Completely denatured alcohol

Completely denatured alcohol is exempt from excise duty in the EU if its composition meets the formula published in Commission Regulation (EC) No 3199/93 (open the latest consolidated version). Upon dispatching completely denatured alcohol to another Member State, we recommend checking that the Member State of destination accepts the uniform formula, as there are exceptions in the Regulation.

In Estonia, alcohol is considered to be completely denatured alcohol and is exempt from excise duty if its composition complies with the requirements of subsections 1 and 1^1 of § 13 of the Alcohol, Tobacco, Fuel and Electricity Excise Duty Act (ATKEAS), i.e.:

1. it has been denatured in accordance with the common denaturing formula (per hectolitre absolute alcohol) published in Commission Regulation (EC) No 3199/93:
   - ✓ 1 litre of isopropyl alcohol,
   - ✓ 1 litre of methylethylketone,
   - ✓ 1 gram denatonium benzoate.
2. it has been denatured according to the Estonian national completely denatured alcohol formula (§ 1^1 of Regulation No 21 of the Minister of Finance of 22 March 2010):
   - ✓ 10 litres of ethyl acetate, or
   - ✓ 2 litres of methyl ethyl ketone and 3 litres of methyl isobutyl ketone; or
   - ✓ 2 litres of acetone and 3 litres of methyl isobutyl ketone; or
   - ✓ 3 litres of acetone and 2 grams of denatonium benzoate.

In Estonia, alcohol can be denatured in an excise warehouse, customs warehouse and a free zone. Denaturing of alcohol is addition of substances to alcohol which make it unfit for drinking, but do not impede industrial use.

Denaturing in an excise warehouse is permitted if such activity has been coordinated with the tax authority (for example, described in the rules for organisation of work of the excise warehouse accepted by the tax authority).

Denaturing in a customs warehouse or a free zone is permitted only if such activity falls within the scope of the operations indicated in the rules for organisation of work of the customs warehouse or free zone operator.

Completely denatured alcohol must be placed in a customs warehouse, temporary storage place, free zone or excise warehouse when delivered to Estonia from outside the EU.

Upon receiving completely denatured alcohol from another Member State, the Estonian recipient must register as a certified consignee in the Excise Movement and Control System (EMCS). Upon dispatching completely denatured alcohol released for consumption in Estonia to another Member State, the consignor must also register as a certified consignor in EMCS.

The certified consignee is required to pay security in the amount of the excise duty payable, which will be returned if an analysis record is submitted for the goods received in Estonia and the product complies with the requirements for completely denatured alcohol. If, when registering the pre-notification for eSAD, the person submits an analysis record from an accredited laboratory confirming that the goods to be dispatched to Estonia comply with the definition of completely denatured alcohol, the tax authority will not impose a security. However, a security may be imposed if, based on specific circumstances, there is doubt regarding the reliability of the analysis record or the conformity of the goods with the definition of completely denatured alcohol.

More information on operations, including certification in EMCS, can be found in "Transport of alcohol released for consumption between Member States for commercial purposes".

Completely denatured alcohol is exempt from excise duty on release for consumption if the accompanying document for release for consumption (eSAD delivery note, T consignment note and IM40) contains a reference to the analysis record of an accredited laboratory uploaded in the SADHES supplementary documents module LIDO confirming the completely denatured alcohol's compliance with the conditions for exemption from excise duty.

The analysis record can be registered both by the laboratory as well as the person to whom the record has been issued. LIDO assigns a unique number to the analysis record. If the data has previously been entered correctly, the systems SADHES, EMCS and LIDO communicate with each other and the data can be linked to each other.

The Estonian Tax and Customs Board also accepts analysis records from a laboratory duly accredited in another Member State (accredited by the competent authority of a Member State for the purpose of operating as an independent laboratory and carrying out the relevant analyses).

Information about accreditation bodies in other Member States can be found on the website of the European co-operation for Accreditation (choose Member State). Information about accredited laboratories and the scope of their accreditation can usually be found on the website of the relevant authority of the Member State.

Completely denatured alcohol can be received in Estonia:

1. from another Member State using the system EMCS:

Upon transporting completely denatured alcohol from another Member State to Estonia, the accompanying document compiled in EMCS shall refer to the analysis record as follows:

eSAD delivery note:

- ✓ in the field 18_1A "AAA" (Alcohol analysis record);
- ✓ in the field 18_1B enter the SNR number assigned to the analysis record in LIDO.

2. by importing it from a third country using the system Impulss (IM 40):

Upon importing completely denatured alcohol, the customs declaration compiled in Impulss must contain a reference to the analysis record as follows:

- ✓ data element “Document type” (12 03 002 000) – EMTS certificate 3015 “An analysis record issued by an accredited laboratory in the case of completely denatured alcohol meeting the requirements of subsections 1 and 1^1 of § 13 of ATKEAS or in accordance with subsection 2 of § 50 of ATKEAS”;
- ✓ data element “Reference number” (12 03 001 000) – number assigned to analysis record in LIDO (SNR no.).

Completely denatured alcohol can be released for consumption from an excise warehouse using SADHES

Upon releasing for consumption from an excise warehouse the delivery note drawn up in SADHES shall refer to the analysis record as follows:

T4 delivery note:

- ✓ in the field 17_8A “AAA” (Alcohol analysis record);
- ✓ in the field 17_8B enter the SNR number assigned to the analysis record in LIDO.