

Lubricants and base oils should not be included under the Excise Movement and Control System (EMCS)

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FuelsEurope believes that the inclusion of all lubricants under the EMCS is not an appropriate solution to avoid fraud risk. FuelsEurope therefore offers to contribute to finding routes to reduce fraud risk with certain types of lubricants

The Excise Movement and Control System (EMCS) was set-up to ensure an effective, target-oriented and manageable fiscal supervision for energy products used or intended to be used for motor energy and/or heating purposes (subject to excise duty). Therefore, all the products not intended to be used as heating fuel or motor fuel should remain outside the EMCS.

The inclusion of all lubricants under the EMCS is likely to increase the cost and administrative burden as a result of:

- The need of using bonded warehouses or converting existing warehouses into bonded ones for handling lubricants;
- More burdensome administrative procedures amongst unexperienced users (mostly Small and Medium Enterprises) of the EMCS system who are unaware of the whole excise system administration ;
- A significant increase in administrative procedures in view of the atomization of distribution channels and market.

The Union of the European Lubricants Industry (UEIL) estimates these costs to more than EURO 45 million per year

Therefore, whilst FuelsEurope is supportive of initiatives that reduce fraud, we are of the opinion that the inclusion of lubricants within the EMCS will not be the right solution to address the current issues. Consequently, FuelsEurope calls for the non-inclusion of lubricants and base oils under the EMCS to avoid disproportionate administrative burden for lubricant suppliers and end-users. FuelsEurope is however willing to contribute to finding routes to reduce the risk of fraud with lubricants.

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FuelsEurope, the voice of the European petroleum refining industry

FuelsEurope represents with the EU institutions the interest of 41 companies operating refineries in the EU. Members account for almost 100% of EU petroleum refining capacity and more than 75% of EU motor fuel retail sales.

FuelsEurope aims to promote economically and environmentally sustainable refining, supply and use of petroleum products in the EU, by providing input and expert advice to the EU institutions, Member State Governments and the wider community and thus contributing in a constructive and pro-active way to the development and implementation of EU policies and regulations.

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