670/2006. Any changes that have already been made to the legislation appear in the content and are referenced with annotations.