

## **LAW ON EXCISE <sup>1</sup>**

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**- Unofficial consolidated version –**

### **PART ONE GENERAL PROVISIONS**

#### **CHAPTER 1. Basic Concepts**

##### **Article 1**

##### **Scope of application**

(1) This Law shall establish the excise duty on goods which are subject to excise duty (hereinafter: excise goods), in terms of the manner of chargeability, calculation and payment of excise duty on the territory of Republic of Macedonia (hereinafter: tax territory), rights and obligations of the excise tax payers and the competent customs authority related to excise goods, including supervision, monitoring of the movement of excise goods.

(2) The provisions of this Law regulating the procedure of production, processing, storage and movement of excise goods under duty suspension arrangements shall not apply to excise goods under special provisions, in accordance with the customs regulations.

(3) Customs authority shall be the only authority in charge of implementing the provisions of this Law and the regulations adopted pursuant to this Law.

##### **Article 2**

##### **Excise Goods**

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<sup>1</sup> This Law shall provide for harmonization with: 1. COUNCIL DIRECTIVE 2008/112/EC of 16<sup>th</sup> December 2008 concerning the general arrangements for excise duty and repealing DIRECTIVE 92/12/EEC; 2. COUNCIL DIRECTIVE 2002/96/EC as of 27<sup>th</sup> October on restructuring the Community framework for the taxation of energy products and electricity; 3. COUNCIL DIRECTIVE 92/83/EEC of 19<sup>th</sup> October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages; 4. COUNCIL DIRECTIVE 92/84/EEC of 19<sup>th</sup> October 1992 on the approximation of the rates of excise duty on alcohol and alcoholic beverages; 5. COUNCIL DIRECTIVE 2011/64/EU of 21<sup>st</sup> June 2011 on the structure and rates of excise duty applied to manufactured tobacco; 6. COMMISSION REGULATION (EC) No. 31/96 of 10<sup>th</sup> January 1996 on the Excise Duty Exemption Certificate; 7. Council DIRECTIVE 2006/79/EC on the exemption from taxes of imports of small consignments of goods of a non-commercial character from third countries; 8. COUNCIL DIRECTIVE 2007/74/EC on exemption from taxes from value added tax and excise duty of goods imported by persons travelling from third countries; and 9. COUNCIL DIRECTIVE 95/60/EC of 27<sup>th</sup> November 1995 on fiscal marking of gas oils and kerosene.

Excise goods, pursuant to the provisions of this Law shall be:

- 1) Alcohol and alcoholic beverages
- 2) Tobacco products and
- 3) Energy products and electricity.

### **Article 3**

#### **Subject to excise duty**

- (1) Excise goods stipulated in Article 2 this Law shall be subject to excise duty by their production, or importation into the tax territory.
- (2) Excise goods stipulated in Article 2 of this Law shall be subject to excise duty by their entering in the tax territory.

### **Article 4**

#### **Territories of application**

- (1) "Tax territory" is a territory in sovereignty of the Republic of Macedonia pursuant to the Constitution of the Republic of Macedonia.
- (2) "Member State" and "territory of a Member State" means the territory of each Member State of the European Union to which the Treaty of European Union is applicable, with the exception of third territories;
- (3) "Union" and "territory of the Union" means the territories of the Member States as defined in paragraph(2) of this Article.
- (4) "third country" means any State or territory to which the Treaty is not applicable;
- (5) "third territories" also means the territories:
  - forming part of the customs territory of the Community: stated in Article 5 of the Treaty of the Functioning of the European Union;
  - not forming part of the customs territory of the Community: the Island of Heligoland; the territory of Büsingen; Ceuta; Melilla; Livigno; Campione d'Italia and the Italian waters of Lake Lugano and
  - Mount Athos;
- (6) Movement of excise goods under this Law:
  - originating in or intended for the Principality of Monaco is treated as movement originating in or intended for the Republic of France;
  - originating in or intended for San Marino is treated as movement originating in or intended for the Italian Republic;
  - originating in or intended for United Kingdom Sovereign Base Areas of Akrotiri and Dhekelia is treated as movement originating in or intended for Cyprus;
  - originating in or intended for the Isle of Man is treated as movement originating in or intended for the United Kingdom.
  - originating in or intended for Jungholz and Mittelberg (KleinesWalsertal) are treated as movements originating in or intended for the Federal Republic of Germany.

**Article 5**  
**Definitions**

(1) The definitions used in this Law shall mean:

- 1) 'person' means legal or natural person
- 2) 'duty suspension arrangement' is an arrangement applied to the production, processing, storage, receipt or dispatch of excise goods or movement of excise goods, where the excise duty chargeability is suspended, while the excise goods are not included in special procedures in line with the customs regulations;
- 3) 'tax warehouse' is an authorized place where excise goods are produced, processed, stored, received or dispatched under duty suspension arrangements by an authorised warehousekeeper in the course of their business, subject to certain conditions laid down by the competent authority;
- 4) 'authorized warehouse keeper' means a person who is a holder of a tax permit issued by the competent authority, and authorized to perform activities in a tax warehouse within the course of their business activity.
- 5) 'exempted user' is a person, being issued an authorization by competent authority, with a possibility to procure and use excise goods for exempted purposes without paying excised duties.
- 6) 'exempted user's facility' is a space or an area used by the exempted user of excise goods for storing the excise goods that the exempted user has acquired for the purposes of the exempted user's registered business activity, free of excise duty.
- 7) 'production' means a process during which excise goods are acquired from non-excise goods, including the extraction of excise goods from the soil;
- 8) 'processing' means a process during which one excise good is processed into another excise good;
- 9) 'electronic administrative document' (eAD) means an electronic document created in the System for Movement and Control of Excise Goods under duty suspension arrangement;
- 10) "simplified accompanying administrative document" (SAAD) means a document for movement of excise goods within the European Union released for consumption in one member-state and intended for use in another member-state for commercial purposes;
- 11) "Simplified administrative document" (SAAD) means a document accompanying the movement of excise goods under duty suspension arrangement from a tax warehouse or from the place of completing the import customs procedure to the place of the exempted usage;
- 12) Common simplified administrative document means a document approved by the Customs Administration include the data necessary for identifying the excise goods subject-matter to movement under duty suspension arrangement between two tax warehouses of the same warehousekeeper.
- 13) importation of excise goods' means the entry of excise goods into the customs territory of the Republic of Macedonia except when those goods upon their entry into the customs territory are

placed under special procedures as well as their release from the special procedures as prescribed in customs regulations;

14) 'entry of excise goods' is any entry into the Republic of Macedonia from the territory of another member-state, except from third territories;

15) 'special procedures' means any the procedures regulated under the Customs regulations and referring to the customs supervision to which the goods are subjected, such as: transit, both internal and external transit, storage, both in a customs warehouse and the free zones, specific use which covers temporary importation and final use, processing, including both external and internal processing (inward and outward processing)

16) 'registered consignee' means a natural or legal person authorised by the competent authorities of the Member State of destination, in the course of their business to receive excise goods moving under a duty suspension arrangement from another Member State;

17) 'registered consignor' means a person authorised by the competent authorities of the Member State of importation, in the course of their business and under the conditions enforced by those authorities to only dispatch excise goods under a duty suspension arrangement upon their release for free circulation in accordance with customs regulations;

18) Customs tariff Nomenclature means nomenclature in compliance with the Customs Tariff Law;

19) Competent authority is the Customs Administration of Republic of Macedonia.

## **Article 6**

### **Related legislation**

(1) For all issues not stipulated in this Law, the provisions of the Law on Tax Procedure and the Law on General Administrative Procedure shall apply.

(2) For all issues related to import and export of excise goods not stipulated in this Law, the provision of the Customs Law shall apply.

## **Article 7**

### **Type of duty**

Excise duties shall be a public duty and revenue in the Budget of the Republic of Macedonia.

## **CHAPTER 2**

### **CHARGEABILITY OF EXCISE DUTY**

## **Article 8**

### **Chargeability of excise duty**

(1) The excise duty shall become chargeable at the moment of release of excise goods for consumption within the tax territory;

(2) release for consumption shall mean:

1) any dispatch of excise goods from the duty suspension arrangement, including illegal release,

- 2) any storage of excise goods outside of duty suspension arrangement , where there is no insight or record that the excise duty has been paid or when the excise goods are purchased illegally
  - 3) any production of excise goods, also including illegal production, outside of duty suspension arrangement, and
  - 4) any importation of excise goods, including illegal importation, unless the excise goods are, upon importation, placed under duty suspension arrangement immediately.
- (3) Complete destruction or irretrievable loss of excise goods occurring while the goods are under duty suspension arrangement as a result of their nature, unpredictable circumstances or force majeure or by an authorization of a competent authority shall not be considered as release for consumption. Complete destruction or irretrievable loss of excise goods is also considered when the goods cannot be longer used as excise goods. Unpredictable circumstance shall mean an event causing total loss of excise goods.
- (4) Excise duty shall become chargeable for excise goods of an exempted user according to Article 49 of this Law, when used for purpose not originally intended as stipulated in the authorization mentioned in Article 52 of this Law
- (5) The excise duty shall become chargeable when loss or shortage has been determined, except loss or shortages occurred during the duty suspension arrangement for which the tax warehouse keeper shall prove they can be attributed to unpredictable circumstances or force majeure, or when the loss or shortage has occurred during the production process, processing, storage or transport of excise goods and is directly related to the excise goods nature;
- (6) The excise duty shall also become chargeable at the moment when the registered or temporary registered consignee receives the excise goods under duty suspension arrangement.
- (7) The excise duty shall also become chargeable at the moment when the excise goods for which the excise duty has been paid in another Member-State, are received or moved and held in Republic of Macedonia for commercial purposes pursuant to Article 39, par (2) of this Law;
- (8) Excise duty shall become chargeable at the moment of delivery of the excise goods in Republic of Macedonia with an excise rate applicable on the day when the excise has become chargeable when the excise goods have been released for consumption in another Member-State and are received in Republic of Macedonia by the person mentioned in Article 43 par (2) of this Law.
- (9) Upon importation of excise goods on the tax territory, the corresponding customs regulations shall apply, unless otherwise regulated this Law, with regard to the occurrence and calculation of the excise duty, the determination of the excise debtor, the terms for payment, the return and the additional payment of the excise, as well as for the excise procedure.
- (10) Stipulated amounts of the loss of excise goods as a result of their nature shall be regulated in line with the regulations in the field of profit tax.

## **Article 9**

### **Excise taxpayer**

- (1) Tax payer shall be deemed to be a person who has an obligation to pay excise duty:
- 1) in cases of dispatch under Article 8 paragraph (2) item 1):

- tax warehouse keeper, registered recipient or any person releasing the excise goods or on whose behalf the excise goods are released from the duty suspension arrangement or any other person involved in the irregular dispatch from a tax warehouse and,
- in case of irregularities during the movement of excise goods in duty suspension arrangement referred to in Article 32 paragraph (6) and Article 33 paragraph (6), tax payer is the tax warehouse keeper, the registered consignor or any other person who has guaranteed the payment of excise duty in accordance with Article 35 of this Law and any other person involved in the irregular release from duty suspension arrangement and who was aware or who should have been aware of the irregular nature of the release from a duty suspension arrangement.

2) in cases of keeping (storage) the excise goods from Article 8 paragraph (2) item 2) of this Law:

- the person keeping the excise goods and
- any person involved in keeping the excise goods.

3) in cases of production from Article 8 paragraph (2) item 3),

- the person that produces excise goods under duty suspension arrangement and
- in case of illegal production any other person involved in the illegal production.

4) in cases of importation of excise goods from Article 8 paragraph (2) item 4) of this Law:

- the person who declares the excise goods or on whose behalf the excise goods have been declared during import and
- any person related to the import in case of illegal importation

5) in cases mentioned in Article 8 par (4) of this Law when the excise goods are being used contrary to the purpose for which the authorization for exempted user of excise goods has been issued, the tax payer shall be the holder of authorization for exempted user of excise goods referred to in Article 49.

6) in cases of losses and shortages of excise goods from Article 8 paragraph (5), tax payer is the tax warehouse keeper, the exempted user or any other person responsible for the determined shortages and losses if they cannot prove that the loss or shortage has occurred as a result of unpredictable circumstances, force majeure or the nature of the goods.

7) in cases of increase of the excise duty on alcohol referred to in Article 76 of this Law, tax payer is the producer, importer and distributor of alcohol and alcoholic beverages which on the day of increasing the excise tax has alcohol and alcoholic beverages with paid excise in stock;

8) in cases of increase of the excise duty and / or increase in the retail price of tobacco products referred to in Article 89 of this Law, tax payer is the producer, importer and authorized distributor of the manufacturer or importer and

9) in cases of increase of the excise duty on the energy products and electricity referred to in Article 104 of this Law, tax payer is the producer, importer, wholesaler and the retailer and all other persons who produce energy products outside the duty suspension arrangements of the energy products referred to in Article 94 of this Law, and the tax payers referred to in Articles 105, 108 and 111 of this Law.

(2) Except for the cases determined in paragraph (1) of this Article, Tax payer shall also be deemed to be:

- 1) Registered and temporary registered consignee as stipulated in Article 8 paragraph (6) of this Law,
  - 2) The person delivering or holding the excise goods intended for delivery in the Republic of Macedonia and for which excise has been paid in another member-state or the person to whom the goods were delivered in the Republic of Macedonia in cases from article 8 paragraph (7) of this Law
  - 3) Tax agent (representative) for distant selling from article 44 of this Law, if the excise duty becomes chargeable in the Republic of Macedonia in cases from article 8 paragraph (8) of this Law.
- (3) Where several persons are liable for the payment of the excise duty, their liability for payment shall be made on the principle of solidarity.
- (4) The tax payer, having intention to perform activity related to excise goods shall be registered in the electronic Register of Tax Payers, which shall be kept by the competent customs authority.
- (5) Minister of Finance shall prescribe the contents of the electronic Register referred to in paragraph (4) of this Article.

## **Article 10**

### **Tax period and tax return (excise declaration)**

- (1) Tax period is one calendar month in which the excise duty occurred, unless otherwise regulated under this Law;
- (2) The excise duty payer (tax payer) from Article 9 of this Law is obliged to submit a tax return and pay the excise duty for each excise period within 15 days after the end of each calendar month, unless otherwise regulated under this Law;
- (3) The tax return shall be submitted to the competent authority in electronic form;
- (4) The tax warehouse keeper shall submit a tax return within the deadline prescribed in par (2) of this Article even where no tax debt has occurred for the respective tax period.
- (5) The registered consignee shall submit a tax return within the deadline prescribed in par (2) of this Article even where no tax debt has occurred for the respective tax period.
- (6) In case of cancellation of the authorization (authorization cease to be valid), of Article 16, par (3) the authorized tax warehouse keeper shall conclude all procedures related to the tax permit, including an inventory of the excise goods within the deadlines stipulated for each activity. The submission of tax return and the payment of excise duty shall be done within 30 days of the day of termination of validity of the authorization, except in case of bankruptcy or liquidation.
- (7) The deadline from paragraph (6) of this Article shall be extended until the movement procedure of the excise goods on the territory of the European Union is finalised.
- (8) Following the termination of the validity authorization of paragraph (6), the tax return filed for the tax period when the authorization was cancelled must, besides the amount of excise duty calculated, declare also the amount of excise duty chargeable on all excise goods on which the payment of excise duty was not paid, and which are kept in the warehouse after the cancellation of the authorization; as well as excise goods dispatched from the warehouse which are subject to duty suspension arrangements, the fact of whose delivery to the place of their destination, and which in case of export

movement from the tax territory has not been confirmed until the day of cancellation of the authorization. The amount of excise duty for the excise goods kept in a warehouse shall be calculated according to the excise duty rates effective on the date of cancellation of the permit, while for the dispatched excise goods – on the date of dispatch. Where after the day of cancellation of the authorization proof of the delivery of excise goods to the place of their destination is received, the tax payer may file a request for refund of the overpaid excise duty for the amount of goods delivered to their destination or exported outside the tax territory within three years of the day of dispatch of the excise goods.

(9) In case when the warehouse keeper for the excise goods in stock stops working because of bankruptcy or liquidation, the submission of tax return and payment of excise duty shall be made within 30 days upon selling the excise goods.

(10) If the excise goods referred to in paragraph (9) of this Article are not sold during the bankruptcy or liquidation procedure, the tax warehouse keeper must not approach the division of the goods and transfer them to the creditors for settling the liabilities without submitting an excise declaration and pay the excise tax no later than the date of the derogation.

(11) In case of termination of the authorization for the authorised consignee from Article 27 of this Law, the submission of the tax return and the payment of the excise duty shall be done within 10 days from the day of deletion from the electronic Register for Authorizations for Registered Consignees. The tax return shall state the amount of excise duty that has to be paid for the excise goods that were received from another member-state before the day of removal from the Register of article 27 paragraph (8) of this Law applying the excise rates effective on the date of receipt of the goods.

(12) In case of termination of the authorization of the registered consignor from Article 29 of this Law, the submission of the tax return and the payment of the excise duty shall be done within 10 days from the day of deletion from the electronic Register of Authorization for Registered consignors. The tax return shall state the amount of excise duty that has to be paid for the excise goods whose delivery to the final destination has not been confirmed as on the day of removal from the Register from article 29 paragraph (7) of this Law. The excise duty to be paid shall be calculated by applying the excise rates effective on the date of dispatch of the goods. Where after the day of deleting the authorization of the registered consignor from the electronic Register of Authorization for Registered Consignors, proof of the delivery of goods to the place of their destination is received, the excise duty payer may file a request for refund of the overpaid excise duty for the amount of goods delivered to their destination or exported outside the tax territory within three years of the day of dispatch of the excise goods.

(13) In case of termination of the exempted user authorization of Article 49 of this Law, the submission of the tax return and the payment of excise duty is carried out within a period of 15 days of the termination of the authorization. The amount of excise duty payable for the excise goods in stock shall be stated in the tax return.

(14) Notwithstanding paragraph (2) of this Article, persons not registered in the electronic Register of Excise Duty Payers, owning, producing, trading, storing, keeping, processing excise goods shall become excise duty payers and shall immediately file a tax return and pay excise duty within five days of the acceptance of the excise declaration at the latest in accordance with the special provisions referring to the corresponding excise goods stated in this Law.

(15) In the case of import, the excise duty shall be paid in line with the customs regulations.

(16) The tax return shall be corrected upon request submitted to the competent customs authority within five years from the date of the submitted tax return.

(17) Notwithstanding paragraph (16) of this Article, correction of the declared quantity of excise goods in the tax return shall be three months, whereby the taxpayer submits additional tax return with changed data, while the competent customs authority, upon the carried out correction, corrects the tax return.

(18) In case referred to in of paragraph (16) of this Article, if lower amount of excise duty than the declared one has been determined, a refund of excise duty has to be done on the basis of the submitted request.

(19) In cases referred to in paragraphs (16) and (17) of this Article for determined excise duty higher than the declared amount, additional payment has to be made within a period of 15 days from the correction of the tax return.

(20) Minister of Finance shall prescribe the contents, the manner of filling-in and submitting the tax return and the necessary documentation.

#### **Article 11**

##### **Calculation of Excise Duties**

(1) The tax payer shall calculate the excise duty him/herself and pay in accordance with the prescribed excise (rate and amount, effective on the date when excise becomes chargeable unless otherwise regulated under this Law.

(2) In case the excise goods are lost and the date of their loss cannot be determined, the amount of excise duty payable shall be calculated according to the excise rates effective on the date of identifying the loss.

(3) In cases of importation of excise goods, the excise is calculated by the competent customs authority conducting the customs clearance procedure, in accordance with the customs regulations.

#### **Article 12**

##### **Cases of determining excise duty by a competent authority**

(1) The production, processing, storage, movement and usage of excise goods shall be subject to supervision and control by the competent customs authority.

(2) The competent authority shall determine the excise duty for the respective excise period, if:

1) the tax payer does not submit a tax return within the prescribed deadline;

2) the excise duty is not calculated correctly, or does not correspond with the actual chargeable excise duty;

3) the supervision and control find that the records of the excise duty payer are incomplete or contain inaccurate data, and the tax payer has not made a correction within the prescribed deadline.

#### **Article 13**

##### **Issuance and keeping other documents**

(1) The tax warehouse keeper shall issue an invoice for each release for consumption, or any other document showing the dispatch of excise goods.

(2) In cases prescribed in Article 47 and Article 98, the documents for excise goods sale shall contain the amount of the paid excise duty. the another document showing the delivery of excise goods shall state the number and the date of the authorization of the exempted user of excise goods.

(4) The invoice i.e. the document showing the delivery of excise goods shall be prepared in two copies. The first copy shall be submitted to the recipient of excise goods and the second copy shall be kept for own record-keeping purposes.

(5) The excise declarations, the invoices and other documents that have been issued on the basis of this Law, as well as the business books, shall be kept at least five years from the calendar year they refer to.

#### **Article 14**

##### **Refund or non-payment of excise duty**

(1) Without violating the provisions regulating the excise goods, alcohol and alchocol beverages tobacco goods and energy products and electricity of this Law, upon request of the excise duty payer the excise shall not be paid or shall be refund for provably taxed but not used excise goods which are:

- 1) entered in the tax warehouse,
- 2) destroyed under customs supervision,
- 3) exported from the tax territory.

(2) In the cases mentioned in paragraph (1) item 1) of this Article, the right to refund belongs to the tax warehouse keepers who have paid the excise duty, while in the cases mentioned in paragraph (1) items 2) and 3) of this Article, the right to refund belongs to the tax warehouse keepers or the importers who have paid the excise duty.

(3) The request for tax refund shall be submitted to the competent customs authority not later than 12 months from the date when the excise duty was paid.

(4) Notwithstanding paragraph (3) of this Article, the persons referred to in Article 47 of this Law, shall have refunded the excise duty in line with the deadline referred to in paragraph (11), Article 47 of this Law.

(5) Minister of Finance shall prescribe the manner of refund of the excise duty and the contents of the request referred to in paragraph (1) of this Article.

#### **CHAPTER 3**

##### **DUTY SUSPENSION ARRANGEMENT**

#### **Article 15**

##### **Duty suspension arrangement**

(1) The chargeability of excise duty shall be suspended (postponed) when the excise goods are produced, processed, received and stored in a tax warehouse, and dispatched under a duty suspension arrangement in accordance with the conditions regulated under this Law.

(2) Chargeability of excise duty shall also be suspended (postponed) for excise goods imported according to customs regulations, if the goods are taken to tax warehouse immediately after the completion of the customs procedure.

#### **Article 16**

##### **Tax warehouse and tax permit**

(1) The goods subject to excise duty for which the excise duty has not been paid shall be produced, processed, stored, received and dispatched in an authorized tax warehouse.

(2) Tax warehouse is considered one or more connected fenced areas or facilities which constitute one technological unit and where the tax warehouse keeper produces, processes, stores, receives or dispatches excise goods under duty suspension arrangement that shall be clearly marked and physically separated from other areas or premises.

(3) The persons intending to produce, process, store, receive or dispatch goods subject to excise duty under suspension arrangement shall hold a tax permit.

(4) Minister of Finance shall prescribe the contents of the excise license.

#### **Article 17**

##### **Tax warehouse for production and processing of excise goods**

(1) In a tax warehouse only excise goods, and by-products containing excise goods can be produced or processed. When the production and processing of excise goods results in by-products which are not excise goods nor do they contain excise goods, the keeping of such products in the tax warehouse is allowed only by prior consent of the competent authority.

(2) Except for the actions referred to in paragraph (1) of this Article, other activities related to the excise goods are allowed to be performed in the tax warehouse by prior consent of the competent authority.

(3) Only those products, raw materials and the semi-products necessary for the production and processing of excise goods can be in the tax warehouse. Keeping of such products in a tax warehouse is allowed by prior consent by a competent authority.

(4) Only one group (type) of excise goods can be produced in one tax warehouse.

#### **Article 18**

##### **Tax warehouse for storage of excise goods**

(1) The tax warehouse keeper can store various types (groups) of excise products only if they are physically separated and visibly divided by groups, types and trademark of the excise goods.

(2) Keeping of other products in a tax warehouse other than excise goods is allowed only by prior consent of the competent authority, in cases the same are necessary for production of excise goods.

(3) The competent authority can allow storage of excise goods of several tax warehouse keepers in one tax warehouse due to the technological features of the warehouse when it is a case of excise goods of the same type and when that would prevent the occurrence of material-financial loss of the tax warehouse keeper. Same type of excise goods shall be considered to be goods falling within the same commodity code from the Customs tariff Nomenclature as listed in the tax permit.

(4) Excise goods of state administration body can be stored in a tax warehouse in the Republic of Macedonia in accordance with regulations in the field of mandatory oil reserves.

(5) In cases when the excise goods are stored together in accordance with paragraph (3) of this Article, the tax warehouse keepers shall be jointly responsible for chargeability of excise duty according to Article 9 paragraph (3) of this Law.

#### **Article 19**

##### **Technical requirements for equipping a tax warehouse**

(1) Only the necessary equipment for conducting the production, processing, storage, receiving or dispatch of excise goods may be found in a tax warehouse.

(2) The tax warehouse shall be equipped with equipment that ensures precise measurement of the quantities of the excise goods. The tax warehouse shall be equipped with measuring instruments for determining the physical quantity according to the prescribed measurement units for separate excise goods. The measuring instruments shall be placed in such a manner as to ensure the determining of the quantities of produced goods and the quantities of goods released from the tax warehouse.

#### **Article 20**

##### **Quantity requirements for tax warehouse**

(1) The tax permit shall be issued to persons performing or intending to perform an activity within the scope of excise duty, if the dispatched quantity of excise goods from the tax warehouse in one calendar year is as follows:

- 1) From the tax warehouse for tobacco products are dispatched at least 500 million pieces of cigarettes,
- 2) From the tax warehouse for energy products are dispatched at least:
  - 50 million liters of liquid fuels or,
  - 10 million kilograms of oil used as fuel or,
  - 10 million kilograms of liquid petroleum gas.

(2) If one tax permit allows to include several tax warehouses, the quantities referred to in paragraph (1) of this Article shall refer to all tax warehouses cumulatively.

(3) If the tax warehouse starts working during the year, the quantities referred to in paragraph (1) of this shall be determined in accordance with the working time of the warehouse.

(4) It is allowed to deviate from the quantities from paragraph (1) of this Article on the basis of special authorization from the competent authority, if the tax permit applicant or the tax warehouse keeper cannot or did not reach the prescribed quantity due to force majeure, unpredicted circumstances or if it would prevent the occurrence of material-financial loss.

(5) Quantity referred to in paragraph (1) item 2) indent 1 of this Article shall not apply in case of production of energy products from waste oils.

(6) Quantity referred to in paragraph (1) item 2) of this Article shall not apply in case of production of non-rechargeable metal cylinders for gas.

(7) Quantity referred to in paragraph (1) item 2) of this Article shall not apply if tax permit is requested by a state administration body of the Republic of Macedonia, as well as the Directorate for Mandatory Oil Reserves and Oil Derivatives and the Commodity Reserve Agency in charge of storing mandatory oil and commodity reserves.

## **Article 21**

### **Conditions for issuing a tax permit**

- (1) Tax permit shall only be issued to a person who:
- 1) carries out or intends to carry out an activity and its head office is in the Republic of Macedonia;
  - 2) has kept regular business registers in accordance with the applicable regulations and regularly submitted annual accounts in the past two years;
  - 3) is not subject to bankruptcy or liquidation procedure;
  - 4) has not been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and has not been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision;
  - 5) has settled the tax and the customs duties;
  - 6) has established appropriate standards on safety and security considered to be met when the requesting entity proves that it undertakes appropriate measures guaranteeing the safety and the security of the areas related to physical integrity and access controls, logistic processes and managing of excise goods, employees and identification of its business partners;
  - 7) meets the criteria for electronic data exchange and
  - 8) submits a guarantee to ensure the payment of excise debt charged or possibly chargeable prior to the issuance of the tax permit
- (2) The tax permit shall not be issued in cases when any of the criteria under paragraph (1) of this Article have not been fulfilled
- (3) Minister of Finance shall prescribe the manner of proving the fulfillment of the requirements for issuing tax permit.

## **Article 22**

### **Application for tax permit**

- (1) Tax permit shall be issued upon the submission of an application/ request.
- (2) The contents of the application and the necessary documentation issuing tax permit shall be prescribed by the Minister of Finance.

## **Article 23**

### **Issuance of tax permit**

- (1) The tax permit shall be issued by the competent customs authority.
- (2) The tax permit can cover one or more tax warehouses.
- (3) The tax permit cannot be transferred to third persons.
- (4) The competent authority shall decide upon the application for issuance of tax permit within 60 days of the day of receipt of the application. With every action taken to supplement the request, the deadline is interrupted.

- (5) The competent authority shall issue the tax permit upon receipt and acceptance of the guarantee under Article 30 of this Law.
- (6) The excise license shall be issued for an indefinite period, unless otherwise specified in the application.
- (7) The competent authority keeps electronic Register of the Tax Permits with Authorized Tax Warehouses.
- (8) Minister of Finance shall prescribe the manner of issuing the tax permit and the contents of the electronic Register of the Tax Permits with Authorized Tax Warehouses.

#### **Article 24**

##### **Obligations of the tax warehouse keeper**

- (1) The tax warehouse keeper is obliged to:
- 1) Ensure appropriate storage of the excise goods in the tax warehouse;
  - 2) monitor and declare at the competent customs authority all procedures for the production, processing, storage, delivery and reception of excise goods;
  - 3) identify losses or shortages and report them to the competent customs authority;
  - 4) check for irregularities in the operation of the tax warehouse;
  - 5) Provide conditions required for unimpeded supervision and control;
  - 6) Keep complete and proper records of excise goods
  - 7) monitor the securing of the excise duty and, if necessary, increase the amount of the guarantee and
  - 8) Notify the competent customs authority of all and any changes in the data stated in the tax permit, and requests for amendment in the tax permit.
- (2) In case the competent authority finds that the tax warehouse keeper does not or did not meet the requirements from paragraph (1) of this Article, it shall set a deadline for rectification of any irregularities, , it may initiate procedure for additional payment of excise duty, as well as initiate procedure for revoking the excise duty..
- (3) Minister of Finance shall prescribe the manner of fulfilling the obligations referred to in paragraph (1) of this Article.

#### **Article 25**

##### **Change (amendment) in the tax permit**

- (1) The tax warehouse keeper shall, in the case of amending or supplementing the data in the tax permit, apply for the change of the tax permit to the competent customs authority.
- (2) The competent customs authority shall decide within 60 days from the day of submitting the request referred to in paragraph (1) of this Article.
- (3) Minister of Finance shall prescribe the contents of the request for changing the tax permit and the necessary documentation.

#### **Article 26**

##### **Expiration of validity of the tax permit**

- (1) Tax permit shall cease to be valid:

- 1) when a tax warehouse keeper - natural person dies,
  - 2) when a legal entity - tax warehouse keeper is dissolved;
  - 3) upon request by the tax warehouse keeper, and
  - 4) the competent authority revokes it.
- (2) The competent authority shall (ex officio) revoke the tax permit if
- 1) its keeper no longer meets the conditions defined therein,
  - 2) the reasons and conditions based on which the tax permit was issued cease to exist,
  - 3) the permit was issued on the basis of incomplete or inaccurate information,
  - 4) the permit holder fails to rectify any irregularities within the deadlines set by the competent authority
  - 5) the permit holder has bankruptcy or liquidation procedure initiated,
  - 6) the guarantee for ensuring excise payment is insufficient, and the tax warehouse keeper does not increase the amount of the guarantee or does not submit a new guarantee within the time period specified by the competent customs authority;
  - 7) the warehouse keeper does not perform any activity in twelve consecutive months, except in case of force majeure, unforeseeable circumstances or if this prevents the occurrence of greater material-financial loss and
  - 8) tax warehouse keeper has been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and has been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision;
- (3) When the tax permit is no more valid, it shall be erased from the electronic Register of tax permits with authorized tax warehouses.

## **Article 27**

### **Registered consignee**

- (1) Registered consignee may receive excise goods under duty suspension arrangement within the course of their business activity from another member-state on the basis of an authorization issued by competent customs authority but can neither store, nor dispatch excise goods under duty suspension arrangement;
- (2) The authorization from paragraph (1) of this Article shall be issued by the customs authority upon a submitted application.
- (3) The authorization shall be issued to the applicant and cannot be transferred to another person. The authorization shall not be issued to a person who does not pay the excise, tax and customs duties timely and fully, to a person who has committed serious excise, tax or customs violations or has violated the excise, tax or customs regulations repeatedly and to a person who does not meet the criteria for electronic data exchange concerning the movement of excise goods.
- (4) The registered consignee shall be obliged to fulfill the following requirements:
  - 1) Submit a guarantee to the customs authority to secure the excise duty payment prior to receiving excise goods under duty suspension arrangement

- 2) Upon completion of movement of the excise goods, to record all excise goods received under duty suspension arrangement including the trade name and tariff code of the Customs tariff Nomenclature, the quantity, date of receipt, deliverer and movement reference number of the accompanying excise document,
  - 3) To notify the competent authority of any change of the data or status stated in the authorization within 5 days from the day when the change occurred
  - 4) to ensure uninterrupted supervision and control of their activities.
  - 5) not to be convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and not to be pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision; and
  - 6) to have determined appropriate standards on safety and security considered to be fulfilled when the requesting entity proves that it undertakes appropriate measures guaranteeing the safety and the security of the areas related to physical integrity and access controls, logistic processes and managing of excise goods, employees and identification of its business partners.
- (5) The amount of the guarantee for the excise goods received under duty suspension arrangement from another member-state shall be set by the competent authority based on the amount of excise duty which may occur.
- (6) The excise duty payment is not necessary to be secured in cases when the excise goods are received from another Member-State for which the excise duty is zero.
- (7) The authorization for registered consignee is issued for an indefinite time, except when otherwise requested by the applicant.
- (8) The competent customs authority shall keep an electronic Register of Authorizations for Registered Consignees.
- (9) The authorization from paragraph (1) of this Article shall cease to be valid when:
- 1) the authorization holder dies;
  - 2) the legal person - holder of the authorization is dissolved;
  - 3) the registered consignee requests;
  - 4) the competent authority revokes it, and
  - 5) following the expiry of the deadline of the authorization
- (10) The competent authority shall revoke the authorization when:
- 1) the registered consignee no longer meets the requirements stated in the authorization;
  - 2) the registered consignee does not facilitate appropriate supervision and control;
  - 3) the amount of the guarantee is insufficient, if the authorization holder does not increase the amount of guarantee or does not submit a new guarantee within the timeframe set by the customs authority;
  - 4) the authorization has been issued based on incomplete or incorrect data,
  - 5) the authorization holder does not eliminate the irregularities within the timeframe set by the customs authority;
  - 6) The registered consignee has been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and he

has been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision;

7) the registered consignee does not receive the goods under duty suspension arrangement from another member-state for commercial purposes within six months from the date of registration as a registered consignee.

(11) When the authorization for registered consignee ceases to be valid, the authorization of the registered consignee shall be deleted from the Register for Authorizations for Registered Consignees.

## **Article 28**

### **Temporary registered consignee**

(1) Temporary registered consignee shall only occasionally (periodically) receive excise goods under duty suspension arrangement within the course of their business activity from another member-state, on the basis of an authorization issued by the competent customs authority and limited to a specific quantity of excise goods, one consignor and in a specific time period.

(2) Occasional receipt of excise goods shall be deemed to be the receipt of excise goods from another member-state under duty suspension arrangement up to three times during one calendar year, for each category of excise goods.

(3) The authorization from paragraph (1) of this Article shall be issued by the competent authority upon a submitted application.

(4) The authorization shall be issued to the applicant and cannot be transferred to another person. The authorization shall not be issued to a person who does not fulfill the payment obligations, to a person who has committed serious excise, tax or customs violations or has violated the excise, tax or customs regulations repeatedly and to a person who does not meet the criteria for electronic data exchange concerning the movement of excise goods.

(5) The temporary registered consignee shall be obliged to fulfill the following requirements:

1) Submit a guarantee to the customs authority to secure the excise duty payment prior to receiving excise goods under duty suspension arrangement

2) Upon completion of movement, to record all excise goods received under duty suspension arrangement including the type and tariff code of the Customs tariff Nomenclature, the quantity, date of receipt, consignor and movement reference number of the accompanying excise document,

3) To notify the customs authority of any change of the data stated in the authorization,

4) To ensure uninterrupted supervision and control of their activities and

5) Not to be convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and not to be pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision.

(6) The amount of the guarantee for the excise goods received under duty suspension arrangement from another member-state shall be set by the competent customs authority based on the amount of excise duty which may occur.

(7) The excise duty payment is not necessary to be secured in cases when the excise goods are received from another member-state for which the excise duty is zero.

(8) The competent customs authority shall keep an electronic Register of Authorizations for Temporary Registered Consignees.

(9) The authorization from paragraph (1) of this Article shall cease to be valid when:

- 1) the authorization holder dies;
- 2) the legal person - holder of the authorization is dissolved;
- 3) upon request by the authorization holder;
- 4) the competent customs authority revokes it.
- 5) the date of validity of authorization has expired;
- 6) the entry of the whole quantity of excise goods of the authorization from other member-states and
- 7) the excise goods movement is terminated.

(10) The customs authority shall revoke the authorization (ex officio) when:

- 1) the temporary registered consignee no longer meets the requirements stated in the authorization,
- 2) the temporary registered consignee does not facilitate appropriate supervision and control;
- 3) the authorization has been issued based on incomplete or incorrect data,
- 4) the authorization holder does not eliminate the irregularities within the timeframe set by the competent customs authority and
- 5) The temporary registered consignee has been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and he has been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision.

(11) When the authorization for temporary registered consignee ceases to be valid, the authorization of the temporary registered consignee shall be deleted from the Register of Authorizations for Temporary Registered Consignees.

## **Article 29**

### **Registered consignor**

(1) Registered consignor within the course of their business activity, after the imported excise goods have been released for consumption in accordance with of the Union Customs Code provisions, may deliver the excise goods under duty suspension arrangement to a place where they can be received by authorized persons operating under duty suspension arrangement. The registered consignor must be issued an authorization by the competent authority. The registered consignor has no right to either store or receive excise goods under duty suspension arrangement;

(2) The authorization from paragraph (1) of this Article shall be issued by the customs authority upon submitted application.

(3) The authorization shall be issued to the applicant and cannot be transferred to another person. The authorization shall not be issued to a person who does not pay the excise, tax and customs duties timely

and fully, to a person who has committed serious excise, tax or customs violations or has violated the excise, tax or customs regulations repeatedly and to a person who does not meet the criteria for electronic data exchange concerning the movement of excise goods.

(4) The registered consignor authorization is issued for an indefinite time.

(5) The registered consignor is obliged to notify the competent customs authority for each change of the data in the authorization as well as all status changes within a period of five days from the day when the change occurred.

(6) The registered consignor shall be obliged to fulfill the following requirements:

- 1) Submit a guarantee to the competent authority to secure the excise duty payment prior to dispatching excise goods under duty suspension arrangement
- 2) keep records of imported and dispatched excise goods including their type, trade name and tariff code, the quantity, date and place of dispatch, recipient of the goods and movement reference number of the excise document,
- 3) notify the competent authority of any change of the data stated in the authorization
- 4) ensure uninterrupted supervision and control over their activities and
- 5) not to be convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and not to be pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision.

(7) The competent customs authority shall keep an electronic Register of Authorizations for Registered Consignors.

(8) The authorization from paragraph (1) of this Article shall cease to be valid when:

- 1) the authorization holder dies;
- 2) the legal person - holder of the authorization is dissolved;
- 3) upon request by the holder,
- 4) the competent customs authority revokes it,
- 5) the date of authorization validity expires.

(9) The competent authority shall revoke the authorization (ex officio) when:

- 1) the registered consignor no longer meets the requirements stated in the authorization;
- 2) the registered consignor does not facilitate appropriate supervision and control;
- 3) the amount of the guarantee is insufficient, if the authorization holder does not increase the amount of guarantee or does not submit a new guarantee within the timeframe set by the customs authority;
- 4) the authorization has been issued based on incomplete or incorrect data;
- 5) the authorization holder does not eliminate the irregularities within the timeframe set by the customs authority and
- 6) registered consignor has been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and has been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision authorization.

(10) With the authorization for registered consignor ceasing to be valid, the authorization of the registered consignor shall be deleted from the Electronic Register of Authorizations for Registered Consignors.

### **Article 30**

#### **Guarantee for securing excise debt**

(1) The tax warehouse keeper and the authorization holder for exempted user of excise goods shall be obliged to submit to the competent customs authority a guarantee for the securing the excise debt which may be incurred for excise goods that are subject to a duty suspension arrangement in accordance with the provisions of this Law.

(2) The registered consignee, the periodically registered consignee and the registered consignor shall be obliged to submit to the competent customs authority a guarantee for securing the excise debt which may be incurred for excise goods that are subject to subject to a duty suspension arrangement in accordance with the provisions of this Law.

(3) The tax warehouse keeper, the manufacturer or the importer, as well as the small independent manufacture or ethyl alcohol and hard alcoholic beverage hard alcoholic beverages for commercial purposes - small distillery shall be obliged to submit to the competent customs authority a guarantee for the provision of the excise debt that may arise from the excise duty stamps collected.

(4) The amount of the guarantee for securing the excise debts that may incur for the excise goods that are produced, processed, stored or received in the tax warehouse under duty suspension arrangement, as well as the amount of the guarantee for securing the excise debt that may incur for the excise goods that are received, stored and used in the place of exempted usage shall be determined by the competent customs authority depending on the amount of the excise that may occur during the excise period.

(5) The competent customs authority **at the request of the excise payers may** also establish a lower amount of a guarantee for securing the excise debt that may incur than the amount specified in paragraph (4) of this Article, should the persons referred to in paragraph (13) of this Article ensure satisfactory system for management of the commercial records, providing for appropriate customs control and provable solvency.

(6) If a person is a keeper of several tax warehouses, he may submit a guarantee that applies to all tax warehouses. The securing of excise debt arising from raised excise stamps referred to in paragraph (3) of this Article may be included in the amount of the guarantee referred to in paragraph (4) of this Article., however, in this case, the provisions referred to in paragraph (5) of this Article shall not apply to the amount of the guarantee for securing the excise debt that may arise from the raised excise stamps referred to in paragraph (3) of this Article.

(7) In the event of the expiration of the validity of the excise license or the authorization for exempted user of excise goods, the guarantee may be released if the excise tax on excise goods and excise goods for which obligation for paying excise duty occurred before the expiration of the validity of the excise license or the authorization for exempted user, as well as in cases when the excise debt may no longer arise for excise goods that have been subject to duty suspension arrangement.

(8) Excise payers shall submit to the competent customs authority a request for acceptance of the guarantee for securing the excise debt. The competent customs authority, after accepting the guarantee for securing the excise debt, shall record it in its records.

(9) Excise payers requesting a lower amount of guarantee than the amount to secure the excise debt that may occur, referred to in paragraph (4) of this Article shall submit a request to the competent customs authority for determination of a lower amount of the guarantee. After accepting the request for determination of a lower amount of guarantee for those excise taxpayers who meet the conditions referred to in paragraph (5) of this Article, the competent customs authority shall enter the lower amount of guarantee in its records.

(10) In case the excise payers do not meet the conditions referred to in paragraph (5) of this Article, the competent customs authority shall not accept the request for determination of a lower amount of guarantee, for which it shall issue a Decision.

(11) Guarantee shall not be submitted for excise debts, which excise duty amounts to zero denars pursuant to the provisions of this Law.

(12) The guarantee for securing the excise debt referred to in paragraph (1) of this Article shall not be required in cases when:

- 1) the holder of an tax warehouse is a state authority, and
- 2) the holder of authorization for exempted user is a state authority, public scientific or educational institution or healthcare institution.

(11) The Minister of Finance shall prescribe the contents of the request for accepting the guarantee to secure the excise debt and the manner of calculating the amount to secure the excise debt, the form and content of the request for determination of a lower amount of guarantee, the closer criteria for determination that the conditions for determination of a lower amount of guarantee to secure the excise debt that may occur, as well as the necessary documentation.

### **Article 31**

#### **Type of guarantee**

(1) Guarantee for securing the excise debt referred to in Articles 30 and 35 of this Law may be submitted in one of the following forms:

- 1) bank guarantee and
- 2) cash deposit.

(2) Guarantee for securing the payment of excise debt referred to in paragraph (1) of this Article, which provides payment of individual excise debt is an individual guarantee, while the guarantee that secures payment of all excise debts that have occurred or may occur in a certain period is general guarantee.

(3) At the request of the submitter, the competent customs authority may allow replacement of the type of the submitted guarantee referred to in paragraph (2) of this Article with another.

(4) The excise payers requesting a lower amount of guarantee than the amount for securing the excise debt that may occur referred to in Article 30 paragraph (4) of this Law, shall submit a request to the competent customs authority for determining a lower amount of guarantee. The competent customs

authority, after accepting the request for determination of a lower amount of guarantee, shall enter the lower amount of guarantee in its records.

**Article 31-a**  
**Bank guarantee**

(1) The competent customs authority may accept a bank guarantee referred to in Article 31 paragraph (1) item 1) of this Law, issued by the bank - guarantor based in the Republic of North Macedonia.

(2) The bank guarantee shall be submitted to the competent customs authority together with the request for its acceptance referred to in Article 30 paragraph (8) of this Law.

(3) Upon accepting the request, the competent customs authority shall make a decision on accepting the bank guarantee and shall record it in its records in the form of an assigned reference number. The original bank guarantee is kept in the Customs Administration, and an email is sent to the bank that issued the guarantee concerning its acceptance.

(4) By issuing a bank guarantee, the bank – guarantor shall be obliged to pay the guaranteed amount of excise duty, including the interest and the incurred costs in the payment procedure.

(5) The Minister of Finance shall prescribe the data that should the bank guarantee for securing the excise debt shall contain.

**Article 31-b**  
**Validity period of the bank guarantee**

(1) The validity period of the bank guarantee that secures the incurred excise or excise debt that may occur shall not be shorter than the period in which the excise debt may occur, extended for six months.

(2) The bank guarantee may be extended no later than 30 days before the expiration of the validity period.

(3) If the excise payer submits a new bank guarantee, and the excise debt that was secured with the previous guarantee is not fully settled, i.e. there is a debt that may occur; this debt must be secured with the new bank guarantee. The new bank guarantee must contain a clause stating that the debts secured by the previous bank guarantee can also be collected from it.

(4) If the excise payer submits a bank guarantee for securing the payment of excise debt for the first time, it shall not contain the clause referred to in paragraph (3) of this Article.

**Article 31-c**  
**Return or release of a bank guarantee**

(1) The bank guarantee shall be returned on the basis of a written request of the excise payer or the bank - guarantor, after the expiration of the validity period, i.e. after the expiration of the invocation period.

(2) As an exception, upon a written request of the excise payer or the bank- guarantor, the guarantee may be returned both before the expiration of the validity period and before the expiration of the invocation period, only in the cases if:

- The competent customs authority has determined that all excise debts that were secured by the bank guarantee in question have been settled, i.e. that debt could no longer occur, or
- The excise payer of the returning bank guarantee submits a new bank guarantee which fully takes over the excise debt that was secured with the previously valid guarantee, and the new bank guarantee, according to the established condition by the competent customs authority, fully secures the settlement of excise debt obligations arising from the previously valid guarantee.

(3) The bank guarantee shall be released when the excise debt, for which it was issued, expires or excise debt can no longer occur.

(4) The bank guarantee shall be released after the expiration of the invocation deadline.

(5) At the request of the excise payer, the competent customs authority shall approve the release of the bank guarantee, if it is determined that the applicant has settled all excise debts secured by the bank guarantee in question, i.e. if it determines that the possible excise debt secured by the bank guarantee can no longer occur or it is secured by a new bank guarantee.

### **Article 31** **Cash deposit**

(1) For the use of a cash deposit referred to in Article 31 paragraph (1) item 2) of this Law, as a guarantee for payment of the excise duty, a request for use of a cash deposit shall be submitted to the competent customs authority with simultaneous payment of the cash deposit in Denars on deposit account determined by the competent customs authority.

(2) On grounds of the submitted request, the competent customs authority shall check the payment made, accept the request and record it in its electronic records and issue a certificate and a reference number to the excise payer for use of cash deposit as a guarantee.

(3) When the guarantee is provided with a cash deposit, the competent customs authority shall not pay interest.

(4) If the excise payer no longer wishes to use cash deposit as an instrument to secure a debt, the excise payer shall inform the competent customs authority by submitting a written request for return of the

cash deposit. Based on the submitted request, the competent customs authority shall return the cash deposit.

(5) A request for return of a cash deposit may not be submitted if the cash deposit secures excise debt that may occur for excise goods that are in the procedure of excise deferred payment, and the cash deposit has not been replaced with another guarantee previously accepted by a competent customs authority.

(6) The excise payer may not use the cash deposit as of the day when he/she submitted a request for return of the paid funds.

(7) When the excise payer has submitted a request for partial return of the paid funds, as of the day of submitting the request it may continue to use the cash deposit, only in the amount of the remaining

(8) The excise payer that has submitted a cash deposit as a guarantee for one excise procedure may request return of the deposit after the completion of the procedure only when it is completed in accordance with the regulations and the incurred excise is paid, i.e. excise debt has not been incurred and can no longer occur.

(9) The Minister of Finance shall prescribe the form and content of the request for use of cash deposit, the form and content of the certificate for use of cash deposit, the form and content of the request for return of the cash deposit as well as the necessary documentation.

#### **CHAPTER 4.**

#### **MOVEMENT OF EXCISE GOODS UNDER DUTY SUSPENSION ARRANGEMENT**

##### **Article 32**

##### **Movement of excise goods under duty suspension arrangement on the tax territory**

(1) Movement of excise goods under duty suspension arrangement in the tax territory shall be deemed the movement which started and finished on the territory of the Republic of Macedonia.

(2) Excise goods shall move under duty suspension arrangement on the territory of the Republic of Macedonia when:

- 1) they are dispatched from one tax warehouse to another;
- 2) they are dispatched from a tax warehouse to exempted user's facility of a holder of authorization for exempted usage or holder of authorization referred to in Article 100 of this Article and they are returned from the exempted user's facility to a tax warehouse upon prior consent by a competent customs authority;
- 3) they are dispatched from a tax warehouse to import customs office, and
- 4) upon completion of the customs procedure, they are dispatched from the import customs office to a tax warehouse or to the exempted user's facility.

(3) The movement of excise goods under duty suspension arrangement starts when excise goods are sent from a taxwarehouse in the cases referred to in paragraph 2 items 1), 2) and 3) and in the cases

referred to in item 4) of this Article when from the customs office of import after completion of the customs procedure are entered (placed) in a tax warehouse or an exempted user's facility..

(4) The movement of excise goods under duty suspension arrangement shall be deemed completed when the consignee receives the excise goods or when the excise goods leave the territory of RM.

(5) An irregularity in the movement of excise goods in an excise suspension procedure shall be considered any deviation from the provisions of paragraph (4) of this Article, except in the cases referred to in Article 8 paragraph (3) of this Law.

(6) If irregularities appear during the movement of excise goods in duty suspension arrangement on the tax territory, the excise duty shall occur in accordance with Article 8 paragraph (2) item 1) of this Law, where the tax payer is considered to be a person referred to in Article 9 paragraph (1) item 1) indent 2 of this Law.

(7) Minister of Finance shall prescribe the manner of movement of excise goods under duty suspension arrangement referred to in paragraph (2) of this Article, commenced and completed on the territory of the Republic of Macedonia.

### **Article 33**

#### **Movement of excise goods under duty suspension arrangement between the Republic of Macedonia and Member States of the European Union, including movement via third countries or third territories**

(1) Excise goods under duty suspension arrangement shall move, including the movement via third countries or third territories, from a tax warehouse in the Republic of Macedonia or from the point of export to the Republic of Macedonia by a registered consignor to:

- 1) a tax warehouse in another member-state;
- 2) a registered consignee in another member-state;
- 3) a place of direct delivery indicated by the tax warehouse keeper or a registered consignee in another member-state;
- 4) a place where the excise goods leave the tax territory and are dispatched from a tax warehouse;
- 5) a place of exiting the tax territory and are transferred from the place of import by a registered consignor;
- 6) a place where the excise goods leave the tax territory of the European Union and
- 7) diplomatic and consular missions and international organizations established in another member-state.

(2) Excise goods under duty suspension arrangement shall move, including the movement via third countries, from a tax warehouse in another member-state or from point of export to another Member-State by a registered consignor to:

- 1) a tax warehouse in Republic of Macedonia;
- 2) a registered consignee in Republic of Macedonia;
- 3) a place of direct delivery in RM indicated by the tax warehouse keeper or a registered consignee in Republic of Macedonia;

- 4) a place where the excise goods leave the territory of the European Union via Republic of Macedonia and
- 5) diplomatic and consular missions and international organizations established in another member-state.
- (3) The movement of excise goods under duty suspension arrangement starts when excise goods are sent from a tax warehouse in the cases referred to in paragraph (1) of this Article.
- (4) The provisions from paragraph (1) and (2) of this Article shall be applied also for excise goods movement for which the amount of excise is zero denars, and which are not released in free circulation.
- (5) The movement of excise goods under duty suspension arrangement shall be considered finished when the consignee receives the excise goods or when the excise goods leave the territory of the Community.
- (6) An irregularity in the movement of excise goods under duty suspension arrangement shall be considered any failure to act pursuant to the provisions of paragraph (5) of this Article, except in the cases referred to in Article 8 paragraph (3) of this Law.
- (7) If during the movement of excise goods under duty suspension arrangement between RM and another member-state there have been some irregularities, the excise duty shall be calculated and charged in RM in accordance with this Law when:
- 1) irregularities have occurred on the territory of RM
  - 2) the irregularity has been detected in RM but it is not possible to establish in which MS it had occurred
  - 3) the excise goods dispatched from RM to another MS but has not reached its destination and no irregularities were detected during the movement, except in case when the consignor submits proof to the competent authority of the regular completion of the movement or submits proof of the location outside the tax territory of RM where the irregularity has occurred, within 4 months from the start of the movement under duty suspension arrangement. The excise shall be charged at the tax base and rate applicable on the date of dispatch. If the person who guaranteed the payment has not been, or could not have been, informed that the goods have not arrived at their destination, a period of one month from the date of communication of this information by the competent customs authority of the Republic of Macedonia shall be granted to enable him to provide proof of the regular completion of the movement or submits proof of the location outside the tax territory of RM where the irregularity has occurred.
- (8) However, in the situations referred to in item 2) and 3) of paragraph (7) of this Article, if before the expiry of a period of three years from the date on which the movement began, it is ascertained that the irregularity actually occurred in another Member State and that the excise duty was paid in RM, refund shall be granted to the tax payer of RM upon request.

#### **Article 34**

##### **Movement accompanied by an electronic administrative document (eAD)**

- (1) The movement of excise goods under duty suspension arrangement shall be allowed only if accompanied by an electronic administrative document (eAD) in the Excise Movement and Control

System (EMCS), proving that the indicated types and quantities of excise goods move under the duty suspension arrangement. Before starting the movement of excise goods in an excise suspension procedure, the movement is registered in the Excise Movement and Control System (EMCS), whereby it receives the unique administrative reference number of the movement. Prior to the start of the movement of excise goods in the excise suspension procedure, the movement is registered in the Excise Movement and Control System (EMCS) and it receives a unique administrative reference number of the movement.

(2) Customs Administration shall manage the Excise Movement and Control System.

(3) The sender is obliged to submit a draft electronic administrative document in the Excise Movement and Control System not earlier than seven days before the date of starting the movement of excise goods under the duty suspension arrangement indicated in the eAD.

(4) Excise Movement and Control System shall check the data in the draft electronic administrative document. If the data in the draft electronic administrative document is incorrect, the System notifies the sender. If the data in the draft electronic administrative document are correct, the System shall assign a single administrative reference number to the send and notifies it thereof.

(5) In the cases referred to in Article 32 paragraph (2), item 1) of this Law, the Excise Movement and Control System shall notify the recipient of excise goods - holder of the tax warehouse, thus forwarding the electronic administrative document.

(6) In the cases referred to in Article 33 paragraph (1) items 1), 2) and 5) and Article 36 paragraphs (1) and (6) of this Law, the competent authority at the point of departure through the Excise Movement and Control System immediately sends the electronic administrative document to the competent authority at the destination, which in turn should send it to the recipient of excise goods, whereby the consignee may be the owner of the tax warehouse or the registered consignee.

(7) In cases of export, the electronic administrative document through the System for Movement and Control of Excise Goods shall be sent to the competent authority where the export customs declaration is submitted.

(8) In the cases referred to in Article 33 paragraph (1) item 6) of this Law, the competent customs authority of the place of departure in the Republic of Macedonia shall, through the System for Movement and Control of Excise Goods, send the electronic administrative document to the competent authority in the Member State where to which the export customs declaration is submitted.

(9) The sender of the excise goods shall be obliged to provide the excise goods carrier with a printed version of the electronic administrative document or any other commercial document accompanying the excise goods, indicating the unique administrative movement reference number, and, when needed, to present it to the competent authority.

(10) The sender may cancel the electronic administrative document until the movement has begun under the conditions referred to in Article 32 paragraph (3) of this Law.

(11) During the movement using the Movement and Control System of Excise Goods, the sender may change the place of destination and indicate a new destination which must be one of the destinations referred to in Article 32 paragraph (2) items 1) and 2) or Article 33 paragraph (1) items 1), 2), 3) and 6) of this Law.

(12) Upon receipt of the excise goods at any destination referred to in Article 32 paragraph (2) items 1), 2) and 4), Article 33 paragraph 1 items 1), 2) and 7) and Article 36 paragraph 1 of this Law, the recipient

shall be obliged to submit an acknowledgment of receipt, without delay, and no later than five working days after the end of the movement, using the Excise Movement and Control System, except in specially justified cases, approved by the competent authority.

(13) Excise Movement and Control System shall perform electronic verification of the data in the acknowledgment of receipt. If the data in the acknowledgment of receipt is incorrect, the Excise Movement and Control System shall immediately inform the recipient. If the data in the acknowledgment of receipt is correct, the System shall notify the recipient of excise goods that the acknowledgment of receipt has been registered.

(14) In cases of export, the export confirmation is carried out in accordance with the customs regulations, and the Excise Movement and Control System shall notify the sender of excise goods for the completion of the movement procedure and shall send a confirmation for the performed export.

(15) A bilateral agreement between RM and another member-state may allow a simplified procedure of excise goods movement when one consignor frequently and regularly dispatched excise goods under duty suspension arrangement to the same consignee, including the movement through fixed pipelines.

(16) Notwithstanding Article 34 paragraph (1) of this Law, when movement of excise goods referred to in Article 32 paragraph (2) item 1) of this Law is fully on the tax territory between tax warehouses of a same holder, business need arising therefore and not violating the tax principles, Customs Administration may approve simplified movement procedure, including the possibility of not using the Excise Movement and Control System by applying common simplified administrative document in a paper form. Use of common simplified administrative document shall be approved in the procedure for issuance or amendment to the excise license.

(17) Minister of Finance shall prescribe the manner of filling in the electronic administrative document, the form and the contents of the messages and the codes used when filling in the electronic administrative document, as well as the use of the common simplified administrative document.

## **Article 35**

### **Guarantee for securing excise debt for movement of excise goods under duty suspension arrangement**

(1) For excise goods that are subject to duty suspension arrangement it is mandatory to submit a guarantee for securing the excise debt that can occur, except in cases when excise goods are sent through fixed pipelines on the territory of the Republic of Macedonia or when excise goods are moving between tax warehouses of the same keeper.

(2) The guarantee for securing the excise debt for excise goods under duty suspension arrangement shall be submitted by the tax warehouse keeper, the transporter, the owner of the excise goods or the consignee.

(3) The submission of the guarantee for movement under duty suspension arrangement between RM and other member-state shall be mandatory, except when the goods are dispatched through fixed pipelines with bilateral agreement.

(4) The amount of the guarantee for goods moving under duty suspension arrangement within the tax territory shall cover the full amount of the excise debt which may occur for such excise goods.

(5) The amount of the guarantee for goods moving under duty suspension arrangement between RM and other EU Member-States shall cover the full amount of excise debt which may occur on the tax territory of the Republic of Macedonia.

(6) The persons referred to in paragraph (2) of this Article shall submit to the competent customs authority a request for acceptance of the guarantee. The competent customs authority, after accepting the guarantee, shall evidence it in its records.

(7) Minister of Finance shall prescribe the contents of the request for accepting the guarantee for securing excise debt for movement of excise goods under duty suspension arrangement referred to in paragraph (6) of this Article, the manner of submitting and accepting the request and the guarantee, as well as the manner of calculating the amount for securing the excise debt, as well as the necessary documentation.

### **Article 36**

#### **Direct delivery**

(1) The competent customs authority may approve a place for direct delivery for the energy products of Article 92 par (3) items 1), 2) and 3) of this Law:

- upon a submitted request by the tax warehouse keeper or
- upon a submitted request by the registered consignee.

(2) All the places for direct delivery with location, address, title and appropriate identification number are stated in the authorization.

(3) The place of direct delivery in Republic of Macedonia is considered to be:

- a place different from the location of the tax warehouse
- a place different from the place for receiving the excise goods identified in the authorization of the registered consignee.

(4) As a place for direct delivery shall be approved a location meeting the following criteria:

- 1) located on the territory of RM and owned, rented or leased by the tax warehouse keeper;
- 2) located on the territory of RM and owned, rented or leased by the registered consignee;
- 3) spacious, operational and logistic capacities for the place of receipt, including an appropriate system for measuring the excise goods that are being received;
- 4) an accounting management system and record-keeping in place and
- 5) facilitates uninterrupted supervision and control.

(5) The movement of excise goods under duty suspension arrangement is considered finished when the excise good arrive at the place of direct delivery.

(6) The owner of the tax warehouse or the registered consignee shall be obliged to submit a receipt for the received excise goods in accordance with Article 34 paragraph (12) of this Law.

(7) Excise duty shall be incurred at the moment of receiving the excise goods at the place of direct delivery and paid in accordance with Article 10 paragraph (2) of this Law.

### **Article 37**

#### **Cases when the EMCS is not functioning (fallback procedure)**

- (1) In case of suspension of the operation of the System for Movement and Control of Excise Goods, the sender may start movement of excise goods in an duty suspension arrangement provided that the excise the goods shall be accompanied by a paper administrative document containing the same data from the draft electronic administrative document and before the movement starts to inform the competent customs authority at the place of departure.
- (2) Before the movement begins, the sender shall be obliged to submit to the competent customs authority at the place of departure the document referred to in paragraph (1) of this Article and, if responsible for the unavailability of the system, to provide adequate information on the reasons for the unavailability.
- (3) The competent customs authority at the place of departure shall check the data specified in the paper administrative document.
- (4) When the Excise Movement and Control System or the sender's computer system is again available, the sender shall immediately submit a draft electronic administrative document in accordance with Article 34 paragraph (3) of this Law. The data entered in the system must correspond to the data stated in the document referred to in paragraph (1) of this Article.
- (5) Once the Excise Movement and Control System confirms the data in the draft electronic excise document in accordance with Article 34 paragraph (3) of this Law, that document replaces the excise document referred to in paragraph (1) of this article, whereby provisions of Article 34 paragraphs (5), (6), (7), (8), (12), (13) and (14) of this Law shall apply accordingly.
- (6) The movement shall be deemed to be in the duty suspension by applying a paper administrative document until the moment of verification of the data in the electronic administrative document.
- (7) The sender shall keep a copy of the administrative document in his / her record.
- (8) When the computer system in the dispatch Member State is not available, the sender shall send the data referred to in Article 34 paragraph (11) of this Law using other means of communication. Prior to the change of the destination, the sender shall be obliged to notify the competent customs authority at the place of departure, whereby provisions of paragraphs (4), (5), (6) and (7) of this Law shall apply accordingly.
- (9) In the cases referred to in Article 32 paragraph (2) items 1), 2) and 3), Article 33 paragraph 1 items 1), 2), 5) and 7) and Article 36 paragraphs (1) and (6) of this Law, when the certificate of admission referred to in Article 34 paragraph (12) of this Law cannot be submitted after the end of the movement within the period referred to in Article 34 paragraph (12) of this Law, because during the movement the System for movement and control of excise goods at the place of destination became unavailable or when the movement that started with the use of a paper administrative document referred to in paragraph (1) of this Article cannot be entered into the system in accordance with paragraph (4) of this Article, the recipient is obligated to the authority of the place of destination to submit a paper administrative document containing the same data as the acknowledgment of receipt and to confirm that the movement is completed.
- (10) In the cases referred to in paragraph (9) of this Article, the competent customs authority of the place of destination shall be obliged to send a copy of the administrative paper to the competent authority in the Member State of departure.
- (11) When the Excise Movement and Control System computer system is again available or when the procedure is completed in accordance with paragraph (4) of this Article, the recipient shall be obliged to

submit an acknowledgment of receipt in accordance with Article 34 paragraph (12) of this Law, whereby provisions of Article 34 paragraphs (13) and (14) of this Law shall apply accordingly.

(12) If, in the cases referred to in Article 32 paragraph (2) item 3) and Article 33 paragraph (1) items 4) and 6) of this Law, the certificate of executed export referred to in Article 34 paragraph (14) of this Law cannot be submitted because during the movement the System for the movement and control of excise goods at the place of destination has become unavailable or when the movement that started with the use of a paper administrative document referred to in paragraph 1 of this Article cannot be entered into the system in accordance with paragraph 4 of this Article, the competent customs authority at export shall send to the competent authority of departure a paper administrative document which contains the same data as the certificate of executed export and confirms that the movement is completed. Upon receipt of the certificate for executed export in paper form, the competent customs authority of departure sends a copy to the sender.

(13) When the Excise Movement and Control System computer system is again available or when the procedure is completed in accordance with paragraph (4) of this Article, the competent customs authority of export shall be obliged to submit a certificate of export performance in accordance with Article 34 paragraph (14) of this Law, whereby provisions of Article 34 paragraph (15) of this Law shall apply accordingly.

(14) Minister of Finance shall prescribe the manner of carrying out fallback procedure and the form and the contents of the paper administrative document.

## **CHAPTER 5.**

### **MOVEMENT AND CHARGEABILITY OF EXCISE GOODS WITH TAX PAID IN ANOTHER MEMBER STATE**

#### **Article 38**

##### **Purchase of excise goods by private individuals for non-commercial purposes**

(1) The excise duty on excise goods released for consumption in another Member-State acquired by a private individual for own use and transported in RM by them, shall be chargeable only in the Member-State where the goods were acquired.

(2) In order to establish whether the excise goods referred to in paragraph (1) are intended for own use of a private individual or for commercial purposes, the following must be taken into consideration:

- 1) commercial status of the holder of the excise goods and reasons for keeping them;
- 2) location of excise goods or (if necessary) the mode of transport;
- 3) other documents and data relating to the excise goods, by which it will be determined that the excise goods are procured for non-commercial goals;
- 4) nature of the excise goods and
- 5) quantity of the excise goods.

(3) For the purposes of applying paragraph (2) item 5) of this Article, it shall be deemed that the entered excise goods are not intended for commercial purposes if their quantity is not larger than:

- 1) 800 pieces of cigarettes;
- 2) 400 pieces of cigarillos;
- 3) 200 pieces of cigars;

- 4) 1kg of smoking tobacco;
- 5) 10l of spirits;
- 6) 20l of intermediate products;
- 7) 90l of wine (including the maximum of 60l for sparkling wine) and
- 8) 110l of beer

(4) Excise duty shall become chargeable for energy products acquired and entered into the Republic of Macedonia which were released for consumption in another Member State and which the private individual transports using atypical mode of transport. Atypical mode of transport of energy products shall mean transport of energy products other than the standard tanks stipulated in Article 48 paragraph (4) of this Law.

#### **Article 39**

##### **Excise goods released for consumption in another Member-State and received in the Republic of Macedonia for commercial purposes**

(1) When excise goods are released for consumption in another Member State and are held for commercial purposes in the Republic of Macedonia, where they will be delivered or used, excise duty shall become chargeable in the Republic of Macedonia.

"Holding for commercial purposes" shall mean the holding of excise goods by a person and for needs other than the ones referred to in Article 38 of this Law.

(2) In the cases under par (1) of this Article, the chargeability conditions and rate of excise duty to be applied shall be those in force on the date when duty becomes chargeable in RM.

(3) Excise goods which are held on board an aircraft flying between a member state and RM and which are not intended for sale when the aircraft is in the tax territory, shall not be considered held for commercial purposes in RM.

(4) The excise duty shall, upon request, be refunded or remitted in the Member-State, for excise goods which are released for consumption in RM in cases when the competent authority of another Member-State determines that excise duty has become chargeable and has been paid in RM.

#### **Article 40**

##### **Movement of excise goods with paid excise duty in another member state**

(1) In the situations referred to in Article 36 paragraph (1) of this law, the excise goods shall move under a simplified accompanying administrative document (SAAD) listing the main data from the excise document (eAD) of article 34 paragraph (1) of this law.

(2) The simplified accompanying administrative document is prepared by the consignor on the prescribed form in three copies.

- 1) the first copy is kept by the consignor and
- 2) the second and third copy accompanies the movement of excise goods

(3) The tax payer referred to in Article 9 par (2) item 3) of this Law shall comply with the following requirements:

- 1) before the goods are dispatched from the other member-state, submit a written statement to the competent authorities for the expected delivery of excise goods and submit a guarantee for the payment of the excise duty;

- 2) submit an excise declaration (tax return) and pay the excise duty and
- 3) to enable supervision and control to the competent authority of the delivery of excise goods and of the evidence that the excise duty has been paid.

#### **Article 41**

##### **Movement of excise goods with paid excise through a territory of another member state**

(1) Where excise goods released for consumption in the Republic of Macedonia are moved to a place of destination in the Republic of Macedonia via the territory of another Member State, the following requirements shall apply:

1) such movement shall take place under SAAD as mentioned in Article 40 paragraph (1) of this Law;

2) the consignor shall notify the competent authority in the Republic of Macedonia for the planned delivery;

3) the consignee shall confirm that has received the goods and

4) the consignor and the consignee shall consent to supervision and checks allowing their respective competent authorities to verify that the goods have actually been received and the excise duty has been paid.

(2) The consignee in the Republic of Macedonia has to confirm the receipt of excise goods within a period of five days after the receipt of the excise goods.

#### **Article 42**

##### **Movement of excise goods with paid excise duty in the Republic of Macedonia to another Member State**

(1) When excise goods already released for consumption in the Republic of Macedonia are moved to another Member-State, the following requirements shall apply:

1) the movement shall be accompanied by a SAAD as mentioned in Article 40 par (1), except for the cases of distance selling as described in Article 43 of this Law.

2) before the excise goods are dispatched the consignor shall notify the competent authority of the place of departure and

3) the consignor shall consent to any checks allowing the competent authority to verify that the goods have actually been dispatched.

(2) When the consignor from the Republic of Macedonia wants to have the paid excise duty refund for the excise goods dispatched from the Republic of Macedonia and received in another Member-State, they shall submit:

1) a request to the competent authority for refund of paid excise duty;

2) proof that the excise duty was paid in the Republic of Macedonia;

3) the third copy of the simplified excise document verified by the consignee and in accordance with the applicable legislation in the member state of destination;

4) proof where the payment of excise duty in the other Member-State is evident or a document proving that the payment of excise duty is secured in the member state of destination and

- 5) any other documents required by the competent authority to prove the reasons for refund of paid excise duty considering the circumstances of a specific case.
- (3) The request from par 2) item 1 of this Article shall be submitted to the competent authority not later than 12 months from the date when the excise duty was paid.

### **Article 43**

#### **Distance selling**

- (1) Distance selling shall be deemed to be the movement of excise goods released for consumption in one Member-State, and then purchased in another Member-State by a person who is not tax warehouse keeper or registered consignee, and does not have registered activity, while the vendor or somebody on their behalf directly or indirectly dispatches or transports the excise goods to the consignee.
- (2) When the excise goods released for consumption in another Member-State are received for non-commercial purposes by a person in the RM who is not a tax warehouse keeper, a registered consignor or has a registered activity, the excise duty shall become chargeable at the moment of delivery of the goods in RM at the tax rate applicable on the day the excise duty became chargeable.
- (3) The person liable to pay the excise duty in RM shall be the vendor. However, the competent authority in RM may allow the liability to pay the excise to fall on the tax representative who has been approved by the same authority or when the vendor does not comply with the requirements set in paragraph (4) point 1) of this Article.
- (4) The vendor or the tax representative shall fulfill the following requirements:
- 1) before dispatching the excise goods, register with the competent authority in RM, calculate the excise duty and submit a guarantee ensuring the payment of excise duty;
  - 2) file a tax return no later than the next working day following the arrival of the excise goods and pay the excise duty within 30 days, except in cases of irregularities when the excise duty has to be paid immediately and
  - 3) keep records of the delivery of the excise goods.
- (5) The vendor from the Republic of Macedonia who dispatches excise goods within the meaning of paragraph (1) of this Article to another Member-State shall keep records of the deliveries of the excise goods.
- (6) The vendor or tax representative has the right to refund of excise duty which has been paid in the Republic of Macedonia for which purpose they shall submit a request for tax refund to the customs authority within one year from the day when the excise duty was paid. Along with the request, they shall submit proof obtained by the competent authority of the other Member-State that the excise duty has been paid or any other official document to prove the dispatch and receipt in another Member-State.

### **Article 44**

#### **Tax representative for distance selling**

- (1) Distance-selling tax representative have residence, seat or branch-office on the territory of the Republic of Macedonia and shall be appointed by the vendor from Article 43 paragraph (3) of this Law to

perform the duties and exercise all rights on the territory of the Republic of Macedonia for its account and on its behalf in line with the provisions of this Law, upon prior authorization by the competent customs authority.

(2) The authorization shall be issued to a person who does pay the excise, tax and customs duties timely and fully, who has committed serious excise, tax or customs violations or has violated the excise, tax or customs regulations repeatedly.

(3) The authorization from paragraph (1) of this Article shall be issued by the competent authority upon submitted request.

(4) The authorization for tax agent for distance selling is issued for an indefinite time, unless otherwise stated in the request.

(5) The authorization shall be issued to the applicant and cannot be transferred to another person.

(6) The tax representative for distance selling is obliged to inform the competent authority for any changes of details provided in the authorization within five days from the day when the change occurred.

(7) The distance selling tax agent shall be obliged to meet the following requirements:

- 1) register with the competent customs authority in RM prior to dispatching the excise goods, and submit a guarantee to ensure the payment of excise duty;
- 2) file tax return no later than the following working day of the arrival of the excise goods and pay the excise duty within 30 days;
- 3) keep records of type of the excise goods, trade name, quantity, place and date of delivery, recipient;
- 4) regularly inform the competent authority of all changes of details stated in the authorization and ensure uninterrupted supervision and control over their work and
- 5) not to be convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and not to be pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision.

(8) The authorization from paragraph (2) of this Article shall cease to be valid when:

- 1) the authorization holder dies;
- 2) the legal person - holder of the authorization is dissolved;
- 3) the authorization is returned;
- 4) the competent authority revokes it and
- 5) the date of authorization validity expires.

(9) The customs authority shall revoke the authorization when:

- 1) the distance-selling tax representative no longer meets the conditions stated in the authorization;
- 2) the distance-selling tax representative does not ensure appropriate supervision and control;
- 3) the guarantee for ensuring excise payment is insufficient, if the authorization holder does not increase the amount of guarantee or does not submit new guarantee within the timeframe set by the competent authority, the authorization has been issued on the basis of incomplete or incorrect data;
- 4) the reasons and conditions on basis of which the authorization was issued cease to exist

5) the authorization holder does not eliminate the irregularities in the time period set by the customs office and

6) the selling tax agent has been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and has been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision.

#### **Article 45**

##### **Irregularities during the movement of duty paid excise goods**

(1) In cases referred to in Article 39 paragraph (1) and Article 43 paragraph (1) of this Law, when an irregularity has occurred in the Republic of Macedonia during a movement of excise goods released for consumption in another Member State, excise duty shall be calculated and become chargeable in the Republic of Macedonia.

(2) In cases referred to in Article 36 paragraph (1) and Article 39 paragraph (1), when an irregularity has been detected in the Republic of Macedonia during a movement of excise goods released for consumption in another Member State and it is not possible to determine where the irregularity occurred, it shall be deemed that the irregularity has occurred, as well as that the excise duty is calculated and chargeable in the Republic of Macedonia.

(3) The excise duty shall be calculated and levied on the person who guaranteed payment thereof in accordance with Article 40 paragraph (3) item 1) or Article 43 paragraph (4) item 1) of this Law, as well as any person who participated in the occurrence of the irregularity.

(4) If, before the expiry of the period of three years after the movement started, it is ascertained that the irregularity actually occurred or was detected in another MS and excise duty was levied by that MS, provisions from Article 39 par (4) shall apply.

(5) "Irregularity during movement of excise goods in the Republic of Macedonia, released for consumption in another Member State" shall mean a situation occurring during movement of excise goods pursuant to Article 39 or Article 43, not covered by this Article, whereby the movement or part of the movement of excise goods has not duly ended.

(6) Notwithstanding paragraph (1) of this Article, excise duty shall not occur in the Republic of Macedonia for excise goods released for consumption in another Member State, moving in the Republic of Macedonia pursuant to the provisions for movement of excise goods by paid excise duty in another Member State, being intended for another Member State.

#### **Article 46**

##### **Destruction and losses**

(1) Excise duty shall not be calculated and become chargeable in the Republic of Macedonia in the cases referred to in Article 39 paragraph (1) and Article 43 paragraph (1) of this Law, when the excise goods which were released for consumption in one Member State were completely destroyed or irretrievably

lost during transport on the excise territory of the Republic of Macedonia as a result of unpredictable circumstances, force majeure or when the loss or the shortage are directly related to the nature of the excise goods.

(2) The guarantee lodged pursuant to Article 40 paragraph (3) item 1) of this Law or Article 43 paragraph (4) item 1) of this Law shall be released.

(3) Rules and criteria for determining the losses from paragraph (1) of this Article shall be regulated pursuant to the regulations in the area of profit tax.

## **CHAPTER 6. EXCISE EXEMPTIONS**

### **Article 47**

#### **Excise exemptions for diplomatic and consular missions and international organizations**

(1) Excise goods shall be exempted if they are intended for:

- 1) official use by the diplomatic and consular missions and special missions accredited in the Republic of Macedonia on the basis of reciprocity, except for consular missions led by honorary consuls;
- 2) personal use by the personnel of foreign diplomatic and consular missions and special missions accredited in the Republic of Macedonia;
- 3) international organisations when defined so by international agreements ratified by or applied on the territory of the Republic of Macedonia;
- 4) personal use by the international organizations' personnel when defined so by international agreements ratified by or applied on the territory of Republic of Macedonia;
- 5) official use by the armed forces of the contracting parties of the North Atlantic Treaty, by their personnel, or as supplies for their canteens and restaurants and
- 6) consumption as defined in an international agreement that the Republic of Macedonia has concluded with a third country or with an international organization, provided the agreement for delivery of excise goods stipulates VAT exemption.

(2) Excise goods bought on the tax territory shall be subject to excise exemptions from paragraph (1) of this Article by refunding the paid excise duty, upon submission of a request. When excise duty paid on energy products referred to in Article 92 paragraph (3) items 1), 2) and 5) of this Law is refunded, calculation shall be made according to the prescribed excise duty.

(3) If a foreign diplomatic mission or consular post purchases excise goods for official use, the excise duty shall be refund upon the submission of their office's request and an invoice at an amount higher than 5,000.00 denars, including value added tax. The refund shall be made on the basis of specific agreements with the country-supplier, according to the reciprocity conditions, defined by the Ministry of Foreign affairs.

(4) The head of mission, members of the diplomatic staff of the foreign diplomatic mission, as well as consular officials have a right to excise duty refund, if they have acquired excise goods for personal use

or by family members when the invoice has been paid and the amount exceeds 5,000.00 denars, including value added tax.

(5) The refund mentioned in paragraph (4) of this Article is limited to a total amount of 50,000.00 denars for a calendar year.

(6) The refund of the excise tax shall be granted to international organizations and their members for the purchased excise goods, upon submitted request and in accordance with the conditions and limitations determined by a ratified international agreement.

(7) Movement of excise goods under duty suspension arrangement from another Member-State to the consignee of paragraph (1) of this Article shall be accompanied by an eAD and an exemption authorization issued by a competent authority.

(8) When the consignor dispatches the excise goods from the Republic of Macedonia into another member-state to persons with the same or similar status as the persons from paragraph (1) of this Article in accordance with the legislation of that country, they shall dispatch the excise goods only if they are accompanied by eAD and an exemption certificate issued by the Member-State to which the excise goods are being sent.

(9) Excise goods exempt from excise duty payment as stipulated in paragraph (1) of this Article, cannot be transferred to another person without prior notification to the customs authority and without paying the excise duty.

(10) The exemption from paragraph (1) of this Article can neither be used by citizens of the Republic of Macedonia nor by foreign nationals with permanent residence in the Republic of Macedonia.

(11) The request referred to in paragraph (2) of this Article, previously confirmed by the Ministry of Foreign Affairs in accordance with paragraph (3) of this Article, shall be submitted to the competent customs authority no later than 30 June of the calendar year following the calendar year in which the applicant submitted the excise goods.

(12) Minister of Finance shall prescribe the contents of the form of request for refund of the paid excise duty, the manner of submitting the request for refund of the paid excise, as well as the the manner for refund of the paid excise duty.

#### **Article 48** **Other tax exemptions**

(1) No excise duty shall be payable on excise goods:

- 1) sold onboard aircraft during travel by air into third countries or third territories;
- 2) sold at separate outlets of customs i.e. tax warehouses at airports or in ports open for international traffic of passengers traveling into third countries or third territories, in transit, to persons with boarding passes;
- 3) brought by a passenger in their personal luggage from a foreign country having no commercial nature, and which are exempt from customs duties and VAT in accordance with customs and tax regulations;

- 4) which a natural person from abroad sends in small consignments to a natural person in the Republic of Macedonia and which are of no commercial nature, and exempt from customs duties in accordance with customs and tax regulations and
  - 5) energy products found in standard tanks of motor vehicles or aircraft arriving from abroad and are not intended for further sales and are exempt from import duties in accordance with customs regulations.
- (2) A free shop is a premises located at an international passenger transport airport that meets the requirements prescribed by a competent customs authority.
- (3) A passenger to a third territory or a third country is any passenger who owns a plane ticket indicating that his final destination is an airport in a third territory or a third country.
- (4) Standard tanks are considered:
- 1) the tanks permanently fixed by the manufacturer to all motor vehicles or motorcycles of the same type as the vehicle in question, whose permanent fitting enables fuel to be used directly for the operation of the refrigeration systems and other systems during transport;
  - 2) the gas tanks fixed in motor vehicles for direct use of the natural gas as fuel, and tanks fixed onto a different device within the vehicle are deemed standard tanks and
  - 3) tanks permanently fixed by the manufacturer on their special containers of the same type as the container in question, and which enable the fuel to be used directly during transport for the operation of the refrigeration system and other systems with which special containers are equipped. Special container' as regulated in this Article shall be any device equipped with a customized device for use of the refrigeration system, oxygen supply system, thermal isolation system or another system.
- (5) Excise goods shall be exempted when used by excise warehouse holder or exempted user upon prior consent by the competent customs authority in the following cases:
- 1) used as samples for analysis and tests during production or for scientific purposes
  - 2) used for quality control
  - 3) used for excise supervision purposes
  - 4) may be destroyed under customs supervision
- (6) Excise duty on alcohol and alcoholic beverages is not payable for:
- 1) Beer referred to in Article 56 paragraph (4) of this Law, which is produced by a natural person for own consumption and consumption by members of his household or his guests, provided that he is not intended for sale and in the amount of 500 liters per year;
  - 2) The wine referred to in Article 56 paragraph (5) of this Law and the other beverages obtained by fermentation, except beer and wine referred to in Article 56 paragraph (6) of this Law, which are produced by a natural person for own consumption and consumption the members of his household or his guests provided that they are not intended for sale in total quantities of 500 liters a year and
  - 3) Ethyl alcohol referred to in Article 56 paragraph (8) of this Law produced by a natural person for own consumption and consumption by the members of his household or his guests provided that it is not intended for sale in the amount of 200 liters per year pure alcohol.
- (7) Minister of Finance shall prescribe the manner of excise exemptions pursuant to the provisions of this Article.

**CHAPTER 7**  
**EXCISE INCENTIVES**

**Article 49**

**Exempted user authorization**

- (1) The exempted user within the meaning of Article 74 and Article 99 of this Law may purchase tax warehouse from a registered consignee or import excise goods for its own needs without paying the excise duty, on the basis of an exempted user authorization issued by the competent customs authority.
- (2) The exempted user for excise goods as referred to in Article 92 paragraph (3) items 6), 7), 8) and 9) of this law within the meaning of Article 99 of this law may purchase from an authorization holder for being a taxpayer for electricity, natural gas, coal, coke, lignite or petroleum coke as stated in Article 114 of this law or to import excise goods for its own needs without paying the excise duty, on the basis of an exempted user authorization issued by the competent customs authority.
- (3) Minister of Finance shall prescribe the contents of the authorization for exempted user.

**Article 50**

**Criteria for acquisition of exempted user authorization**

- (1) The exempted user authorization (hereinafter: authorization) may only be issued to a person who meets the following criteria:
- 1) performs activity has its seat office in the Republic of Macedonia;
  - 2) keeps business records according to the applicable regulations and has regularly submitted annual accounts in the past two years;
  - 3) there is no bankruptcy or liquidation procedure pending;
  - 4) not to be convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and not to be pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision;
  - 5) to have settled the tax and customs duties;
  - 6) has established appropriate standards on safety and security considered to be met when the requesting entity proves that it undertakes appropriate measures guaranteeing the safety and the security of the areas related to physycal integrity and access controls, logistic processes and managing of excise goods, employees and identification of its business partners;
  - 7) meets the requirements for electronic data exchange and
  - 8) submits guarantee for securing the excise debt that might be incurred.
- (2) The authorization cannot be issued in cases where one of the conditions referred to in paragraph (1) of this Article is not fulfilled.
- (3) Minister of Finance shall prescribe the manner of proving the fulfilment of the criteria referred to in paragraph (1) of this Article.

## **Article 51**

### **Request for issuance of exempted user authorization**

- (1) Exempted user authorization shall be issued upon a submitted application.
- (2) Minister of Finance shall prescribe the contents of the application for issuance of exempted user authorization and the necessary documentation.

## **Article 52**

### **Issuance of exempted user authorization**

- (1) Exempted user authorization shall be issued by the competent customs authority.
- (2) Authorization referred to in paragraph (1) of this Article shall be issued on the name of the applicant and it can refer to one or more places of exempted use and total quantity for one calendar year.
- (3) Authorization referred to in paragraph (1) of this Article shall issued with validity of 5 years, unless otherwise requested by the applicant.
- (4) Exempted user authorization referred to in paragraph (1) of this Article shall not be transferred to other person.
- (5) Competent customs authority shall decide upon the application for exempted user authorization within 60 days from the day of receiving the application. With every action taken to supplement the request, the deadline is interrupted.
- (6) The competent customs authority shall issue the exempted user authorization following the submission and the acceptance of the guarantee referred to in Article 30 of this Law.
- (7) Competent customs authority shall keep electronic Register for Exempted Users of Excise Goods.
- (8) Minister of Finance shall prescribe the manner of issuance of the exempted user authorization, the contents of the electronic Register for Exempted Users of Excise Goods.

## **Article 53**

### **Obligations of the exempted user authorization holder**

- (1) The exempted user authorization holder shall be obliged to:
  - 1) use excise goods in accordance with the purpose for which the authorization for exempted user has been issued;
  - 2) provide an adequate storage of the excise goods in the authorized place for their use;
  - 3) supervise all procedures, including the shipment, use, and receipt of excise goods;
  - 4) determine the losses or shortages as well as check if there are any irregularities in the operation with the excise goods and report them to the competent authority;
  - 5) ensure uninterrupted supervision and control;
  - 6) keep orderly and accurate records **for each exempted user's facility** and submit monthly report on purchased, imported, stored, transferred and used excise goods by type and quantity to the competent customs authority and
  - 7) inform the competent customs authority of all changes in the data stated in the exempted user authorization, and request for a change in the exempted user authorization.

(2) When the competent customs authority establishes that the exempted user authorization holder does not meet or has not met the obligations stipulated in the paragraph (1) of this Article, it shall set a deadline for elimination of the irregularities, may initiate procedure for additional excise payment, as well as initiate procedure for revoking the authorization for exempted user of excise goods.

(3) The exempted user authorization holder shall keep the invoices and other documents issued in accordance with this Law, as well as the business records for at least five years after the end of the calendar year to which they refer.

(4) Minister of Finance shall prescribe the manner of fulfilling the liabilities referred to in paragraph (1) of this Article and the contents of the monthly report on purchased, imported, stored, transferred and used excise goods by type and quantity for each exempted user's facility.

#### **Article 54**

##### **Change of the exempted user authorization**

(1) In case of amending or supplementing the data in the exempted user authorization, the holder of the exempted user authorization shall submit an application for modification of the authorization to the competent customs authority.

(2) The competent customs authority shall, after submitting the request referred to in paragraph (2) of this Article, decide within the time limit referred to in Article 52 paragraph (5) of this Law.

(3) Minister of Finance shall prescribe the contents of the applications submitted for modification of the exempted user authorization and the necessary documentation.

#### **Article 55**

##### **Expiration of the exempted user authorization**

(1) Exempted user authorization shall cease to be valid:

- 1) in the case of death of the authorization holder- a natural person;
- 2) when the legal entity - holder of the exempted user authorization is dissolved;
- 3) with the return of the exempted user authorization, and
- 4) expiration of the validity period of Article 52 par 3) of this Law and
- 5) if the competent customs authority revokes the exempted user authorization.

(2) The competent customs authority shall revoke the exempted user authorization (ex officio) when:

- 1) the exempted user of excise goods no longer meets the conditions set in the exempted user authorization;
- 2) the reasons and conditions for issuing the exempted user authorization no longer exist;
- 3) the exempted user authorization is issued on the basis of incomplete or incorrect information;
- 4) the exempted user has not eliminated the irregularities within the period set forth by the competent customs body;
- 5) bankruptcy or liquidation procedure has been initiated;
- 6) exempted user of excise goods has been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and has been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to

perform certain activity and permanent prohibition to perform certain activity under an effective court decision;

7) amount of the guarantee for securing the excise duty has not been sufficient, the authorization holder has not increased the guarantee amount or has failed to submit new guarantee within the period set forth by the competent customs authority.

(3) When the exempted user authorization is no longer valid, it shall be deleted from the electronic Register for Exempted Users of Excise Goods.

(4) Exempted user or its legal successor, i.e. proxy in the cases referred to in paragraph (1) item 1) of this Article, shall be obliged to submit excise declaration for the excise goods in stock at the exempted user and pay the excise duty within 15 days at the latest as from the expiry of validity of the exempted user authorization or to return the excise goods in the tax warehouse or to destroy them under customs supervision upon prior consent by the competent customs authority.

## **PART TWO**

### **PROVISIONS ON EXCISE TAXATION ON ALCOHOL AND ALCOHOL BEVERAGES, TOBACCO GOODS, ENERGY PRODUCTS AND ELECTRICITY**

#### **CHAPTER 8**

#### **ALCOHOL AND ALCOHOLIC BEVERAGES**

##### **Article 56**

##### **Subject-matter of excise taxation on alcohol and alcohol beverages**

(1) Alcohol and alcoholic beverages subject-matter of excise taxation shall be considered: beer, wine, fermented drinks, except beer and wine, intermediate products and ethyl alcohol.

(2) The alcohol and alcoholic beverages referred to in paragraph (1) of this Article shall be defined by the tariff codes of the Nomenclature of the Customs Tariff and the volume share of pure alcohol in those products.

(3) The volume of pure alcohol shall be the volume percentage of alcohol measured at a temperature of 20°C and shall be designated as % vol.

(4) "Beer" shall mean:

- 1) Products falling within tariff number 2203 CN with alcohol content more than 0.5% vol., and
- 2) Products falling within tariff number 2206 CN containing a mixture of beer and non-alcoholic beverages and with alcohol content more than 0.5% vol.

(5) "Wine" shall mean:

- 1) "still wine" - products falling within CN tariff numbers 2204 and 2205, with exception to sparkling wine pursuant to paragraph 2 of this Article as follows:
  - with alcohol strength of more than 1,2% vol. but not exceeding 15% vol., provided that the alcohol contained in the finished product was entirely produced by fermentation or

- with alcohol strength of more than 15% vol. but not exceeding 18% vol., produced without any enrichment and provided that the alcohol contained in the finished product was produced entirely by fermentation and
- 2) "sparkling wine" shall mean all products falling within tariff codes 2204 10 11, 2204 10 91, 2204 10 93, 2204 10 94, 2204 10 96, 2204 10 98, 2204 21 06, 2204 21 07, 2204 21 08, 2204 21 09, 2204 29 10 and tariff number 2205 of the CN, which
- are contained in bottles with a stopper held in place by special ties or fastening or have a pressure due to carbon dioxide in solution of three bars or more and
  - have alcoholic strength of more than 1,2% vol but not exceeding 15%vol provided that the alcohol contained in the finished product was produced entirely by fermentation.
- (6) "Fermented beverages, apart from sparkling wine, still wine and beer" shall mean:
- 1) "other sparkling fermented beverages" falling within tariff codes 2206 00 31 and 2206 00 39 as well as products within tariff codes 2204 10 11 , 2204 10 91, 2204 10 93, 2204 10 94, 2204 10 96, 2204 10 98, 2204 21 06, 2204 21 07, 2204 21 08, 2204 21 09, 2204 29 10 and tariff code 2205 CN which are not mentioned in paragraph (5) of this Article, which are contained in bottles with stoppers held in place by special ties or fastening or have a pressure due to carbon dioxide in solution of 3 bars or more and
- have alcohol strength of more than 1.2%vol but not exceeding 13%vol or
  - have alcohol strength of more than 13%vol but not exceeding 15%vol provided the alcohol contained in the finished product was produced entirely by fermentation and
- 2) "other still fermented beverages" falling within tariff numbers 2204 and 2205 and are not mentioned in paragraph 5 of this Article as well as products within tariff number 2206 with the exception of other still fermented beverages pursuant to item 1 of this paragraph and drinks pursuant to paragraph 4 of this Article:
- with alcohol strength over 1,2%vol but not exceeding 10%vol or
  - with alcohol strength of more than 10%vol but not exceeding 15%vol provided the alcohol contained in the finished product was produced entirely by fermentation.
- (7) "Intermediate products" shall mean the products falling within CN tariff numbers 2204, 2205 and 2206 with an alcoholic strength by volume exceeding 1.2% vol. but not more than 22% vol., which are not specified in paragraphs (4), (5) and (6) of this Article. In addition, intermediate product shall be deemed any still fermented beverage with a degree of alcohol exceeding 5,5% which is not entirely of fermented origin, as well as any other sparkling fermented beverage with a degree of alcohol exceeding 8,5% and is not entirely of fermented origin.
- (8) "Ethyl alcohol" shall mean:
- 1) all products falling within CN tariff numbers 2207 and 2208 with alcohol strength of more than 1.2% vol. Even when these products are contained in a product which falls within another section of the Customs Nomenclature;
  - 2) all products falling within tariff numbers 2204, 2205, and 2206 of the Customs Nomenclature with alcohol strength of more than 22% vol and
  - 3) drinkable ethyl alcohol regardless of whether it contains dissolved products or not.
- (9) The procedure for measuring the percentage of alcohol shall be conducted in accordance with the regulations on sampling methods and conducting chemical and physical analysis of alcoholic beverages.

## **Article 57**

### **Tax base and method of calculation**

(1) Tax base for excise duty on

- 1) beer pursuant to Article 56 paragraph (4) of this Law, shall be the percentage of alcohol per one litter of finished product;
- 2) wine pursuant to Article 56 paragraph (5) of this Law shall be the quantity of wine expressed in litter of finished product;
- 3) fermented beverages pursuant to Article 56 paragraph (6) of this Law shall be the quantity of fermented beverages expressed in litter of finished product;
- 4) intermediate products pursuant to Article 56 paragraph (7) of this Law shall be the quantity of intermediate products expressed in a litter of finished product;
- 5) ethyl alcohol and alcoholic beverages pursuant to Article 56 paragraph (8) of this Law shall be one litter of pure alcohol measured at a temperature of 20°C.

## **Article 58**

### **Excise duty rates**

- (1) The excise duty on beer according to Article 56 paragraph (4) of this Law shall be 4.00 MKD per 1% vol. share of alcohol in one litter final product.
- (2) Excise duty on wine, that is
  - 1) still wine pursuant to Article 56 paragraph (5) item 1) of this Law shall be 0 MKD/litter.
  - 2) sparkling wine pursuant to Article 56 paragraph (5) item 2) of this Law shall be 0 MKD/litter.
- (3) The excise duty on fermented beverages, that is
  - 1) other sparkling fermented beverages pursuant to Article 56 paragraph (6) item 1) of this Law shall be 0 MKD/litter and
  - 2) other still fermented beverages pursuant to Article 56 paragraph (6) item 2) of this Law shall be 0 MKD/litter.
- (4) The excise duty on intermediate products pursuant to Article 56 paragraph (7) of this Law shall be
  - 1) 33,00 MKD/litter for intermediate products with alcohol not exceeding 15%, and
  - 2) 55,00 MKD/litter for intermediate products with alcohol equal or higher than 15%, but not exceeding 22%.
- (5) The excise duty on ethyl alcohol and alcoholic beverages pursuant to Article 56 paragraph (8) of this Law shall be 340,00 MKD/litter of pure alcohol, measured at temperature of 20°C.

## **Article 59**

### **Manner of calculation of excise duty**

(1) The calculation of the excise duty for:

- 1) beer is calculated by multiplying the excise base, the degree of real alcoholic strength by volume of beer and the corresponding amount of excise duty in accordance with Article 58 paragraph (1) of this Law;

- 2) wine shall be calculated by multiplying the excise duty and the corresponding amount of excise duty in accordance with Article 58 paragraph (2) of this Law;
  - 3) fermented products shall be calculated by multiplying the tax base and the corresponding amount of excise duty in accordance with Article 58 paragraph (3) of this Law;
  - 4) intermediate products shall be calculated by multiplying of the excise tax base and the corresponding amount of excise duty in accordance with Article 58 paragraph (4) of this Law; and
  - 5) ethyl alcohol and alcoholic beverages shall be calculated by multiplying of the excise tax and the corresponding amount of excise duty in accordance with Article 58 paragraph (5) of this Law.
- (2) For statistical purposes when the excise base is expressed in liters, for calculation of excise duty for:
- 1) beer is rounded to three decimals, and the degree of actual alcoholic strength by volume of beer is rounded to one decimal;
  - 2) wine is rounded up to two decimal places;
  - 3) fermented products are rounded up to two decimal places;
  - 4) the intermediate is rounded up to two decimal places and
  - 5) ethyl alcohol is rounded up to four decimal places.

#### **Article 60**

##### **Payment of excise on intermediate products and hard alcoholic beverages**

- (1) The excise on intermediate products and hard alcoholic beverages shall be paid by their release into circulation from a tax warehouse by submitting an excise declaration for the quantities of intermediate products and spirits of alcoholic beverages that are released on the market during the calendar month.
- (2) The tax payer shall submit an excise declaration to the competent customs authority and shall pay the excise tax no later than the 15<sup>th</sup> of the following month.
- (3) Excise duty on intermediate products and alcoholic beverages on import shall be paid within the deadlines and in the manner foreseen for payment of import duties, except in cases when excise goods are moving under a duty suspension arrangement.
- (4) Notwithstanding paragraph (2) of this Article, if the last day for payment of the excise tax is a non-working day, the excise taxpayer shall be obliged to pay the calculated excise tax no later than the first following working day.

#### **Article 61**

##### **Tax stamps for marking of intermediate products and alcoholic beverages**

- (1) The release in free circulation of intermediate products and spirits of alcoholic beverages that are produced or imported in the excise area is allowed only if they are marked with an excise stamp issued by the Customs Administration on which special markings and serial number are printed.

- (2) Tax stamps shall be issued to the tax warehouse keeper, the importer of intermediate products and alcohol beverages and farmer – small producer of alcoholic beverages upon submitted request to the customs authority.
- (3) Unauthorized preparation and printing of excise stamps or unauthorized preparation and printing of excise stamps from other countries or territories, as well as their unauthorized possession or unauthorized placing on the market are not allowed.
- (4) Deliberate damage to excise duty marks is not allowed.
- (5) Intermediates and spirits of alcoholic beverages not marked with an excise mark or marked with a damaged excise duty mark or marked otherwise than different from the prescribed shall be considered products for which the excise duty and the payment of excise duty and their release into circulation have not been calculated, purchase and disposal of the excise area is not allowed.
- (6) The excise stamp is affixed to the appropriate packaging of the alcoholic beverage, i.e. the bottle, so that it will have to be permanently damaged during the opening. Excise stamps may be affixed in an excise or a customs warehouse, except in the cases referred to in paragraph (8) in Article 73 of this Law, when the producer is an agricultural worker (a farmer) and the excise stamps are to be affixed in his/her premises.
- (7) The holder of the tax warehouse and the importer shall notify the monthly needs for planned quantities of excise stamps to the competent customs authority no later than the 10<sup>th</sup> of the current month for the next month.
- (8) The costs for printing and storing the excise stamps shall be determined by the competent customs authority and shall be charged by the holder of the tax warehouse, the importer of intermediate products and alcohol beverages and farmer – small producer of alcoholic beverages by submitting the application for planned quantities of excise stamps. Amount of the costs shall be determined on the basis of the costs related to printing, storing and issuing the excise stamps.
- (9) Prior to raising the excise stamps, the holder of the tax warehouse and the importer shall be obliged to submit a guarantee in the amount of the excise debt that may arise.
- (10) The issuance of excise duty marks shall be made after the submitted request for collection of excise stamps, which shall be submitted to the competent customs authority. The deadline for collection the declared excise stamps is one year from the month in which the reported planned quantities have been accepted. After the expiration of this deadline, the competent customs authority shall have non-collected excise stamps.
- (11) The period for use of tax stamps collected by the holder of the tax warehouse or importer shall be no more than 60 days from the date of their collection.
- (12) The owner of the tax warehouse and the importer shall be obliged to submit to the competent customs authority not later than five days after the expiry of the deadline referred to in paragraph (11) of this Article a report on the collected, used and returned excise stamps.
- (13) The collected excise stamps which will be found to be defective as a result of mistake or damage occurring in the process of their printing shall be obliged to return the tax warehouse holder and the importer to the competent customs authority no later than 15 days from the date to determine the irregularity, but not later than 60 days from the date of their collection. The competent customs authority will replace the defective excise stamps with new excise stamps.

(14) Time limit referred to in paragraph (11) of this Article may be extended for additional 30 days in case of force majeure, unpredictable circumstance and unfavourable events related to the operations of the tax warehouse holder or the importer, upon previous approval by the competent customs authority upon submitted request.

(15) Excise duty stamps which have not been used or are damaged in the production process, the manufacturer or the importer shall be obliged to return them to the competent customs authority together with the report referred to in paragraph (12) of this Article within five days after the expiration of the time limit referred to in paragraph (11) of this Article.

(16) For the damaged and unused excise stamps the tax warehouse holder and the importer shall not be entitled to refund the costs of printing and keeping the excise stamps.

(17) The tax warehouse holder and the importer shall be obliged, within five days from the expiration of the time period referred to in paragraph (11) of this Article, for collected excise stamps for marking intermediates and spirits of alcoholic beverages that have not been returned or permanently damaged, to submit an excise declaration, to calculate the excise on the basis of the data for the highest excise duty of the markings on the excise stamps and pay it within 5 days following the acceptance of the declaration by the competent customs authority.

(18) The excise stamps referred to in paragraphs (13) and (15) of this Article shall be destroyed under customs supervision.

(19) The obligation to mark with excise stamps does not apply to:

- 1) intermediate products and alcoholic beverages that are imported by travelers from abroad, which are not covered by Article 48 paragraph 1 item 3 of this Law and intermediate products and spirits alcoholic beverages that citizens of the Republic of Macedonia and foreign citizens receive from abroad in accordance with customs regulations;
- 2) intermediate products and alcoholic beverages imported into the excise area and released for trade at an international fair, exhibition or other event or as samples, and
- 3) intermediate products and alcoholic beverages that are exempt from excise duty, except in the cases referred to in Article 47 paragraph (2) of this Law.

(20) In the cases referred to in paragraph (19) items 1) and 2) of this Article, the excise duty must be declared without delay by the competent customs authority and immediately paid.

(21) The excise stamps shall be declared by the excise warehouse holder or importer and issued in the amount of at least 600 pieces according to separate markings, percentage of alcohol and volume of the individual packaging.

(22) Notwithstanding paragraph (21) of this Article, upon the request of the tax warehouse keeper or the importer, in the cases when non-standard packaging are being used, exclusive series, limited quantities for promotional purposes, the competent custom institution may approve an issuance of tax stamps for a quantity lower than 600 pieces.

(23) Minister of Finance shall prescribe the dimensions, the form and the labelling of the excise stamp, the manner of applying for and obtaining excise stamps, the contents of the reports on obtained, used and returned excise stamps, the manner of returning defective, unused and damaged excise stamps, as well as the manner of destroying the excise stamps.

**Article 62**  
**Beer tax warehouse equipping**

(1) When beer pursuant to Article 56 paragraph (4) of this Law, is produced or stored in a tax warehouse, the production equipment, the production facility and the storage facility shall be arranged so as to allow the supervisory authority at any given time to identify the quantity of produced and stored beer, the quantity of beer in stock and the strength of alcohol of the beer.

(2) The tax warehouse in which beer is produced must be equipped with devices for measuring the quantity of beer produced and for measuring the volume content of pure alcohol. The measuring device shall be certified by the competent authority for verification of measurement devices, or the measurement of the quantity of beer produced and the measurement of the volume share of pure alcohol to be confirmed by the institution authorized to verify the measuring devices.

**Article 63**  
**Quantity measurement of beer**

With exception of Article 62 par (2) of this law, when the beer is packed in bottles of different capacity or packaging of other material with a predetermined volume, the measuring is done based on the quantity stated on the packaging.

**Article 64**  
**Special conditions for equipping an tax warehouse for wine and intermediate products**

(1) In the tax warehouse in which wine is produced, processed or stored pursuant to Article 56 paragraph (5) of this Law and intermediate products, pursuant to Article 56 paragraph (7) of this Law, the facilities, space and equipment for production or processing and storage it is necessary to be placed in such a way that it enables the competent customs authority to carry out supervision and control at any time and to determine the quantity of produced, processed or stored wine and intermediate products. The tax warehouse should allow separate storage of individual types of wine and intermediate products.

(2) The tax warehouse in which wine and intermediate products are produced or processed shall be equipped with measuring devices. Measuring devices should measure the volume, the volume share of pure alcohol for intermediate products, and have a certificate from a competent authority for the verification of measuring devices or the measurement of the amount and the volume of pure alcohol to be confirmed by the institution authorized to verify the measuring devices.

**Article 65**  
**Special conditions for equipping a tax warehouse for ethyl alcohol and hot alcoholic beverages**

(1) In the tax warehouse in which ethyl alcohol and hard alcoholic beverages are produced, processed or stored, pursuant to Article 56 paragraph (8) of this Law, the facilities, space and equipment for production or processing and storage should be placed in such a way as to enable the competent customs authority to carry out supervision and control at any time and to determine the amount of produced, processed or stored ethyl alcohol and spirits of spirituous beverages. The tax warehouse should allow separate storage of individual types of spirits of alcoholic beverages.

(2) Equipment for production or processing, including reservoirs, connection pipes between them, joint points, valves and measuring devices shall be sealed by the competent customs authority. Seals can be removed only in the presence of the competent customs authority and the authorized person of the tax warehouse keeper. In case of unforeseeable circumstances and force majeure, the tax warehouse keeper can remove the seals himself and immediately notify the competent customs authority.

(3) The measuring devices referred to in paragraph (2) of this Article shall measure the volume, the volume share of the pure alcohol, and have a certificate from the competent authority for the verification of measuring devices or the measurement of the quantity and the volume of the pure alcohol should be confirmed by the institution authorized to verify the measuring devices.

#### **Article 66**

##### **Special conditions for the use of ethyl alcohol reservoirs and hard alcoholic beverages**

(1) Tanks for ethyl alcohol in the tax warehouse shall be standardized and equipped with measurement devices.

(2) Measuring devices on the tanks shall be certified by a competent authority or an institution authorized to verify the measuring devices.

(3) All tanks referred to in paragraph (1) of this Article shall be labeled.

(4) Minister of Finance shall prescribe the manner of labeling the ethyl alcohol tanks in the tax warehouse.

#### **Article 67**

##### **Small independent beer producers**

(1) Small independent beer producer shall produce beer as part of the registered activity, on the basis of an issued authorization for small independent brewery by the competent customs authority, and shall fulfill the following criteria:

- 1) has an annual production of beer up to 150. 000 liters
- 2) legally and economically independent from any other beer producer
- 3) production and operational facilities are not technologically connected with the production and operational facilities of another person that produces beer as part of its registered activity,
- 4) does not produce beer under license.

(2) For the purposes of this Law, annual production of beer shall be the quantity of beer produced within one calendar year.

(3) When two or more small breweries cooperate with one another and their total annual production does not exceed 150,000 liters, those small breweries may be considered as one small independent brewery.

(4) The small independent brewery shall, before starting beer production, be obliged to submit an application for authorization for small independent brewery and entry in the electronic Register of Authorizations for Small Producers of Beer, Wine, Ethyl alcohol and Hard Alcoholic Beverages kept by the competent customs authority.

(5) Provisions on movement of excise goods in the excise suspension procedure shall not apply to small independent brewery.

(6) Notwithstanding paragraph (5) of this Article, in case of export of beer produced by small independent brewery, upon request by the small independent brewery, the competent customs authority shall provide for submitting electronic administrative document pursuant to the provisions, regulating the movement of excise goods under excise suspension procedure.

(7) Small independent brewery shall be obliged to notify the competent customs authority, as well as to submit data on the beer export under excise suspension procedure within seven days prior to the sending, at the latest.

(8) Small independent brewery shall not submit a guarantee for securing the excise duty, except in cases of failure to fulfil the requirements arising from the issued authorization for small independent brewery, upon request by the competent customs authority.

(9) Minister of Finance shall prescribe the contents of the application for issuance of an authorization for small independent brewery, and the necessary documentation, the contents and the manner of issuance of an authorization for small independent brewery and the authorization for small independent brewery, as well as the the contents of the electronic Register for Authorizations for Small Producers of Beer, Wine, Ethyl Alcohol and hard alcoholic beverages.

## **Article 68**

### **Excise duty on beer produced by small independent producer**

(1) The excise duty on the beer produced by small independent brewery released for consumption on the tax territory shall be calculated based on the quantities released for free circulation in the tax period referred to in paragraph (1) Article 10 of this Law and paid according the prescribed excise duty from Article 58 paragraph (1) of this Law, with submission of Tax return.

(2) For the beer produced in small independent brewery in accordance with the conditions of Article 67 par (1) of this Law, which is released for consumption on the tax territory, the small beer producer has right for tax return of the paid excise duty, in accordance with the annual beer production

- 1) Annual production that does not exceed 50.000 litters, in amount of 50% of the prescribed excise duty pursuant to in Article 58 paragraph (1) of this Law;
- 2) Annual production that is more than 50.000 litres not exceeding 75.000 litres, in amount of 40% of the prescribed excise duty pursuant to Article 58 paragraph (1) of this Law;

- 3) Annual production that is more than 75.000 litres not exceeding 100.000 litres, in amount of 30% of the prescribed excise duty pursuant to Article 58 paragraph (1) of this Law and
  - 4) Annual production that is more than 100.000 litres not exceeding 150.000 litres, in amount of 20% of the prescribed excise duty referred to in Article 58 paragraph (1) of this Law.
- (3) For the exercise of the right pursuant to paragraph (2) of this Article, the small independent brewery shall, after the expiry of the calendar year but not later than 30<sup>th</sup> June of the following year, submit a request for refund of the excise. Report on the total annual production of beer produced by the small independent brewery shall be also attached to the request.
- (4) The provisions of paragraphs (2) and (3) of this Article shall also apply to imported beer produced in small independent brewery accordance with the conditions referred to in Article 67 paragraph (1) of this Law, which is proved by submitting a document for total annual production of beer produced at small independent brewery issued by the competent authority of the exporting country.
- (5) If in the course of the calendar year a larger quantity than the prescribed quantity in Article 67 paragraph 1 item 1 of this Law is produced, the small independent brewery, as well as the importer referred to in paragraph (4) of this Article, have no right to refund of the excise duty.
- (6) Minister of Finance shall prescribe the contents of the request for excise duty refund referred to in paragraph (3) of this Article and the necessary documentation, as well as the manner of excise duty refund.

#### **Article 69**

##### **Small wine producers for commercial purposes - a small winery**

- (1) Small wine producer for commercial purposes - a small winery shall meet the requirements for production and trade in wine with a total annual production of wine not exceeding 100,000 liters.
- (2) Small wine producer for commercial purposes shall be obliged to submit a request to the competent customs authority for the issue of an authorization for small producer of wine for commercial goals and entry in the electronic Register for Authorizations of Small Producers of Beer, Wine, Ethyl Alcohol and hard alcoholic beverages.
- (3) Provisions referred to in Chapter 4 of this Law on movement of excise goods in the excise suspension procedures shall not apply to small wine producer for commercial purposes.
- (4) Notwithstanding paragraph (3) of this Article, in case of export of wine produced by small producer of wine for commercial goals, upon submitted request, the competent customs authority shall provide for submitting electronic administrative document pursuant to the provisions, regulating the movement of excise goods under excise suspension procedure.
- (5) Small producer of wine for commercial goals shall be obliged to notify the competent customs authority and submit data on export of wine under excise suspension procedure seven days prior to the sending at the latest.
- (6) The small wine producer for commercial purposes shall not submit a guarantee for securing the excise, except in cases of default of the obligations arising from the issued approval for small producer of wine for commercial goals, upon request of the competent customs authority.

(7) Minister of Finance shall prescribe the contents of the request for issuing authorization for small producer of wine for commercial goals nad the necessary documentation and the contents of the authorization for small wine producer for commercial purposes - small winery, as well as the manner of issuance of the authorization for small producer of wne for commercial goals.

#### **Article 70**

##### **Small independent producers of ethyl alcohol and hard alcoholic beverages for commercial purposes - small distilleries**

(1) Small independent producer of ethyl alcohol and hard alcoholic beverages for commercial purposes - a small distillery, producing ethyl alcohol and hard alcoholic beverages as part of its registered activity shall meet the following requirements:

- 1) Total annual production of ethyl alcohol and alcoholic beverages of a maximum of 2000 liters of pure alcohol;
- 2) legally and economically independent of any other producer of ethyl alcohol and alcoholic beverages and
- 3) its production and auxiliary facilities are not technologically linked to the production and auxiliary facilities of another person producing ethyl alcohol and hot alcoholic beverages as part of his registered activity.

(2) Total annual production of ethyl alcohol and spirits of alcoholic beverages produced by a small independent producer of ethyl alcohol and hard alcoholic beverages shall mean the total amount of ethyl alcohol and hard alcoholic beverages produced during the calendar year.

(3) The provisions regulating the procedures for submitting the application and issuing the excise license as well as the obligations of the excise license holder apply also to the small independent producer of ethyl alcohol and hard alcoholic beverages for commercial purposes.

(4) Prior to commencement of operations, the competent customs authority shall supervise and control the equipment and the conditions of manufacture and, where necessary, seal the production equipment.

(5) The small independent producer of ethyl alcohol and hard alcoholic beverages shall be obliged to mark the commercial packages with an excise stamp pursuant to the provisions referred to in Article 61 of this Law.

(6) The excise stamp shall be affixed to the bottle seal so that it must be permanently damaged when opening.

(7) The small independent producer of ethyl alcohol and hard alcoholic beverages shall be obliged to mark the commercial packaging with a special label indicating that the alcoholic beverage has been produced under a special regime of reduced excise duty. The label shall include data in accordance with food safety regulations, name and address of the manufacturer, alcoholic strength, type of product, and number from the Food and Veterinary Agency's decision that the product is suitable for consumption.

(8) If, during the calendar year, ethyl alcohol and alcoholic beverages in quantities exceeding the prescribed quantity in paragraph (1) item 1) of this Article are produced, the manufacturer shall be obliged to notify the competent customs authority within 15 days and to request change of the excise

license, as well as to make a payment of the excise tax for the difference between the full rate and the paid excise duty at a reduced rate.

(9) The small independent producer of ethyl alcohol and hard alcoholic beverages shall not submit a guarantee referred to in Article 30, paragraph (1), and Article 35 of this Law, except in case of default of the obligations arising from the excise license.

(10) Minister of Finance shall prescribe the form and the contents of the special label, the contents of the request for issuance of excise license for small distillery, as well as the necessary documentation for proving the fulfilment of the requirements for issuance of excise license for small distillery.

### **Article 71**

#### **Excise duty on ethyl alcohol and hard alcoholic beverages produced in small distilleries**

(1) Excise duty on ethyl alcohol and hard alcoholic beverages produced by the small independent producer of ethyl alcohol and hard alcoholic beverages shall be paid in the amount of 50% of the prescribed excise referred to in Article 58 paragraph (5) of this Law.

(2) The small independent producer of ethyl alcohol and hard alcoholic beverages shall pay the excise duty by submitting an excise declaration to the competent customs authority in accordance with the provisions of Article 60 of this Law.

(3) The provisions of paragraph (1) of this Article shall also apply to the imported quantities of ethyl alcohol and hard alcoholic beverages produced under the conditions referred to in Article 70 paragraph (1) of this Law, which is proved by submitting a document for the total annual production, issued by the competent authority of the exporting country.

### **Article 72**

#### **Common provisions for small wine and beer producers**

(1) A small producer shall mean a small independent brewery referred to in Article 67 and a small winery referred to in Article 69 of this Law which produces excise goods as part of its registered activity on the basis of authorization for small producer of wine and beer issued by a competent customs authority.

(2) The authorization for a small producer of wine and beer shall be issued to a person referred to in paragraph (1) of this Article who meets the following conditions:

- 1) has its registered office in the Republic of Macedonia;
- 2) keeps proper business records in accordance with the applicable regulations;
- 3) against which no bankruptcy or liquidation procedure has been initiated;
- 4) not to be convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and not to be pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision;

- 5) has settled the tax and customs duties and
  - 6) meets the requirements for electronic data exchange.
- (3) The authorization for small producer of wine and beer cannot be issued in cases where one of the conditions referred to in paragraph (2) of this Article is not fulfilled.
- (4) The authorization for small producer of wine and beer shall be issued by the competent customs authority within 60 days from the date of submission of the request.
- (5) The authorization for small producer of wine and beer cannot be transferred to another person.
- (6) The validity period of the issued authorization for small producer of wine and beer shall be five years.
- (7) The competent customs authority shall keep electronic Register of Authorizations for Small Producers Authorization of Wine, Beer, Ethyl Alcohol and Hard Alcoholic Beverages.
- (8) The holder of authorization for small producer of beer and wine shall be obliged to:
- 1) provide conditions for uninterrupted supervision and control;
  - 2) keep accurate and correct records of the produced excise goods and to submit to the competent customs authority monthly report on the quantities of produced, delivered quantities of the stock of excise goods within 15 days upon the expiry of each calendar month at the latest
  - 3) notify the competent customs authority of any change in the data and / or the conditions under which the authorization for small producer of wine and beer was issued and to request its modification;
  - 4) not later than 31<sup>st</sup> March of the current year, submit to the competent customs authority a report on the total annual production of excise goods in the previous calendar year and
  - 5) notify the competent customs authority within 15 days of exceeding the prescribed quantity and request the issuance of an excise license.
- (9) If the competent customs authority determines that the holder of an authorization for small producer of wine and beer does not fulfill or has not fulfilled the obligations referred to in paragraph (8) of this Article, it shall determine the time limit within which the determined irregularities must be removed, may initiate procedure for additional payment of excise duty, as well as initiate procedure for revoking the authorization for small producer of beer and wine.
- (10) In the cases referred to in paragraph (8) point 3 of this Article, the holder of an authorization for small producer of wine and beer shall submit an application for modification of the authorization to the competent customs authority which decides within the time limit referred to in paragraph (4) of this Article.
- (11) The authorization for small producer of beer and wine shall cease to apply:
- 1) if the holder of an authorization - a natural person dies;
  - 2) with the termination of the existence of the legal entity holding the authorization;
  - 3) at the request of the holder of authorization;
  - 4) upon the expiration of the validity period referred to in paragraph (6) of this Article and
  - 5) if the competent customs authority ex officio revokes the approval.
- (12) The competent customs authority ex officio revokes the approval for small producer of wine and beer if it finds that:
- 1) the small producer has ceased to meet the conditions laid down in the authorization;

- 2) the reasons and conditions on the basis of which the approval has been issued have ceased to exist;
- 3) the authorization is issued on the basis of incomplete or inaccurate information;
- 4) the small producer has not remedied the irregularities within the time period determined by the competent customs authority;
- 5) a bankruptcy or liquidation procedure has been initiated and
- 6) small producer of wine and beer has been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and has been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision;

(13) Upon expiration of the validity of the authorization for small producer of wine and beer, the authorization shall be deleted from the electronic Register of Authorization for Small Producers of Wine, Beer, Ethyl Alcohol and Hard Alcoholic Beverages.

(14) Minister of Finance shall prescribe the documentation necessary for proving the fulfillment of the conditions referred to in paragraph (2) of this Article and the contents of the reports referred to in paragraph (8) items 2) and 4) of this Article and the contents of the request for amending the authorization for small producer of wine and beer.

### **Article 73**

#### **Agricultural workers (farmers) – small producers of alcohol beverages**

(1) Agricultural workers - small producers of hard alcohol beverages shall be persons using fruit and grape as a raw material for spirit production intended for further sales and are obliged to submit to the competent customs authority a request for registration in the electronic Register of Small Agricultural Workers - Small Producers of Hard Alcohol Beverages, kept by the competent customs authority.

(2) The maximum allowed quantity of annual production shall be 2,500 litres of hard alcohol beverage, with an average strength of 45%, in the range of +/- 5% alcohol. Annual production shall mean production within one calendar year.

(3) Notwithstanding Article 58 paragraph (5) of this Law, the produced amount per liter hard alcoholic beverage, provided that the annual production does not exceed the quantity referred to in paragraph

(2) of this Article, shall have an excise charged in the following manner:

1) MKD 0.00 (zero) in the first year;

2) MKD 10.00 in the second year;

3) MKD 20.00 in the third year and

4) MKD 30.00 in the fourth year and onwards calculated from the date on which this Law shall start to be applied.

(4) The farmer - a small producer of hard alcoholic beverages before commencing fruit distillation shall be obliged to notify the competent customs authority that he will start production, specifying the exact date and time in which the production will take place without interruption, the place of distillation, the type of fruit which will distill, the amount of comin and the expected amount of fermented alcoholic beverage.

(5) The farmer - a small producer of hard alcoholic beverages shall immediately, and within five days upon the production completion at the latest, submit to the competent customs authority a notification of the produced quantity of the hard alcoholic beverage, thereby also submitting request for obtaining excise stamps necessary for labelling the produced quantity of the hard alcoholic beverage. The request for obtaining excise stamps shall state the quantity and the volume of the containers planned for selling the hard alcoholic beverage to the final buyers - natural persons and catering facilities.

(6) The farmer - a small producer of hard alcoholic beverages shall pay the excise duty on the produced quantity of hard alcoholic beverage before obtaining the excise stamps, and within 30 days upon the submitted request referred to in paragraph (5) of this Article, at the latest.

(7) The hard alcoholic beverages produced by farmers - small producers of hard alcoholic beverages shall be packaged in containers with a capacity of up to 5 liters for end-users - natural persons and for sale in catering facilities.

(8) The farmer - small producer of hard alcoholic beverages shall be obliged to mark the commercial packages with an excise stamp under the terms of Article 61 of this Law.

(9) The excise stamp shall be affixed to the bottle seal so that it must be damaged when opening.

(10) The farmer - a small producer of hard alcoholic beverages is obliged to mark the packaging with a special label stating that the hot alcoholic beverage has been produced under a special regime of reduced excise duty and to state the number of the registration in the electronic Register of Farmers - Small Producers of Hard Alcoholic Beverages. The label shall state the name and address of the farmer - small producer the percentage of alcohol, the type of product, and the number of the decision from the Food and Veterinary Agency that the product is suitable for consumption.

(11) If a smallholder producer produces hard alcoholic beverages in quantities greater than the one prescribed in paragraph (2) of this Article, he shall be obliged to submit to the competent customs authority a statement on the total annual production of the alcoholic beverages. The competent customs authority shall determine and calculate the excise on the difference between the quantity produced above the prescribed in paragraph (2) of this Article, in the amount prescribed in Article 58 paragraph (5) of this Law and shall issue excise stamps for labelling the hard alcoholic beverage produced above the prescribe quantity.

(12) Provisions of Article 61 paragraph (9) of this Law shall not refer to the farmer - small producer.

(13) Minister of Finance shall prescribe the form and the contents of the request for registering in the electronic Register of Farmers - Small Producers of Hard Alcoholic Beverages and the necessary documentation, the form and the contents of the notification on commencement of production referred to in paragraph (4) of this Article, the form and the contents of the notification of the produced quantity and the request for obtaining excise stamps referred to in paragraph (5) of this Article, , the manner of issuance of excise stamps for labelling the hard alcoholic beverages, produced by the farmer - small producer of hard alcoholic beverages, as well as the contents of the data in the Register referred to in paragraph (1) of this Article.

#### **Article 74**

##### **Excise duty exemptions for ethyl alcohol and alcoholic beverages**

(1) Ethyl alcohol and alcoholic beverages shall be exempted from excise duty when the requirements of Article 49 and Article 50 of this Law are met, that is when:

- 1) ethyl alcohol is used for production of vinegar falling within Customs Nomenclature code 2209;
- 2) ethyl alcohol is used for the production and preparation of medicines;
- 3) ethyl alcohol is used for medical purposes in hospitals, clinics and pharmacies;
- 4) ethyl alcohol and alcoholic beverages are used for the production of flavorings for food products and beverages with alcohol strength by volume not exceeding 1.2% vol.;
- 5) ethyl alcohol and alcoholic beverages are used directly or as a component of other semi-finished product for the production of foodstuffs with fillings or in another form. The alcohol content in pralines must not exceed 8,5 litres pure alcohol per 100 kg of the product and in products other than the pralines – 5 litres pure alcohol per 100 kg of the product;
- 6) ethyl alcohol is used in the process of conservation and packing in the food industry;
- 7) ethyl alcohol is used for scientific, research and educational purposes at universities, institutes and other scientific institutions where alcohol is used for scientific or academic purposes;
- 8) fully denatured ethyl alcohol, being denatured pursuant to the prescribed denaturation substances;
- 9) fully denatured ethyl alcohol, which is imported into the Republic of Macedonia from third countries, provided that it is completely denatured with funds that are prescribed in the Republic of Macedonia;
- 10) fully denatured ethyl alcohol, which is denatured by means of denaturing prescribed in other Member States, which are covered by Commission Regulation (EC) No. 3199/93 on the mutual recognition of procedures for the complete denaturing of alcohol for the purpose of excise tax exemption;
- 11) when the fully denatured alcohol is intended for the production or processing of goods unsuitable for human consumption;
- 12) when the partly denatured alcohol is intended for the production or processing of goods unsuitable for human consumption and
- 13) ethyl alcohol is used in production processes in an amount prescribed by normatives for production provided the finished product does not contain alcohol.

#### **Article 75**

##### **Denaturation of alcohol**

(1) Denatured alcohol shall mean alcohol which in the process of production has been mixed with a permitted agent in a prescribed amount in a manner that the denaturing agents cannot be easily

separated in any additional processing, that is, it cannot be used to produce alcohol usable for food product. Denatured alcohol can be fully or partly denatured.

(2) Alcohol shall be denatured only in the tax warehouse which has obtained special authorization from the competent authorities to denature alcohol.

(3) The warehouse keeper – producer of denatured alcohol must keep records of the denaturing where they shall state the quantity of alcohol and of prescribed agents used for the denaturing, the quantity of produced and delivered denatured alcohol expressed in litres of pure alcohol as well as records of purchasers.

(4) The tax warehouse where alcohol shall be denatured must be equipped with a dosing, mixing or other similar device to ensure denaturation of alcohol with the prescribed agents and in a prescribed manner.

(5) The competent customs authority shall grant deviation from the prescribed list of denaturing agents in cases when the use of a certain denaturing agent prevents usage of alcohol in the production process.

(6) A report shall be written for denaturing excise goods and it shall be signed by the authorized representatives of the competent authority and the persons authorized by the tax warehouse where denaturing takes place.

(7) Minister of Finance shall prescribe the manner of issuance of the authorization for denaturation, as well as the contents of the records on denaturing.

#### **Article 76**

##### **Excise duty increase on alcohol and alcoholic beverages**

(1) Upon increase of the excise duty for alcohol and alcoholic beverages, the producer and the importer shall make inventory of stock of the alcohol and alcoholic beverage in the tax warehouses or the other facilities and to prepare report on the conducted inventory which shall be submitted to the competent customs authority not later than 5 days of the inventory.

(2) In cases from paragraph (1) of this Article each authorized distributor of the producer or the importer of alcohol and alcoholic beverages, is obliged to make inventory of stock on the day of application of the increased excise duty of alcohol and alcoholic beverages in stock in his own warehouses and in other facilities as well as in warehouses and facilities of related companies and to submit a report of the conducted inventory to the competent authority not later than five working days from the day of inventory.

(3) The persons mentioned in paragraph (1) and (2) of this Article are obliged to calculate the increased excise duty of the total quantity currently in stock and submit a tax return in accordance with Article 10 par (3) of this Law and pay the difference within 15 working days from the day of inventory.

#### **CHAPTER 9 TOBACCO PRODUCTS**

## **Article 77**

### **Subject-matter of excise taxation on tobacco products**

(1) Tobacco products subject to excise taxation shall include:

- 1) cigarettes
- 2) cigars and cigarillos, and
- 3) smoking tobacco:
  - fine cut tobacco for rolling of cigarettes and
  - other smoking tobacco

(2) The following tobacco products are also subject to excise duty:

- 1) tobacco for water pipe (hookah tobacco);
- 2) chewing tobacco;
- 3) sniffing tobacco and
- 4) non-combustible tobacco product.

(3) The liquid for filling an electronic cigarette, regardless of whether it contains or does not contain nicotine, is subject to excise duty.

(4) Products that wholly or partially contain non-tobacco substances but meet the criteria referred to in Article 78 paragraph (1) or Article 80 paragraph (1) of this Law shall be considered cigarettes or tobacco for smoking.

(5) By exception of par (1) item 1) of this Article, the products that do not contain tobacco, are used exclusively for medical purposes and defined as medicines, shall not be considered as tobacco products.

## **Article 78**

### **Cigarettes**

(1) Cigarettes shall mean:

- 1) rolls of tobacco capable of being smoked as they are and which are not cigars or cigarillos within the meaning defined in the provisions of this Law;
- 2) rolls of tobacco which, by simple non-industrial handling, are inserted into cigarette-paper tubes and
- 3) rolls of tobacco which, by simple non-industrial handling, are wrapped in cigarette paper.

(2) When calculating the excise duty for cigarettes, a roll of tobacco referred to in paragraph (1) of this Article shall be considered as two cigarettes where, excluding filter or mouthpiece, it is longer than 8 cm but not longer than 11 cm, as three cigarettes where, excluding filter or mouthpiece, it is longer than 11 cm but not longer than 14 cm, increasing by one cigarette for each further 3 cm in length of the roll of tobacco, excluding filter or mouthpiece.

## **Article 79**

### **Cigars and cigarillos**

(1) Cigars and cigarillos shall mean rolls of tobacco if they can be smoked as they are and, given their properties and normal consumer expectations, are exclusively intended to be smoked, if they are

- 1) with an outer wrapper of natural tobacco and

2) with a threshed blend filler and with an outer wrapper of the natural colour of cigars, of reconstituted tobacco, covering the product in full, including, the filter but not, in the case of tipped cigars, the tip, where the unit weight, not including filter or mouthpiece, is not less than 2.3 g and not more than 10 g, while the circumference over at least one third of the length is not less than 34 mm.

(2) Net weight of piece of cigarillo referred to in paragraph (1) of this Article shall not exceed 3 grams.

(3) Cigars and cigarillos shall also include products partly containing substances other than tobacco which meet the requirements of paragraphs (1) and (2) of this Article.

## **Article 80**

### **Smoking tobacco, other tobacco products and liquid for filling an electronic cigarette**

(1) Smoking tobacco shall mean:

1) tobacco which has been cut or otherwise split, twisted or pressed into blocks, suitable for smoking without further industrial processing, intended for making and retail, and is not in cigars, cigarillos or cigarettes;

2) tobacco refuse suitable for smoking and put up for retail sale, other than cigarettes, cigars and cigarillos of this Law. Tobacco refuse shall be deemed to be residues of tobacco leaves and by-products obtained from tobacco processing or the manufacture or processing of tobacco products and

3) tobacco for water pipe (hookah) which is a product of tobacco that can be consumed by water pipe (hookah). It consists of a mixture of tobacco and glycerol, with or without aromatic oils and extracts, molasses or sugar, flavored or non-fermented with fruit.

(2) Smoking tobacco is defined as fine-cut rolling tobacco if more than 25% of the weight of the tobacco particles has a width of less than 1.5 mm.

(3) Smoking tobacco as other smoking tobacco shall be the smoking tobacco referred to in this Article except for the fine-cut tobacco used for rolling cigarettes mentioned in paragraph (2) of this Article.

(4) Tobacco for sniffing is tobacco in the form of powder or in the form of a grain that is not suitable for smoking but is for sniffing.

(5) Chewing tobacco is tobacco in the form of sticks, cubes, granules or foils that are so prepared that they are not suitable for smoking but for chewing.

(6) Non-combustible tobacco product is a product intended for inhalation of aerosol obtained as a result of heating tobacco electronically or otherwise without tobacco combustion.

(7) A liquid intended for filling an electronic cigarette, whether it contains or does not contain nicotine, is a liquid product packaged in a reservoir or similar charge, which does not contain tobacco, but contains nicotine and / or other aromatic substances in dissolved state, which evaporate by the heating with the help of a small electrical device and in the form of aerosol are inhaled by the consumer.

## **Article 81**

### **Tax base on cigarettes**

(1) The tax base for cigarettes shall be the value per one piece and the retail selling price percentage.

(2) The excise duty on cigarettes shall be payable as the specific excise duty prescribed for the value of one piece and as proportional excise duty prescribed as certain percentage of the retail selling price of cigarettes set in accordance with Article 83 of this Law.

(3) Notwithstanding paragraph (2) of this Article, for the purposes of calculation and payment of excise duty on cigarettes whose retail selling price has not been reported, the proportional (ad valorem) excise duty shall be calculated in relation to the highest retail selling price of cigarettes in the Republic of Macedonia

(4) The competent customs authority shall submit to the Ministry of Finance information related to the total quantity of cigarettes and the value of cigarettes released for consumption including their retail price for the previous year, not later than the 15<sup>th</sup> of February of the current year

(5) The Ministry of Finance shall set the average weighted (ponder) retail selling price each calendar year by 1 March at the latest and it shall be calculated as the quotient of the total value of all cigarettes released for consumption during the previous calendar year, based on the retail selling price which includes all taxes, divided by the total quantity of cigarettes released for consumption in that period.

## **Article 82**

### **Tax base on cigars, cigarillos, smoking tobacco, other tobacco products and liquid for filling an electronic cigarette**

(1) The tax base for cigars and cigarillos shall be calculated by piece and certain percentage of the retail price.

(2) The excise duty on cigars and cigarillos shall be charged as specific excise prescribed in a given amount for the quantity per piece and a proportional excise duty prescribed as a percentage of the retail price of cigars or cigarillos determined in accordance with the provisions of Article 83 of this Law.

(3) The tax base for fine-cut tobacco intended for rolling into cigarettes shall be one kilogram net weight and the retail price.

(4) The excise on fine-cut tobacco shall be charged as specific excise prescribed in a given amount for the quantity of one kilogram net weight and a proportional excise duty prescribed as a percentage of the retail price of cigars or cigarillos determined in pursuant to Article 83 of this Law.

(5) The tax base for other smoking tobacco and tobacco for water pipe (hookah) shall be one kilogram net weight and a percentage of the retail price.

(6) The excise on other smoking tobacco and tobacco for water pipe (hookah) shall be charged as specific excise prescribed in a given amount for the quantity of one kilogram net weight and proportional excise duty prescribed as a percentage of the retail price of cigars or cigarillos determined pursuant to Article 83 of this Law.

(7) The excise base of tobacco for sniffing and chewing tobacco is one kilogram of net weight and a certain percentage of the retail price. The excise tax on sniffing tobacco and chewing tobacco is paid as a specific excise duty prescribed in a certain amount for a quantity of one kilogram of net weight and a proportional excise duty prescribed as a percentage of the retail price of c sniffing tobacco and chewing tobacco determined pursuant to Article 83 of this Law.

(8) The excise base of non-combustible tobacco product is one kilogram net weight of tobacco mixture and a certain percentage of the retail price.

(9) The excise duty on non-combustible tobacco product shall be paid as a specific excise duty prescribed in a certain amount for a quantity of one kilogram net weight of tobacco mixture and a proportional excise duty prescribed as a percentage of the retail price of the non-combustible tobacco product determined pursuant to Article 83 of this Law.

(10) The excise basis of the liquid intended for filling an electronic cigarette is one milliliter volume.

(11) The excise duty on a liquid intended for charging an electronic cigarette is paid as a specific excise duty prescribed for an amount of one milliliter volume.

### **Article 83**

#### **Retail price**

(1) Retail price of tobacco products released for consumption in the Republic of Macedonia is the individual price set by the manufacturer or the importer as unit trade price for cigars by piece, cigarillos, non-combustible tobacco and cigarettes per commercial packing, for fine cut smoking tobacco, other smoking tobacco, tobacco for water pipe (hookah tobacco), tobacco for sniffing and tobacco for chewing per kilogram, for each product separately. In cases when only the price per pack is determined, retail price is considered to be the price deriving from the price per pack and the content of the pack.

(2) The retail price shall include all taxes and duties.

(3) The producer or the importer is obliged to report the retail price of the tobacco products to the competent authority 15 days prior to the first release of the tobacco products for consumption or change of retail price, for which purpose the competent authority shall keep a special electronic Register on Announced Retail Prices.

(4) The manufacturer or importer is obliged to publish the retail price of tobacco products in the "Official Gazette of the Republic of Macedonia" no later than one day before the first release of tobacco products or before the change in the retail price.

(5) The release for consumption of tobacco products before the application of the new retail price to the competent customs authority and the publication in the "Official Gazette of the Republic of Macedonia", as well as below and above the reported retail price is not allowed.

(6) Minister of Finance shall prescribe the contents of the data in the electronic Register on Announced Retail Prices, as well as the contents of the application referred to in paragraph (3) of this Article and the necessary documentation.

### **Article 84**

#### **Excise duty on cigarettes**

Excise on cigarettes in terms of Article 78 paragraph (1) of this Law shall be 2,453 denars per one piece and 9% of the retail price by package; If the combined excise is below 2,653 denars per one piece, the minimum excise in amount of 2,653 denars for that quantity shall be applied.

### **Article 85**

#### **Excise duty for cigars, cigarillos, smoking tobacco, other tobacco product and liquid for filling an electronic cigarette**

- (1) Excise duty on cigars referred to in Article 79 of this Law shall be 21,37denars per one piece and 0% of the retail price.
- (2) Excise duty on cigarillos referred to in Article 79 of this Law shall be 10,00 denars per one piece and 0% of the retail price.
- (3) Excise duty on smoking tobacco as fine-cut tobacco referred to in Article 80 paragraph (2) of this Law shall be 1800 denars per one kilogram net weight and 0% of the retail price.
- (4) The excise on smoking tobacco as another tobacco for smoking referred to in Article 80 paragraph (3) of this Law and the tobacco for water pipe (hookah) referred to in Article 80 paragraph 1 item 3 of this Law shall be 1800 denars per kilogram net weight and 0% of the retail price.
- (5) The excise on tobacco for sniffing and chewing tobacco referred to in Article 80, paragraphs (4) and (5) of this Law shall be 1800 denars per kilogram of net weight and 0% of the retail price.
- (6) The excise duty on non-combustible tobacco product referred to in Article 80 paragraph (6) of this Law shall be 2,500.00 denars per kilogram net weight of tobacco mixture and 0% of the retail price.
- (7) The excise on a liquid intended for filling an electronic cigarette referred to in Article 80 paragraph (7) of this Law shall be 2,20 denars per milliliter volume.

#### **Article 86**

##### **Payment of excise duty on tobacco products**

- (1) The excise duty on tobacco products shall be paid by their release into circulation from a tax warehouse by submitting an excise declaration for:
  - 1) the quantities of tobacco products that are released on the market from 1<sup>st</sup> to 15<sup>th</sup> in the ongoing month. The excise payer shall calculate the excise duty and submit an excise declaration to the competent customs authority no later than five days after the expiry of the period and shall pay it at the latest by the end of the ongoing month and
  - 2) the quantities of tobacco products that are released on the market from the 16<sup>th</sup> until the end of the ongoing month. The excise payer shall calculate the excise duty and submit an excise declaration to the competent customs authority no later than five days after the expiry of the period and shall pay it no later than 15<sup>th</sup> of the following month.
- (2) The excise duty on tobacco products on import shall be paid within the deadlines and the manner foreseen for payment of the import duties, except in cases when the excise goods are moving under the duty suspension arrangement.
- (3) Notwithstanding paragraph (1) of this Article, if the last day for payment of the excise tax is a non-working day, the excise payer shall be obliged to pay the calculated excise duty no later than the first following working day.

#### **Article 87**

##### **Excise stamps for tobacco products**

- (1) The release for consumption of tobacco products that are manufactured or imported in the excise area is allowed only if they are marked with an excise stamp issued by the Customs Administration on which special markings and serial number are printed.
- (2) Excise duty stamps may be obtained by the manufacturer and importer of tobacco products, upon request to the competent customs authority.
- (3) Unauthorized preparation and printing of excise stamps or unauthorized preparation and printing of excise stamps from other countries or territories, as well as their unauthorized possession or unauthorized placing on the market are not allowed.
- (4) Deliberate damage to excise stamp is not allowed.
- (5) Tobacco products which are not marked with an excise stamp, or are marked with a damaged excise stamp or otherwise different from the prescribed, shall be considered products for which the excise duty has not been calculated and paid duty and their release for consumption in the tax territory is not allowed.
- (6) The excise stamp shall be adhered to the individual packaging under the cellophane or other transparent envelope, so that it shall be visible in such a way that it permanently damages when opening the packaging. The original packages of cigars and other tobacco products, which are not covered with cellophane or other transparent sheath, may be affixed directly to the packaging, in a way that will permanently be damaged when opening the packaging, while excise stamps may be affixed in a customs or a tax warehouse.
- (7) The manufacturer or importer shall notify the monthly needs for planned quantities of excise stamps to the competent customs authority no later than 10th of the current month for the following month.
- (8) The costs of printing and storing excise duty stamps shall be determined by the Customs Administration and shall be charged by the manufacturer and the importer by submitting the application for planned quantities of excise duty stamps. Amount of the costs shall be determined on the basis of the costs related to printing, storing and issuing the excise stamps.
- (9) Prior to the collection the excise stamps, the manufacturer and the importer shall be obliged to submit a guarantee in the amount of the excise debt that may arise.
- (10) The issue of excise stamps shall be carried out on the basis of a request for collection of excise stamps, which shall be submitted to the competent customs authority. The deadline for collection the declared excise stamps is three months after the month in which the application for planned quantities was **accepted**. After the expiration of this deadline, the competent customs authority shall have the not collected excise stamps.
- (11) The period for use of excise stamps by the manufacturer or the importer shall be no more than 60 days from the date of their collection.
- (12) The producer and the importer shall be obliged to submit to the competent customs authority no later than five days after the expiration of the deadline referred to in paragraph (11) of this Article a report on the collected, spent and returned excise stamps.
- (13) The collected excise stamps which will be found to be defective as a result of a mistake or damage occurring in the process of their printing, the manufacturer and the importer of tobacco goods shall be obliged to return to the competent customs authority no later than 15 days from the date of determining the irregularity, but not later than 60 days from the date of their collection. The competent customs authority will replace the defective excise stamps with new excise stamps.

(14) The time limit referred to in paragraph (11) of this Article may be extended for additional 30 days in cases of force majeure, unpredictable circumstance and unfavourable events related to the operations of the excise payer or for additional 120 days. In cases of import of tobacco products from overseas countries or necessary technological requirements of the production process, upon previous approval by the competent customs authority upon submitted request. (15) Excise duty stamps which have not been used or are damaged in the production process, the manufacturer or the importer shall be obliged to return them to the competent customs authority together with the report referred to in paragraph (12) within 15 days at the latest after the expiration of the time limit referred to in paragraph (11) of this Article.

(16) For the damaged and unused excise stamps, the manufacturer and the importer shall not be entitled to refund the costs of printing and keeping the excise stamps.

(17) For the excise duty stamps for marking tobacco goods that have not been returned or are permanently damaged, the manufacturer and the importer shall be obliged, within five days after the expiration of the deadline referred to in paragraph (11), to submit an excise declaration (tax return), to calculate the excise tax and to pay it immediately.

(18) The excise stamps referred to in paragraphs (13) and (15) of this Article shall be destroyed under customs supervision.

(19) In the cases referred to in paragraph (17) of this Article, the excise shall be calculated on the basis of the highest retail price reported to the competent customs authority by the excise taxpayer who collected the excise stamps.

(20) The obligation to mark excise duty marks does not apply to:

- 1) tobacco products brought by travelers from abroad and not covered by Article 48 paragraph (1) item 3) of this Law;
- 2) tobacco products that the citizens of the Republic of Macedonia and foreign citizens receive from abroad in accordance with the customs regulations and are not covered by Article 48 paragraph (1) item 4) of this Law and
- 3) tobacco products imported into the excise area and released for trade at an international fair, exhibition or other event or as samples.

(21) In the cases referred to in paragraph (20) items 2) and 3) of this Article, the excise duty must be declared without delay by the competent customs authority and immediately paid.

(22) The excise stamps for marking cigarettes and heat-not-burn tobacco product shall be declared and issued in an amount of at least 50.000 pieces according to the markings of the excise stamps.

(23) The excise stamps for marking cigars, cigarillos, smoking tobacco, other tobacco products and electronic cigarettes liquid shall be declared and issued in the amount of at least 500 pieces according to the markings of the excise stamps.

(24) Notwithstanding paragraph (23) of this Article, at the request of the manufacturer or importer, in cases where exclusive batches are used, limited quantities intended for promotional purposes or handmade cigars, the competent customs authority may approve the issuance of excise stamps in quantity less than 500 pieces.

(25) The Minister of Finance shall prescribe the dimensions, form and the labelling of the excise stamp, the form and the contents of the forms, the manner of applying for and obtaining excise stamps, the contents of the reports on obtained, used and returned excise stamps and the necessary

documentation, the manner of returning defective, unused and damaged excise stamps, as well as the manner of destroying the excise stamps.

#### **Article 88**

##### **Packaging and sale of tobacco products**

- (1) Unless otherwise prescribed with this Law, tobacco products intended for direct consumption shall be released for consumption or imported into the excise territory of the Republic of Macedonia in closed retail packaging except when they are intended for personal use.
- (2) The packaging shall contain only tobacco products subject to the same excise duty rate.
- (3) Tobacco products shall be sold only in a closed retail packaging with undamaged tax stamp.
- (4) Tobacco products may not be sold below and above the retail price referred to in Article 83 of this Law nor sold at a discount on the retail price, including a discount on the basis of the sale.

#### **Article 88-a**

##### **Packing and sale of cigars**

- (1) Cigars intended for the final consumer are sold as a single product only if they are marked with an excise stamp.
- (2) When released in free circulation in the tax territory, a tax stamp shall be obligatorily put on:
  - 1) every cigar that is individually sold and
  - 2) every packaging that contains more than one cigar.
- (3) Notwithstanding paragraph (2) item (1) of this Article, handmade cigars sold as a single product shall not be obligatorily marked with a tax stamp provided that:
  - 1) are sold directly from the original packaging that contains more than one handmade cigar and that the packaging is marked with a tax stamp that shall be torn when opened in a manner in which the serial number of the tax stamp remains visible and
  - 2) for each delivery of the original packs containing more than one handmade cigar to the place where the retail shall be performed, an invoice or another commercial document shall be issued that shall obligatorily contain information about:
    - the trade name of the product;
    - the serial number of the tax stamp;
    - the number of handmade cigars in the single original pack and
    - the trade name of the retail outlet where the retail sale shall be performed.
- (4) The taxpayer who shall plan to sell handmade cigars as a single product pursuant to paragraph (2) of this Article, before the delivery, shall lodge a notification with attached specification for handmade

cigars with a trade name and number of cigars in the original single pack to the competent customs authority as a proof that the cigars are handmade.

(5) A certificate issued by the manufacturer shall be submitted as a proof that the cigars are handmade.

(6) Excise taxpayers shall provide traceability of the cigars in the distribution chain to the outlets where the retail shall be performed in a manner in which the delivery of the handmade cigars shall be accompanied with the documentation referred to in paragraph (3) item 2) of this Article.

#### **Article 89**

##### **Increasing the excise duty on tobacco products**

(1) In case of excise duty increase and/or increase of the retail price, the producer and the importer of tobacco products shall make inventory of stock of the tobacco products currently in stock on the day of application of the increased excise duty and/or increase of the retail price in the tax warehouses or other facilities and to prepare report on the conducted inventory and to submit a report of the conducted inventory to the Customs administration and to his producer or importer of tobacco products not later than five working days from the day of inventory.

(2) In cases from paragraph (1) of this Article each authorized distributor of the producer and the importer of tobacco products is obliged to make inventory of stock on the day of application of the increased excise duty and/or increase of the retail price of tobacco products in stock in his own warehouses and in other facilities as well as in warehouses and facilities of related companies and to submit a report of the conducted inventory to the Customs administration and to his producer or importer of tobacco products not later than five working days from the day of inventory.

(3) The persons mentioned in par (1) and (2) of this Article are obliged to calculate the increased excise duty of the total quantity currently in stock, to submit a tax return pursuant to Article 10 par 3 of this Law and to pay the difference within 15 working days from the day of inventory.

#### **Article 90**

##### **Chargeability of excise duty upon unlawful increase of retail price**

In cases of unlawful increase in the retail prices above those reported to the competent authority excise duty becomes chargeable in the amount of the difference between the excise debt before and after the increase of retail price. It is the trader that is the excise payer and the excise duty is payable immediately.

### **CHAPTER 10**

#### **ENERGY PRODUCTS AND ELECTRICITY**

#### **Article 91**

### **Subject-matter of excise taxation on energy products and electricity**

- (1) Unless otherwise prescribed by this Law, excise duty shall be paid for energy products and electricity used as propellant or heating fuel and for electricity.
- (2) Types of energy products and electricity mentioned in paragraph (1) of this Article shall be determined according to the Customs Nomenclature classification, the intended use and properties of each product.
- (3) Energy products subject to excise taxation shall be the products falling within following tariff numbers:
  - 1) tariff numbers 2701 and 2702;
  - 2) tariff numbers 2704 through to 2715;
  - 3) tariff numbers 2901 and 2902;
  - 4) tariff number 3403;
  - 5) tariff number 3811 and
  - 6) tariff number 3817.
- (4) Energy products subject to excise taxation shall also include the following products if they are intended for use as propellant, as an additive or as a means to improve propellants or for use as heating fuel
  - 1) tariff numbers 1507 through to 1518, when intended for use as heating fuel or propellant;
  - 2) tariff code 2905 11 00 which are not of synthetic origin and
  - 3) tariff code 3824 90.
- (5) Energy products subject to excise taxation shall also include the products which are not mentioned in paragraphs (3) and (4) of this Article and yet are taxed according to their intended use:
  - 1) any product intended for, offered for sale or used as propellant;
  - 2) additives and fillers added to the propellant, intended for use, offered for sale or used as propellant and
  - 3) any hydrocarbon, other than peat or biomass, intended for use, offered for sale or used for heating.
- (6) Electricity falling within tariff number 2716 shall be subject to excise taxation.
- (7) Biomass, as mentioned in the previous paragraph, shall mean degradable fraction of products, waste and residue in agriculture (including substances of plant and animal origin), forestry and other related manufacturing activities as well as biodegradable fractions of industrial and communal waste;
- (8) Biofuel shall be liquid or gas fuel produced only by biomass
- (9) the heat or the products falling under the tariff numbers 4401 and 4402 shall not be subject to excise taxation in compliance with the provisions of this Law.

### **Article 92**

#### **Tax base and tax rates on energy products and electricity**

(1) Tax base for energy products is the quantity of energy products expressed in kilograms net weight, cubic meters, litres or gigajoules gross calorific value except for electricity where the tax base is the amount expressed in megawatt hours.

(2) Litter as referred to in paragraph (1) of this Article shall be a litter measured at temperature of +15 °C while a cubic meter as referred to in paragraph (1) shall be a cubic meter measured at +20°C and under pressure of 1,01325 bars.

(3) Excise duty:

1) for motor fuel of tariff codes 2710 12 31 00, 2710 12 41 00, 2710 12 45 00, 2710 12 49 00, 2710 12 51 00 and 2710 12 59 00:

- petrol containing lead of more than 0,013 g/l and aviation petrol shall be 25,00 denars/l and

- unleaded petrol containing lead of up to 0,013 g/l shall be calculated based on the data on the amount of excise duty on unleaded petrol containing lead of up to 0.013 g/l expressed in denars per liter and the data on the amount of additional excise duty expressed in denars for liter depending on the average daily stock price of Prem Unl 10ppm on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan for the period from the 1st to the 15th day of the month and from the 16<sup>th</sup> day to the end of the month, according to the following formula:

$$AB = 22.00 \text{ denars/l} + DAB,$$

where:

- AB is excise duty for unleaded petrol expressed in denars per liter and
- DAB is the amount of additional excise duty on unleaded petrol expressed in denars per liter, the amount of which depends on the average daily stock exchange price of Prem Unl 10 ppm on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan and is determined as follows:

a) if the average daily stock exchange price of Prem Unl 10ppm on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan is less than or equal to 390 USD / ton, the amount of DAB shall be 3 denars per liter;

b) if the average daily stock exchange price of Prem Unl 10ppm on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan is greater than 390 USD / ton but less than or equal to 590 USD / ton, the amount of DAB shall be 2 denars per liter and

c) if the average daily stock exchange price of Prem Unl 10ppm on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan is greater than 590 USD / ton, the amount of DAB shall be 0 denars per liter.

2) for gas oil under tariff codes 2710 19 43 00, 2710 19 46 00, 2710 19 47 00, 2710 19 48 00, 2710 20 11 00, 2710 20 15 00, 2710 20 17 00 and 2710 20 19 00, that is used:

- as propellant, the excise duty rate shall be calculated based on the data on the amount of excise duty on gas oil as propellant expressed in denars per liter and the data on the amount of additional excise duty expressed in denars per liter depending on the average daily stock exchange price of 10 ppm ULSD on the listing "Mediterranean cargoes FOB (Italy)" by Platt's European Marketscan for the period from the 1st to the 15th day of the month and from the 16th day to the end of the month, according to the following formula:

$$AD = 15.50 \text{ denars/l} + DAD$$

where:

- AD is excise duty on gas oil used as propellant expressed in denars per liter and
- DAD is the amount of additional excise duty on gas oils used as propellant expressed in denars per liter, the amount of which depends on the average daily stock exchange price of 10 ppm ULSD on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan and is determined as follows :

- a) if the average daily stock exchange price of 10 ppm ULSD on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan is less than or equal to 400 USD / ton, the amount of DAD shall be 3 denars per liter;
- b) if the average daily stock exchange price of 10 ppm ULSD on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan is greater than 400 USD / ton but less than or equal to 600 USD / ton, the amount of DAD shall be 2 denars per liter and
- c) if the average daily stock exchange price of 10 ppm ULSD on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan is greater than 600 USD / ton, the amount of DAD shall be 0 denars per liter.

- as heating fuel, the excise duty rate shall be calculated based on the data on the amount of excise duty on gas oil as heating fuel expressed in denars per liter and the data on the amount of additional excise duty expressed in denars per liter depending on the average daily stock exchange price of Gasoil 0.1% on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan for the period from the 1st to the 15th day of the month and from the 16<sup>th</sup> day to the end of the month, according to the following formula:

$$AE = 15.50 \text{ denars/l} + DAE$$

where:

- AE is excise duty on gas oil used as heating fuel expressed in denars per liter and
- DAE is the amount of additional excise duty on heating fuel expressed in denars per liter, the amount of which depends on the average daily stock exchange price of Gasoil 0.1% on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan and is determined as follows :

- a) if the average daily stock exchange price of Gasoil 0.1% on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan is less than or equal to 400 USD / ton, the amount of DAE shall be 3 denars per liter;
- b) if the average daily stock exchange price of Gasoil 0.1% on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan is greater than 400 USD / ton but less than or equal to 600 USD / ton, the amount of DAE shall be 2 denars per liter and
- c) if the average daily stock exchange price of Gasoil 0.1% on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan is greater than 600 USD / ton, the amount of DAE shall be 0 denars per liter.

- 3) for liquefied petroleum gas falling within tariff codes 2711 12 11 00 through to 2711 19 00 and methane falling within tariff code 2711 29 00 00 shall be 4,900den/kg;
- 4) for kerosene falling within tariff codes 2710 19 21 00 and 2710 19 25 00:
- as propellant shall be 11,000 den/kg and
  - as heating fuel shall be 2,200 den/kg;
- 5) for heating oil falling within the tariff codes 2710 19 62 00, 2710 19 64 00, 2710 19 68 00, 2710 20 31 00, 2710 20 35 00 and 2710 20 39 00 shall be 0,100 den/kg;
- 6) for natural gas falling within tariff codes 2711 11 00 and 2711 21 00 and gases falling within tariff code 2711 29 00:
- as propellant shall be zero den/normal cubic meter (nm<sup>3</sup>) and
  - as heating fuel shall be zero den/ normal cubic meter (nm<sup>3</sup>);
- 7) for electricity falling within tariff number 2716:
- for non-commercial use shall be zero den/megawatt hours and
  - for commercial use shall be zero den/megawatt hours;
- 8) for coal, coke and lignite falling within tariff numbers 2701, 2702 and 2704 shall be zero den/gigajoules calorific value;
- 9) for petroleum coke falling within tariff codes 2713 11 00 00 and 2713 12 00 00 shall be 84,6 den/GJ (gigajoules) and
- 10) biofuels mentioned in paragraph (8) of Article 91 of this Law shall be zero den per kilogram.
- (4) Products mentioned in Article 91 paragraph (5) item 1) of this Law shall be taxed with the tax rate applicable to the equivalent motor fuel.
- (5) Products mentioned in Article 91 paragraph (5) item 2) of this Law shall be taxed with the tax rate applicable to the motor fuel to which they are added.
- (6) Products mentioned in Article 91 paragraph (5) item 3) of this Law shall be taxed with the tax rate applicable to the equivalent heating fuel.
- (7) The calculated excise duty referred to in paragraph (3) item 1) line 2, item 2) lines 1 and 2 of this Article shall be applied as of the first Tuesday after the 1<sup>st</sup> or after the 15<sup>th</sup> day of the month, and in case when the 1<sup>st</sup> or the 15<sup>th</sup> day of the month is a non-working day, the first following working day shall be considered as date of calculation and reporting.
- (8) The movement of the average daily stock exchange price of Prem Unl 10ppm, 10 ppm ULSD and Gasoil 0.1% on the listing "Mediterranean cargoes FOB (Italy)" of Platt's European Marketscan shall be followed by the Regulatory Commission for Energy and Water Services and shall inform the Ministry of Finance and the Customs Administration respectively for a period from the 1<sup>st</sup> to the 15<sup>th</sup> day of the month and from the 16<sup>th</sup> to the end of the month for the amount of the additional excise tax DAB, DAD and DAE.
- (9) The energy value expressed in GJ - gigajoules is determined by quality certificate with the stated gross calorific value issued by the institution which performs analysis in accordance with internationally acknowledged standards.
- (10) The use of energy products for heating purposes refers to all cases when the energy products burn away and heat is released regardless of the consumption purposes of the heat created.

**Article 93**  
**Excise duty on lubricants**

- (1) The specific excise duty on mineral oils falling within tariff codes 2710 12 90 00, 2710 19 81 00, 2710 19 83 00, 2710 19 85 00, 2710 19 87 00, 2710 19 91 00, 2710 20 90 00, 2710 20 93 00 and 2710 20 99 00 is 7 den/kg.
- (2) The specific excise duty on products falling within tariff codes 3403 19 10 00, 3403 19 20 00 and 3403 19 00 00 and 3403 99 00 00 is 22 den/kg.

**Article 94**  
**Energy products subject to monitoring and control of movement in the duty suspension arrangement**

- (1) oils subject to movement monitoring and control in duty suspension arrangement shall be:
- 1) products within tariff numbers 2707 10, 2707 20, 2707 30 and 2707 50;
  - 2) products falling within tariff numbers 2710 12 through to 2710 19 68, except for products falling within tariff numbers 2710 22, for which the provisions on monitoring and movement shall be applied only to commercial transport in bulk;
  - 3) products falling within tariff number 2711, except the products falling within tariff numbers 2711 11, 2711 21 and 2711 29;
  - 4) Products falling within tariff numbers 2901 10, 2902 20, 2902 30, 2902 41, 2902 42, 2902 43 and 2902 44;
  - 5) Products falling within tariff numbers 2905 11 00, provided they are not of synthetic origin and are intended for use as motor fuel, improvement of the motor fuel or as heating fuel;
  - 6) Products falling within tariff numbers 1507 through to 1518 and biodiesel and mixture of biodiesel tariff number 3826 00, provided they are intended for use as motor fuel, improvement of the motor fuel or as heating fuel;
  - 7) Products falling within tariff numbers 3811 11 10 00, 3811 11 90 00, 3811 19 00 00 and 3811 90 00 00 and
  - 8) the products referred to in Article 93 of this Law.
- (2) Commercial transport in bulk shall mean unpackaged product which is transported in containers as part of a transportation vehicle (truck, tank, tank wagon or tanker) or in ISO reservoirs, including the unpackaged products which are transported in other containers with a volume larger than 210 litres.

**Article 95**  
**Tax warehouse for production of energy products**

- (1) Within the meaning of this Law, production of energy products shall mean acquisition or processing of energy products
- 1) Production for manufacturing - a production process through which energy product is obtained from a non-excise product and

- 2) Production for processing - a production process through which energy product I is processed into another excise good; this includes the mixture or the blending of energy products with each other or with other substances.
- (2) Following shall not be considered as production of energy products:
- 1) working processes through which small quantities of energy products are generated as by-products;
  - 2) working processes where the user of energy products enables their reuse within his/her trade company provided the amount of excise which has already been paid for such a product is not lower than the excise which would be paid if the reused energy product were to be taxed again and
  - 3) The cases of mixing energy products with each other or with other substances outside the production plant of the energy products are not considered production of energy products, where:
    - the excise duty on components to be previously paid and
    - the paid excise duty shall not be less than the excise duty that should be paid for the resulting mixture.
- (3) The requirement under paragraph (2) item 3) indent 1 of this Article shall not be applicable for production of energy product is exempted from excise duty payment for particular use
- (4) Energy products tax warehouse shall be equipped in a manner ensuring uninterrupted insight into the production and storage of excise goods.
- (5) The energy product tanks in the tax warehouse shall be standardized and the devices for pouring the energy products shall be equipped with measurement instruments, with a certificate from a competent body for verification of measuring instruments.
- (6) The tank referred to in paragraph (5) of this Article shall be marked.
- (7) Minister of Finance shall prescribe the manner of proving the fulfilment of the requirements referred to in paragraphs (2) and (3) of this Article, as well as the manner of marking the tanks for energy products in the tax warehouse.

## **Article 96**

### **Tax warehouse for storage of energy products**

- (1) The tax permit referred to in Article 16 paragraph 3 of this Law for the storage of energy products shall be issued only in cases when the warehouse serves for wholesale trade, wholesale distribution by the producer, for mixing of energy products pursuant to paragraph 2 item 3 of article 95 or supply of exempted user authorization holder.
- (2) The storage facilities for energy products within the tax warehouse shall be organized in a way that the energy products of different kind can be stored separately and visibly.
- (3) The tanks in the tax warehouse for energy products shall be standardized, and the devices for pouring the energy products shall be equipped with measurement instruments, with a certificate from a competent body for verification of measuring instruments.
- (4) The tanks referred to in paragraph (3) of this Article shall be marked.

(5) Minister of Finance shall prescribe the manner of marking the tanks for storing energy products in the tax warehouse.

#### **Article 97**

##### **Measuring of energy products**

(1) The tax warehouse keeper is required to measure the input and output quantities of energy products with measurement devices prescribed and certified by the competent authority of metrology, additionally sealed by the competent customs authority. The additional sealing done by the competent customs authority does not apply to gas flow meters.

(2) The competent customs authority, other than the sealing of measuring devices, also seals other elements of the installation related to the measurement of the input and output quantities.

(3) In case of repair, replacement and other actions requiring the removal of the customs seal or sealing of the measuring devices or the installation shall be carried out in the presence of an authorized customs officer.

(4) In the event of unforeseen circumstances and force majeure, the tax warehouse keeper may remove the seals himself and shall immediately notify the competent customs authority thereof.

(5) Minister of Finance shall prescribe the manner of notifying and the contents of the notification referred to in paragraph (4) of this Article.

#### **Article 98**

##### **Refund of paid excise duty on LPG**

(1) The persons who used the petrol gas as propellant in the production process, as well as persons who used LPG as an additive to another mineral oil as propellant in the industry, are entitled to excise duty refund in the amount of 80% of the prescribed excise for using it as a propellant.

(2) The excise duty refund from paragraph 1 of this Article is done by the competent customs office upon the submission of a request. The deadline for submitting the request is 12 months from the day of supply or importation of the liquefied petrol gas.

(3) Minister of Finance shall prescribe the contents of the application for refund of the excise duty as regards LPG and the necessary documentation, as well as the manner of excise duty refund.

#### **Article 98-a**

##### **Partial refund of paid excise duty on gas oil for heating purposes**

(1) The persons who used marked gas oil intended for heating for household heating, as well as the persons who have used it as heating fuel in the production process or as an additive to another fuel as heating fuel in the industry, have the right to partial refund of the paid excise duty in the amount of 6 denars per liter.

(2) To exercise the right to partial refund of the paid excise duty for marked gas oil intended for heating, the persons referred to in paragraph (1) of this Article need to be registered as users of marked gas oil

intended for heating in the Records of users of marked gas oil intended for heating kept by the Customs Administration and to obtain an identification number.

3) The registration referred to in paragraph (2) of this Article shall be performed by the Customs Administration on grounds of submitted electronic application in which the applicant shall state identification data (name or surname, seat, address or residential address, contact details, UTN or UMCN), as well as data on the location of storage and use of the marked gas oil intended for heating, the capacity of the tanks and the technical characteristics of the equipment for the use of the marked gas heating oil in households or in the production process or as an adjunct to another fuel as a heating fuel in industry.

(4) In accordance with the submitted request referred to in paragraph (3) of this Article, the competent customs authority shall perform on the spot control and verification of the submitted data for registration of the persons referred to in paragraph (1) of this Article in order to issue the identification number referred to in paragraph (2) of this Article.

#### **Article 98-b**

#### **Procedure for partial refund of the paid excise duty for gas oil intended for heating and necessary documentation**

(1) Partial refund return of the paid excise duty for marked gas oil intended for heating shall be performed by the competent customs authority on grounds of the submitted application for partial refund of the paid excise duty for marked gas oil intended for heating.

(2) The partial refund of the paid excise tax referred to in paragraph (1) of this Article shall be made only for purchased or imported quantity of marked gas oil intended for household heating, in a production process or as an additive to another fuel as heating fuel in the industry for which excise duty is calculated and collected in the amount determined pursuant this Law.

(3) The application referred to in paragraph (1) of this Article shall contain data on the identification number of the applicant, the quantity consumed in a given period, the purpose and place where the stated quantity of the marked gas oil intended for heating, data from invoices and / or import customs declarations for the amounts of paid excise and the quantity of procured marked gas oil intended for heating, as well as bank and account details where the partial refund of the paid excise should be done.

(4) The following documentation shall be attached to the application referred to in paragraph (1) of this Article, in case when the marked gas oil intended for heating is used in households:

- invoice or fiscal receipt for procured marked gas oil intended for household heating, which contains data on the procured quantity expressed in liters and the amount of excise duty paid in the amount determined in accordance with this Law;
- evidence from which the date of delivery, the seller and the person who delivered the marked household heating oil can be determined, and
- proof that the person has settled any tax and customs liabilities.

(5) The following documentation shall be enclosed to the application referred to in paragraph (1) of this Article, in case when the marked gas oil intended for heating is used as heating fuel in the production process or as an additive to another fuel as heating fuel in industry. :

- Decision and Balance Sheet issued by the Central Registry of the Republic of North Macedonia;

- detailed description of the activity for which the marked gas oil intended for heating is used in the production process, the place and location of production where the marked gas oil intended for heating is used, as well as the storage and / or premises, as well as the equipment used for heating;
- invoice for procured marked gas oil intended for heating or as an additive to another fuel such as heating fuel or customs declaration for imported gas oil intended for heating which contains data on the purchased quantity expressed in liters and the amount of excise paid in the amount determined pursuant this law;
- evidence from which the date of delivery, the seller and the person who delivered the marked household heating oil can be determined;
- proof that the person has settled all tax and customs liabilities and
- evidence of the justification for partial refund of paid excise duty from the records of the person applying for partial refund, for the quantities of the marked gas oil intended for heating or as an additive to another fuel as heating fuel in the industry, in the period for which partial refund of paid excise duty is requested.

(6) The partial refund of excise duty for marked gas oil intended for household heating, in the process of production or as an additive to energy fuel as heating fuel shall be done by accepting and verifying the registered electronic application for partial refund of the paid excise duty for which the applicant shall receive an electronic message from the Customs Declaration and Excise Document Processing System administered by the Customs Administration. "

## **Article 99**

### **Excise exemptions on energy products and electricity**

(1) Energy products shall be exempted from excise duty, if the conditions stipulated in Article 49 of this Law are met, in cases when:

- 1) are used for other purposes, and not as propellant or heating fuel, with the exception of the fuels referred to in Article 93 of this Law;
- 2) used in air traffic except when used in air traffic for private purposes;
- 3) purchased by the Ministry of Defense and Ministry of Interior for special vehicles for defense or security purposes;
- 4) when they have dual use;
- 5) when used in mineralogical processes;
- 6) the producer of energy products and electricity uses them in their production plants for further processing, i.e. production of other energy products and electricity, unless used as fuel for vehicles and
- 7) are used for joint production of heat and electricity in a single process (cogeneration).

(2) Electricity shall be exempt from paying excise duty if the requirement of Article 49 of this Law is fulfilled in the following cases:

- 1) when used for dual purpose in chemical-reduction, electrolytic and metallurgical processes;
- 2) when used for joint production of heat and electricity in a single process (cogeneration);
- 3) when used for the production of electricity, that is, maintenance of the electricity generation systems of the electricity producer and

- 4) when used in mineralogical processes.
- (3) Within the meaning of this Law, "air traffic for private purposes" from paragraph (1) item 20 of this Article shall mean the use of an aircraft by its owner or the natural or legal person who enjoys its use either through hire or through any other means, for other than commercial purposes and in particular other than for the carriage of passengers or goods or for the supply of services for a certain fee, or for the purposes of public authorities.
- (4) "Dual use" of energy and electricity referred to in paragraph (1) item 4) and paragraph (2) item 1) of this Article, within the meaning of this Law shall be their use as fuel for heating and at the same time for the purpose which is not as a fuel or heating fuel (the use of fuels for chemical-reduction, electrolytic and metallurgical processes).
- (5) "Mineralogical processes", within the meaning of this Law, shall be processes that are classified in Section 23 of the National Classification of Activities NKD Rev.2 in the Republic of Macedonia.
- (6) Minister of Finance shall prescribe the manner of excise exemptions for energy and electricity.

#### **Article 100**

##### **Excise exemptions during project realisation**

- (1) Energy products shall be exempted from excise duty when imported and when released for consumption intended for the implementation of projects financed by donor agreements between the Republic of Macedonia and foreign donors, containing a clause that the donated funds cannot be used for paying taxes.
- (2) Energy products are exempted from excise duty when they are imported and released for consumption when intended for implementation of projects financed within the instrument for pre-accession assistance (IPA) under decentralized management, and for the resources of the national co-financing provided by the Budget of the Republic Of Macedonia or by way of borrowing.
- (3) In order to be granted the exemption set out in paragraphs (1) and (2) of this Article, request for excise exemption of energy products during project realization shall be submitted to the competent customs authority.
- (4) The competent customs authority shall decide upon the application for issuing the authorization referred to in paragraph (3) of this Article within 30 days from the day of receipt of the request. With every action taken to supplement the application, the deadline is interrupted.
- (5) Provisions referred to in Article 53 of this Law shall also apply to the holder of the authorization referred to in paragraph (3) of this Article.
- (6) Minister of Finance shall prescribe the contents of the request for issuance of an authorization for excise exemption for energy products during project realization and the necessary documentation, the contents of the authorization as well as the manner of excise exemption for energy products during project realization.

## **Article 101**

### **Marking the energy products**

- (1) Energy products referred to in Article 92 paragraph (3) items 2) and 4) of this Law, when intended to be used as heating fuel prior to being dispatched from the tax warehouse, shall be marked with the prescribed marking substances and coloured in red, i.e. green color.
- (2) Only a tax permit holder, being issued an authorization for marking energy products by the competent customs authority, may mark the energy products referred to in paragraph (1) of this Article.
- (3) The marked energy products referred to in paragraph (1) of this Article, imported in the excise territory, shall contain the marking substances in prescribed quantities. The importer of marked energy products is required to submit to the competent customs authority a certificate issued by a foreign competent authority, i.e. by the producer or other authorized marking officer, confirming that energy products have been marked outside the excise territory and that they contain the marking substances in quantities prescribed in accordance with this Law. In case the certificate is not submitted or does not contain all the required details to verify the quantity of the marker, the energy products shall be considered unmarked.
- (4) The equipment for marking energy products shall be certified by a competent authority for verification of measuring devices.
- (5) Marked energy products shall be stored in a way that prevents neutralization of the color and/or the other substances under the influence of other substances.
- (6) Minister of Finance shall prescribe the type of marking substances, the manner of marking, as well as the contents of the authorization for marking the energy products.

## **Article 102**

### **Use of marked energy products**

- (1) Marked energy products referred to in Article 101 paragraph (1) of this Law may be used and sold exclusively for the purpose prescribed by this Law.
- (2) It shall be allowed for marked energy products referred to in Article 101 paragraph (1) of this Law, intended for heating, to be used only for the respective purpose, and shall not be used as propellant, nor may be found in reservoirs connected to engines, nor in any concentration.
- (3) It shall not be allowed, as regards the marked energy products in accordance with Article 101 paragraph (1) of this Law, for the marking substances to be removed, its concentration to be decreased or any substances to be added that will prevent determining the prescribed marking.

## **Article 103**

### **Trade with energy products containing marking substances**

- (1) Persons trading with energy products containing marking substances shall own authorization for performing trade with energy products containing marking substances and they shall be registered in electronic Register of Traders with Marked Energy Products, kept by competent customs authority.

- (2) Any person trading with energy products containing marking substances shall ensure that:
- 1) energy products being used as engine fuel do not contain marking substances as set out in Article 101 of this Law, and
  - 2) energy products containing marking substances are not poured out contrary to the intended use set out in Article 102 paragraph (2) of this Law.
- (3) Persons trading with energy products containing marking substances shall have obtained an authorization and be registered in electronic Register of Traders with Marked Energy Products, kept by the competent customs authority.
- (3) The authorization for trading with energy products containing marking substances shall be issued by the competent customs authority upon submitted request.
- (4) Authorization for trading with energy products containing marking substances shall be issued to a person who meets the following conditions:
- 1) has its registered office in the Republic of Macedonia;
  - 2) keep proper business records in accordance with the applicable regulations;
  - 3) against whom no bankruptcy or liquidation procedure has been initiated;
  - 4) has not be convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and has not be pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision;
  - 5) there are no any tax and customs duties and
  - 6) meets the requirements for electronic data exchange.
- (5) Authorization cannot be issued in cases when one of the conditions referred to in paragraph (4) of this Article has not been met.
- (6) The competent customs authority shall decide upon the request for issuance of authorization for trading with energy products containing marking substances within 30 days from the day of receiving the request. Time limit shall be interrupted at any activity undertaken for the purpose of supplementing the request.
- (7) The authorization for trading with energy products containing marking substances shall be issued for a validly period of five years.
- (8) The authorization for trading with energy products containing marking substances may not be transferred to third party.
- (9) The person trading with energy products containing marking substances shall be required:
- 1) to ensure communication and transfer of data on trading with energy products containing marking substances on daily basis to the server of the competent customs authority;
  - 2) as for each point of sale, to keep records of buyers by registering the tax number for legal entities and personal identification number and address for natural persons who purchase energy products containing marking substances, intended for heating;
  - 3) in the event of interruption of the communication and transfer of data for a period longer than 24 hours, to immediately inform the competent customs authority of the interruption caused and provide the necessary data in paper or by electronic exchange of data. The notification should contain the same data from the message that is exchanged with the server at the competent customs authority and

- 4) to inform the competent customs authority for every change of the data in the Parliament, as well as in case of status-related change, termination of performance of the activity or opening and closing retail point of sale.
- (10) If the competent customs authority determines that the holder of the authorization for performing trade in energy products that contain marking materials does not fulfill or has not fulfilled the obligations referred to in paragraph (9) of this Article, it shall determine a time limit within which the identified irregularities must be removed, it may initiate procedure for additional payment of excise duty, as well as initiate procedure for revoking the authorization for performing trade in energy products containing marking substances.
- (11) The authorization shall cease to be valid:
- 1) with the termination of the existence of the legal entity holding the authorization;
  - 2) at the request of the holder of authorization;
  - 3) upon expiry of the period of validity referred to in paragraph (5) of this Article and
  - 4) if the competent customs authority ex officio revokes the approval
- (12) The competent customs authority ex officio revokes the approval for performing trade containing marking substances if it determines that:
- 1) the holder has ceased to meet the conditions laid down therein;
  - 2) a bankruptcy or liquidation procedure has been initiated
  - 3) the holder fails to prove smooth functionality and transfer of data on the trade in energy products containing marking substances:
  - 4) the reasons and conditions for issuing authorization for performing trade in energy products no longer exist;
  - 5) the authorization is issued on the basis of incomplete or incorrect information and
  - 6) fails to rectify any irregularities within the deadlines set by the competent customs authority;
  - 7) the authorization holder has been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and has been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision.
- (13) Minister of Finance shall prescribe the manner of proving the conditions referred to in paragraph (4) of this Article, the contents of the request for trading with energy products containing marking substances, the necessary documentation and the contents of the electronic Register of Traders with Marked Energy Products, the contents of the records for the persons purchasing energy products containing marking substances, as well as the contents of the forms for the notification referred to in paragraph (9), item 3) of this Article.

## **Article 104**

### **Increase of excise on energy products**

- (1) In the case of an increase in the excise on fuels, the producer, importer, wholesale trader and retailer of fuels shall be obliged to make an inventory of the stocked stock of fuels on the day of the beginning

of the application of the fuels, prepare a report on the performed inventory and submit it to the competent customs authority not later than five working days from the date of the inventory.

(2) When increasing the excise tax on fuels, the payment of the difference in the excise tax by the excise taxpayers referred to in paragraph (1) of this Article shall be done by submitting an excise declaration (tax return) in accordance with Article 10 paragraph (3) of this Law within five days, and shall pay the excise tax no later than 15 days from the day of the increase in the excise tax.

(3) The obligation referred to in paragraph (2) of this Article shall not apply to unleaded petrol with lead content up to 0.013 grams per liter referred to in Article 92 paragraph 3) item 1) line 2 of this Law, on gas oil as propellant referred to in Article 92 paragraph 3) item 2) line 1 of this Law and gas oil as heating fuel referred to in Article 92 paragraph 3) item 2) line 2 of this Law, when the amount of the additional excise duty DAB, DAD or DAE referred to in Article 92 paragraph 3) items 1 and 2 of this Law is changed.

(4) The Minister of Finance shall prescribe the contents of the report on the performed inventory.

#### **Article 105**

##### **Tax payer for electricity**

(1) Tax payer for electricity shall be:

- 1) supplier of electricity when they are delivering the electricity to the final buyer in the Republic of Macedonia and for own use;
- 2) producer or importer of electricity when they consume the electricity for own use and
- 3) electricity market participants as defined in accordance with special regulations.

(2) Supplier, final user, producer and importer shall be persons as defined in the regulations governing the energy sector.

#### **Article 106**

##### **Calculation of excise duty on electricity**

(1) Notwithstanding the provisions referred to in Article 6 of this Law, when calculating the excise on electricity according to the issued invoices mentioned in paragraph (3) of this Article, the excise duty is chargeable for the delivered electricity up to the end of the tax period mentioned in paragraph (5) of this Article during which the delivery was conducted.

(2) The measuring and establishing of the delivered quantity of electricity shall be conducted by the operator of the transmission system and the operator of the distribution system as well as the producer by regular verification of the electricity meters in accordance with specific regulations.

(3) The tax payer shall calculate the excise on electricity on the basis of the issued invoices for completed delivery during the tax period and based on the calculation of the delivered quantity of electricity to the final user.

(4) Notwithstanding paragraph (1) of this Article, if the actual quantity of electricity delivered to the final user is unknown, the tax payer of electricity may calculate the excise duty based on the data received from the operator of the transmission system or the operator of the distribution system for the planned

monthly quantities of electricity to be delivered to the final buyer according to the average monthly consumption of that buyer in the appropriate accounting period of the previous year. If the final buyer is new, the calculation is made on the basis of agreed monthly consumption of electricity. At least once in six months, the tax payer shall produce a final calculation of excise for the months for which excise has been set according to the expected monthly quantity of electricity, more specifically in the monthly calculation of excise for the month in which the actual quantity of delivered electricity has been established.

(5) The tax payer is obliged to determine the liability for payment of the excise duty on electricity within the tax period and in accordance with the prescribed excise base and the rates applicable on the day of chargeability of excise duty. The tax period is the one calendar month.

(6) The tax payer shall be obliged to submit an excise declaration to the competent customs authority for the determined obligation for excise duty and pay the excise within 15 days after the expiration of each calendar month.

(7) When introducing electricity for own consumption or using electricity for own needs by the manufacturer, the provisions referred to in paragraphs (5) and (6) of this Article shall be respectively applied when calculating and paying excise on electricity.

(8) When importing electricity, the obligation to calculate and pay the excise tax shall be incurred in accordance with the customs regulations **except in cases when the importer is an excise tax payer authorization holder for electricity referred to in Article 114 of this Law or is authorization holder for exempted user.**

(9) Minister of Finance shall prescribe the contents and the manner of filling in data in the excise declaration referred to in paragraph (6) of this Article.

#### **Article 107**

##### **Exemptions on excise duty on electricity**

(1) Electricity is exempted in the following cases:

- 1) electricity produced from renewable primary energy sources;
- 2) electricity produced by biomass or biomass products and
- 3) the final users are households.

(2) Minister of Finance shall prescribe the manner of exemptions on excise duty on electricity.

#### **Article 108**

##### **Tax payer of natural gas**

(1) Tax payer for natural gas shall be:

- 1) supplier of natural gas when he/she is delivering the natural gas to the final buyer in the Republic of Macedonia;
- 2) supplier of natural gas when he/she consumes the natural gas for own consumption and
- 3) importer of natural gas when he/she uses the natural gas for own consumption.

(2) Supplier, final buyer or importer shall be persons as defined in the regulations governing the energy sector.

#### **Article 109**

##### **Calculation of excise on natural gas**

(1) Notwithstanding the provisions referred to in Article 8 of this Law, when calculating the excise on natural gas according to the issued invoices mentioned in paragraph (3) of this Article, the excise duty becomes chargeable for the delivered natural gas up to the end of the accounting period mentioned in paragraph (5) of this Article during which the delivery was conducted.

(2) The measuring end establishing of the delivered quantity of natural gas shall be conducted by the operator of the distribution system and the operator of the transmission system of natural gas.

(3) The provider of natural gas shall calculate the excise duty on natural gas on the basis of the issued invoices for completed delivery during the accounting period and based on the actual quantity of natural gas delivered to the final buyer.

(4) Notwithstanding paragraph (1) of this Article, if the actual quantities of provided natural gas to the final buyer are unknown, the provider of natural gas may calculate the excise duty on the basis of consumption assessment, using data provided by the operator of the distribution system for the monthly quantities delivered to the final buyer in the previous year, i.e. according to the agreed monthly consumption of natural gas with a new final buyer. Provider of natural gas shall be obliged to prepare, at least once in six months, a final calculation of excise duty for the months for which excise duty has been determined according to the estimated monthly quantities of natural gas, more specifically in the monthly calculation of excise duty for the month in which the actual quantity of delivered natural gas has been established.

(5) The tax payer shall be obliged to calculate itself the excise duty on natural gas in accordance with the prescribed excise base and the rates applicable on the day when the excise duty has become chargeable. The tax period is one calendar month.

(6) The excise taxpayer shall be obliged to submit an excise declaration to the competent customs authority for the determined obligation for excise duty on natural gas and to pay the excise duty within 15 days after the expiration of each calendar month.

(7) When importing natural gas, the obligation to calculate and pay the excise tax shall be incurred in accordance with the customs regulations **except in cases when the importer is an excise taxpayer authorization holder for natural gas referred to in Article 114 of this Law or is authorization holder for exempted user.**

(8) **The** Minister of Finance shall prescribe the contents and the manner of filling in the excise declaration referred to in paragraph (6) of this Article.

#### **Article 110**

##### **Exemption on natural gas**

(1) Natural gas shall be exempted in the following cases:

- 1) the final users are households and

- 2) used as a fuel of motor vehicles.
- (2) Minister of Finance shall prescribe the excise exemption on natural gas.

#### **Article 111**

##### **Tax payer on coal, coke, and lignite and petroleum coke**

- (1) Tax payer for coal, coke and lignite falling within the tariff codes of the Combined Nomenclature 2701, 2702, 2704 и 2713 shall be:
- 1) supplier of coal, coke, lignite and petroleum coke when he/she is delivering them to the final buyer in the Republic of Macedonia;
  - 2) supplier of coal, coke, lignite and petroleum coke when he/she consumes them for own use and
  - 3) producer of coal, coke, lignite and petroleum coke or the importer when he/she uses them for own use.

#### **Article 112**

##### **Calculation of excise on coal, coke, lignite and petroleum coke**

- (1) Tax payer referred to in Article 111 calculates the excise duty during the delivery of coal, coke, and lignite and petroleum coke to the final consumer according to the issued invoices. The excise duty becomes chargeable after the ending of the month in which the goods are delivered.
- (2) The tax payer is obliged to calculate the excise duty on the coal, coke, and lignite and petroleum coke within the tax period and in accordance with the prescribed tax base and the rates applicable on the day when the excise duty has become chargeable. The tax period is one calendar month.
- (3) The tax payer shall be obliged to submit an excise declaration to the competent customs authority for the established obligation for excise duty on coal, coke, and lignite and petroleum coke and pay the excise duty within 15 days after the expiration of each calendar month.
- (4) **When importing coal, coke, lignite and petroleum, the obligation to calculate and pay excise duty shall occur pursuant to the customs regulations, except for cases when the importer is an excise taxpayer authorization holder for coal, coke, lignite and petroleum coke referred to in Article 114 of this Law or an exempted user authorization holder.**
- (5) The Minister of Finance shall prescribe the contents and the manner of filling in the excise declaration referred to in paragraph (3) of this Article.

#### **Article 113**

##### **Exemption on coal, coke and lignite**

- (1) Coal, coke and lignite shall be exempted from excise duty in cases when used for production of electricity.
- (2) Minister of Finance shall prescribe the manner of excise exemption on coal, coke and lignite.

## Article 114

### Common provisions of the tax payers of electricity, natural gas, coal, coke, lignite and petroleum coke

- (1) The excise payers for electricity, natural gas, coal, coke, and lignite and petroleum coke shall be obliged to register in the electronic Register of Authorisations for Tax payers of Electricity, Natural Gas, Coal, Coke, Lignite and Petroleum Coke.
- (2) The competent customs authority shall issue an authorization to the tax payers of electricity, natural gas, coal, coke, lignite and petroleum coke referred to in paragraph (1) of this Article.
- (3) The authorization shall be issued to the person referred to in paragraph (1) of this Article who meets the following conditions:
- 1) has its registered office in the Republic of Macedonia;
  - 2) keep proper business records in accordance with the applicable regulations;
  - 3) against which no bankruptcy or liquidation procedure has been initiated;
  - 4) not to be convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and not to be pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision;
  - 5) to have settled the tax and customs duties;
  - 6) meets the requirements for electronic data exchange and
  - 7) submits a guarantee to secure the excise debt that has occurred or that may occur prior to the issuance of the authorisation
- (4) The excise payers for electricity and natural gas referred to in Articles 105 and 108 of this Law shall be obliged to submit to the competent customs authority evidence that they possess a license for performing an energy activity in accordance with the applicable regulations.
- (5) The authorization cannot be issued in cases where one of the conditions referred to in paragraph (3) of this Article is not fulfilled.
- (6) The authorization shall be issued by the competent customs authority within 60 days from the date of submission of the request.
- (7) The authorization cannot be transferred to another person.
- (8) The validity period of the issued approval shall be five years.
- (9) The holder of authorization is obliged to:
- 1) provide conditions for uninterrupted supervision and control;
  - 2) keep accurate and correct records of excise goods;
  - 3) notify the competent customs authority of any change in the data and / or the conditions under which the authorization was issued and to request its modification, and
  - 4) submit monthly report on purchased, delivered and consumed quantities of electricity, natural gas, coal, coke, lignite and petroleum coke, according to the records referred to in paragraph (11) of this Article, to the competent customs authority within 15 days at the latest following the expiry of each calendar month.
  - 5) ensure appropriate keeping of excise goods;

6) determine losses, i.e. the shortages of excise goods and to inform the competent customs authority;

7) monitor the securing of excise duty and if necessary increase the amount of the guarantee and

8) inform the competent customs authority of any change in the data and / or the conditions under which the authorization was issued and to request amendment to the authorization.

(10) If the competent customs authority determines that the holder of an authorization does not fulfill or has not fulfilled the obligations referred to in paragraph (9) of this Article, it shall set a time limit within which the irregularities must be removed and, depending on the circumstances, the competent customs authority it shall undertake other activities in accordance with the provisions of this Law.

(11) The tax payer shall be obliged to keep records of:

1) the quantities purchased;

2) the quantities delivered to the final consumer;

3) quantities delivered without excise duty;

4) consumed quantities for own needs;

5) the quantities released for excise duty and

6) stock of natural gas, coal, coke, and lignite and petroleum coke.

(12) In the cases referred to in paragraph (9) item 3) of this Article, the holder of an authorization shall submit an application for modification of the authorization to the competent customs authority which decides within the time limit referred to in paragraph (6) of this Article.

(13) The authorization shall cease to be valid:

1) with the termination of the existence of the legal entity holding the authorization;

2) at the request of the holder of authorization;

3) upon expiry of the period of validity from paragraph (8) of this Article and

4) if the competent customs authority ex officio revokes the approval.

(14) The competent customs authority ex officio revokes the approval if it determines that:

1) has ceased to meet the conditions laid down in the authorization;

2) the reasons and conditions on the basis of which the approval has been issued have ceased to exist;

3) the authorization is issued on the basis of incomplete or inaccurate information;

4) it has not remedied the irregularities within the time period determined by the competent customs authority;

5) a bankruptcy or liquidation procedure has been initiated;

6) it the holder of the authorization has been convicted with an effective court decision to an unconditional imprisonment for committed crime in the field of taxes and custom duties and has been pronounced a prohibition to perform profession, activity or duty, temporary prohibition to perform certain activity and permanent prohibition to perform certain activity under an effective court decision and

7) the amount of the guarantee is insufficient, and the holder of the authorisation does not increase the amount of the guarantee or does not submit a new guarantee within the time period determined by the competent customs authority. ”

(15) Upon expiration of the validity of the authorization, the tax payer shall be deleted from the electronic Register of Authorizations for Taxpayers of Electricity, Natural Gas, Coal, Coke, Lignite and Petroleum Coke.

(16) The excise payer referred to in Articles 105, 108 and 111 of this Law shall be obliged to keep all documentation within the deadlines determined in Article 13 paragraph (5) of this Law and submit it to the competent customs authority of his request.

(17) The provisions for duty suspension arrangement and movement of excise goods shall not apply to electricity, natural gas, coal, coke, and lignite and petroleum coke.

(18) Minister of Finance shall prescribe the contents of the electronic Register of Authorizations for Taxpayers of Electricity, Natural Gas, Coal, Coke, Lignite and Petroleum Coke, the contents of the authorization referred to in paragraph (2), the contents of the monthly report referred to in paragraph (9) and the records referred to in paragraph (11) of this article.

## **CHAPTER 11 LAWSUIT PROCEEDINGS**

### **Article 115 Lawsuit Proceedings**

(1) An administrative dispute before the competent court may be initiated against an administrative act in the area of excise operations, adopted by the competent customs authority.

(2) The lawsuit shall not postpone the enforcement of the administrative act.

## **PART THREE PENALTY PROVISIONS**

### **CHAPTER 12 PENALTY PROVISIONS**

#### **Article 116 Misdemeanour procedure**

(1) A misdemeanour authority determined by the Law on the Customs Administration shall conduct a misdemeanour procedure and shall impose misdemeanour sanction for misdemeanours referred to in Article 118 paragraphs (1), (2), (3), (4), (5), (6) and (9), Article 119 paragraphs (1), (2), (3), (4), (5), (6) and (9) of this Law.

(2) A competent court shall conduct the misdemeanour procedure for the misdemeanours referred to in Article 118 paragraphs (7) and (8), Article 119 paragraphs (7) and (8) of this Law.

(3) A misdemeanour procedure for customs misdemeanour cannot be initiated if more than four years have passed from the day on which the misdemeanour has been committed.

- (4) If a prolonged or repeated misdemeanour is in question the obsolescence deadline shall start on the day on which the last activity of the misdemeanour has been performed.
- (5) The obsolescence shall not run in the time for which, according to the law, the prosecution cannot start or continue.
- (6) The obsolescence shall be terminated with every process activity undertaken to prosecute the perpetrator and when the perpetrator commits a serious misdemeanour while the obsolescence deadline is running.
- (7) The obsolescence shall start to run again after every interruption.
- (8) The obsolescence of the misdemeanour prosecution shall incur in every case when the time determined in paragraph (3) of this Article passes for the second time.

#### **Article 117**

The pronouncement of the misdemeanour sanction and the determination of the amount of the fine are performed in accordance with the Law on Misdemeanours.

#### **Article 118**

##### **(Misdemeanours related to non-payment of excise debt and the seizure of goods)**

- (1) Fine in the amount from 50 to 500 Euros in denar counter-value shall be imposed to the a legal entity and small trader, and fine in the amount from 250 to 700 Euros shall be imposed to a legal entity medium trader and large trader when the amount of the unpaid or evaded excise duty does not exceed 250 Euros or when the value of the excise goods does not exceed 500 Euros, if:
  - 1) fails to submit an excise declaration or an additional excise declaration and / or does not pay the excise duty within the prescribed period (Article 10 paragraphs (2), (6), (8), (9), (10), (11), (12), (13) and (14), Article 40 paragraph (3) item 2), Article 43 paragraph (4) items 1) and 2), Article 44 paragraph (7) items 1) and 2), Article 47 paragraph (9), Article 60 paragraphs (1) and (2), Article 61 paragraph (17), Article 68 paragraph (1), Article 71 paragraph (2), Article 86 paragraphs (1) and (2), Article 87 paragraph 17), Article 106, paragraphs (4) and (6), Article 109 paragraphs (4) and (6) and Article 112, paragraphs (2) and (3));
  - 2) in the excise declaration the amount of excise duty to be paid is incorrectly stated or the subject of the taxation is incorrectly stated and the amount of excise duty is incorrectly stated that causes the excise duty not to be paid or to be paid less than the prescribed amount (Article 10 paragraphs (6) and (8), Article 60 paragraphs (1) and (2), Article 61 paragraph (17), Article 68 paragraph (1), Article 71 paragraph (2), Article 86 paragraphs (1)

and (2), Article 87 paragraph (17), Article 106, paragraphs (4) and (6), Article 109, paragraphs (4) and (6) and Article 112 paragraphs (2) and (3));

- 3) produces, processes, receives, stores and / or sends goods subject to excise duty under a duty suspension arrangement without excise license (Article 16 paragraph (3));
- 4) transfers the excise permit or the authorization issued by the competent customs authority to another person (Article 23 paragraph (3), Article 27 paragraph (3), Article 28 paragraph (4), Article 29 paragraph (3), Article 44 paragraph (5), Article 52 paragraph (4), Article 72 paragraph (5) Article 101 paragraph (2), Article 103 paragraph (8), Article 114 paragraph (7));
- 5) starts the movement of excise goods in an excise suspension procedure that is not registered in the Excise Movement and Control System (Article 34 paragraph (1));
- 6) releases in consumption excise goods that are not marked with a tax stamp, have tax stamps that are prepared and printed without authorization, or are marked with a damaged tax stamp, and otherwise differ from the prescribed one, which is not attached on the packaging in the prescribed manner (Article 61 paragraphs (1), (3), (4), (5) and (6), Article 70 paragraphs (5) and (6) and Article 87 paragraphs (1), (3), (4), and (6));
- 7) fails to submit a report on the collected, used and returned excise stamps within the prescribed deadline or does not return to the competent customs authority the tax stamps which have not been used or are damaged in the production process within the prescribed deadline (Article 61 paragraphs (12) and (15) and Article 87 paragraphs (12) and (15));
- 8) acts contrary to Article 44 paragraph (1) and Article 87 paragraph (19);
- 9) acts contrary to Article 70 paragraph (8);
- 10) starts the production of alcohol without notifying the competent customs authority (73 paragraph (4));
- 11) denatures alcohol without the approval of the competent customs authority (Article 75 paragraph (2) and paragraph (3));
- 12) does not calculate and pay the difference in the excise duty due to an increase in the excise duty of alcohol and alcoholic beverages, tobacco products and energy products, as well as the increase in the retail price of tobacco products (Article 76 paragraph (3), Article 89 paragraph (3) and Article 104 paragraph (2));
- 13) fails to declare and not publish the retail price within the prescribed deadlines and releases excise goods in circulation before the retail price or the changed retail price is declared at the competent customs authority and / or puts into circulation and / or sells excise goods with a price different from the retail price (Article 83 paragraphs (3), (4) and (5), Article 88 paragraph (4));

- 14) acts contrary to Article 88 paragraph (3) and Article 88-a;
  - 15) marks energy products although it is not a holder of an excise license and does not have authorization for marking from the competent customs authority (Article 101 paragraph (2));
  - 16) sells and / or vends and / or uses (utilizes) labelled energy products without an authorization from the competent customs authority contrary to their intended use, or removes the marking substances from energy products containing marking substances, reduces its concentration or adds ingredients hindering the determination of the prescribed marking (Article 101 paragraphs (1), (2) and (5) and Article 102 paragraphs (1), (2) and (3)), and
  - 17) performs trade with marked gas oils and kerosene contrary to Article 103 paragraphs (1), (2), and (9) of this Law.
- (2) A fine in the amount from 15 to 150 Euros in denar counter-value shall be imposed on a responsible person in the legal entity and for the misdemeanours referred to in paragraph (1) of this Article when the amount of the unpaid or evaded excise duty does not exceed 250 Euros or when the value of the excise goods does not exceed 500 Euros.
  - (3) A fine in the amount from 15 to 150 Euros in denar counter-value shall be imposed on a natural person for the misdemeanours referred to in paragraph (1) of this Article when the amount of the unpaid or evaded excise duty does not exceed 250 Euros or when the value of the excise goods does not exceed 500 Euros.
  - (4) Fine in the amount from 500 to 1.000 Euros in denar counter-value shall be imposed to the a legal entity- micro trader and small trader, and fine in the amount from 700 to 1.000 Euros in denar counter-value shall be imposed to a legal entity medium trader and large trader for the misdemeanours referred to in paragraph (1) of this Article when the amount of the unpaid or evaded excise duty is from 250 to 1.000 Euros or when the value of the excise goods is from 500 to 4.000 Euros.
  - (5) Fine in the amount from 100 to 500 Euros in denar counter-value shall be imposed to the a responsible person in the legal entity for the misdemeanours referred to in paragraph (1) of this Article when the amount of the unpaid or evaded excise duty is from 250 to 1.000 Euros or when the value of the excise goods is from 500 to 4.000 Euros.
  - (6) Fine in the amount from 100 to 250 Euros in denar counter-value shall be imposed to a natural person for the misdemeanours referred to in paragraph (1) of this Article when the amount of the unpaid or evaded excise duty is from 250 to 1.000 Euros or when the value of the excise goods is from 500 to 4.000 Euros.
  - (7) Fine in the amount from 1.000 to 2.000 Euros in denar counter-value shall be imposed to the a legal entity- micro trader, and fine in the amount from 1.000 to 4.000 Euros in denar counter-value shall be imposed to a legal entity- small trader, i.e. fine in the amount from 1.000 to 12.000 euros in denar counter-value shall be imposed to a legal entity medium trader and a fine in the amount

from 2.000 to 20.000 Euros in denar counter-value shall be imposed to a legal entity large trader for the misdemeanours referred to in paragraph (1) of this Article when the amount of the unpaid or evaded excise duty exceeds 1.000 Euros or when the value of the excise goods exceeds 4.000 Euros.

- (8) Fine in the amount from 300 to 1.000 Euros in denar counter-value shall be imposed to a responsible person in the legal entity for the misdemeanours referred to in paragraph (1) of this Article when the amount of the unpaid or evaded excise duty exceeds 1.000 Euros or when the value of the excise goods exceeds 4.000 Euros.
- (9) Fine in the amount from 300 to 500 Euros in denar counter-value shall be imposed to a natural person for the misdemeanours referred to in paragraph (1) of this Article when the amount of the unpaid or evaded excise duty exceeds 1.000 Euros or when the value of the excise goods exceeds 4.000 Euros.
- (10) Excise goods and equipment for the production of excise goods covered by the misdemeanours referred to in paragraph (1), (2), (3), (4), (5), (6), (7), (8) and (9) of this Article, with the exception of paragraph (1) item 2) shall be seized.
- (11) Excise goods, as well as the equipment used for the production of excise goods, shall also be seized when they are not owned by the perpetrator of the misdemeanour, if their owner knew or, given the circumstances of the case, could know that they are subject to the misdemeanours referred to in paragraph (1), (2), (3), (4), (5), (6), (7), (8) and (9) of this Article.
- (12) If an excise good subject of the misdemeanours referred to in paragraph (1), (2) (3), (4), (5), (6), (7), (8) and (9) of this Article is not found, the perpetrator of the misdemeanour shall be charged its value and a procedure for collecting the excise duty shall be initiated, and if there are several perpetrators of the misdemeanour, they shall act in solidarity for the value of the good. It is considered that an excise good subject to a misdemeanour is not found if, for any reason, it is not possible to confiscate it from the owner.
- (13) The means of transport used for the transport of excise goods subject to the misdemeanours referred to in paragraph (1) items 3), 5), 6), 7), 8), 9), 10), 11), 12), 14), 15), 16) and 17) and in paragraphs (4), (5), (6), (7), (8) and (9) related to paragraph (1) items 3), 5), 6), 7), 8), 9), 10), 11), 12), 14), 15), 16) and 17) of this Article shall be confiscated if the value of excise goods exceeds 20% of the value of the means of transport, and if the owner of the means of transport knew or was obliged or could have known that it would be used for such transport of excise goods. The means of transport will always be confiscated if it is specially constructed, adapted, modified or in any way adjusted to hide excise goods.
- (14) The application of paragraphs (11), (12) and (13) of this Article does not affect the rights of third parties to compensation for the damage caused by the perpetrator of the misdemeanour.

#### **Article 119**

#### **Misdemeanours related to non-fulfilment of obligations**

- (1) Fine in the amount from 50 to 250 Euros in denar counter-value shall be imposed to the taxpayer legal entity and small trader, and fine in the amount from 200 to 500 Euros in denar counter-value shall be imposed to a legal entity medium trader and large trader when the amount of the excise goods does not exceed 500 Euros, if:
- 1) it fails to file an excise declaration in a prescribed deadline for excise goods for which no excise debt incurred (Article 10 paragraphs 4 and 5));
  - 2) when releasing excise goods, it does not issue an invoice or other document in the prescribed manner for the delivery of excise goods (Article 13 paragraph (1));
  - 3) it does not keep the invoices, other documents and business books within the prescribed period (Article 13 paragraph (5), Article 53 paragraph (3), Article 114 paragraph (16));
  - 4) it, acting as holder of a tax warehouse, acts contrary to Articles 17, 18 paragraph (2) and Article 24 paragraph (1);
  - 5) it provided the competent customs authority with incomplete or inaccurate data, or did not eliminate the irregularities within the prescribed deadlines (Article 26 paragraph (2) items 3) and 4), Article 27 paragraph 10 items 4) and 5), Article 28 paragraph (10) items 3) and 4), Article 29 paragraph (9) items 4) and 5), Article 44 paragraph (9) items 3) and 5), Article 55 paragraph (2) points 3) and 4) Article 72 paragraph (12) items 3) and 4), **Article 98-a paragraph (3), Article 98-b paragraph (3), Article 103 paragraph (12) items 5) and 6) and Article 114 paragraph (14) points 3) 4) and 7))**);
  - 6) it acts contrary to Article 27 paragraph (4), Article 28 paragraph (5), Article 29 paragraph (6) and Article 30 paragraphs (1) and (2);
  - 7) it moves excise goods in a duty suspension arrangement for which a version of the electronic administrative document or any other commercial document accompanying the excise good or paper administrative document or excise goods is not printed without simplified accompanying administrative document (Article 34 paragraph (9), Article 37 paragraphs (1) and (4), 40 paragraph (1), Article 41 paragraph (1) item 1) and Article 47 paragraph (8));
  - 8) it acts contrary to Article 34 paragraph (11), Article 36 paragraph (6), Article 40 paragraph (3) items 1) and 3), Article 41 paragraph 1 items 2) and 3) and paragraph (2), Article 43 paragraph (4) item 3) and paragraph (5), Article 44 paragraph (7) item 3), Article 53 paragraphs (1) and (2), Article 61 paragraph (20), Article 72 paragraph (8) Article 87 paragraph (21), Article 103 paragraphs (9) and (10) and Article 114 paragraphs (9), (10) and (11));
  - 9) it removes the seal in the absence of the competent customs authority (Article 65 paragraph 2, Article 97 paragraph (1));
  - 10) it sells excise goods which are not marked with a special label (Article 70 paragraph (7));

- 11) it acts contrary to Article 73, paragraphs (5), (6), (7), (8), (9) and (10);
- 12) when increasing the excise on alcohol and alcoholic beverages, tobacco products and fuels, as well as increasing the retail price of tobacco products, it did not perform an inventory of the stocks or did not prepare minutes for the performed inventory and did not submit it to the competent customs authority in the prescribed period (Article 76 paragraphs (1) and (2), Article 89 paragraphs (1) and (2) and Article 104 paragraph (1)), and
- 13) acts contrary to Article 101 paragraph (3) of this Law.
- (2) Fine in the amount from 50 to 250 Euros in denar counter-value shall be imposed to the responsible person of the legal entity for the misdemeanours referred to in paragraph (1) of this Article when the value of the excise goods does not exceed 500 Euros.
- (3) Fine in the amount from 50 to 150 Euros in denar counter-value shall be imposed to the natural person for the misdemeanours referred to in paragraph (1) of this Article when the value of the excise goods does not exceed 500 Euros.
- (4) Fine in the amount from 250 to 500 Euros in denar counter-value shall be imposed to the legal entity- micro trader and small trader, and a fine in the amount from 500 to 1000 Euros in denar counter-value shall be imposed to a legal entity- medium trader and large trader when the value of the excise goods ranges from 500 to 4.000 euros.
- (5) Fine in the amount from 250 to 500 Euros in denar counter-value shall be imposed to the a responsible person of the legal entity for the misdemeanours referred to in paragraph (1) of this Article when the value of the excise goods ranges from 500 to 4.000 euros.
- (6) Fine in the amount from 150 to 250 Euros in denar counter-value shall be imposed to a natural person for the misdemeanours referred to in paragraph (1) of this Article when the value of the excise goods ranges from 500 to 4.000 euros.
- (7) Fine in the amount from 500 to 2.000 Euros in denar counter-value shall be imposed to a legal entity- micro trader, a fine in the amount from 500 to 4.000 Euros in denar counter-value shall be imposed to a legal entity- small trader, i.e. a fine in the amount of 1.000 to 12.000 Euros in denar counter-value shall be imposed to a legal entity- medium trader and a fine in the amount of 2.000 to 20.000 Euros in denar counter-value shall be imposed to a legal entity – large trader for the misdemeanours referred to in paragraph (1) of this Article when the value of the excise goods exceeds 4.000 euros.
- (8) Fine in the amount from 500 to 1.000 Euros in denar counter-value shall be imposed to a responsible person in the legal entity for the misdemeanours referred to in paragraph (1) of this Article when the value of the excise goods exceeds 4.000 Euros.

- (9) Fine in the amount from 350 to 500 Euros in denar counter-value shall be imposed to a natural person for the misdemeanours referred to in paragraph (1) of this Article when the value of the excise goods exceeds 4.000 Euros.
- (10) After the determination of the misdemeanours referred to in paragraphs (1), (2), (3), (4), (5), (6), (7), (8) and (9) of this Article, the customs officer shall give the perpetrator a misdemeanour payment order with the fine with the minimal prescribed amount for the misdemeanour that has been committed.
- (11) Upon receipt and signing of the misdemeanour payment order, the perpetrator shall be obliged to pay the fine imposed in accordance with paragraph (10) of this Article within eight days from the receipt of the misdemeanour payment order on the account indicated in the payment order, thus paying half of the fine imposed, being advised to such right in the legal remedy.
- (12) If the perpetrator fails to pay the fine within the period referred to in paragraph (11) of this Article, the competent customs authority shall submit a request for initiation of a misdemeanour procedure to the competent misdemeanour authority stipulated in Article 116 of this Law.

## **Article 120**

The excise goods or means of transport with which an offense/misdemeanor has been committed in accordance with this Law shall also be seized when misdemeanor procedure cannot be conducted against the perpetrator because it is unknown or unavailable, or due to other legal obstacles, as well as in case of an absolute obsolescence for conducting a misdemeanor procedure.

## **PART FOUR**

### **TRANSITIONAL AND FINAL PROVISIONS**

#### **CHAPTER 13**

### **TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 121**

##### **Bylaws**

Bylaws set out under this Law shall be adopted within six months following the day of entry into force of this Law.

#### **Article 122**

### **Registration and re-registration of taxpayers**

(1) Excise license holders, and authorization holders for exempted user and registered traders with mineral oils containing marking substances shall be obliged to harmonize the excise licenses, the authorizations for exempted user and the registrations of the traders with mineral oils containing marking substances with the provisions of this Law and to deliver a re-registration request by 1th November 2019.

(2) Excise licenses and authorizations for exempted user and registrations of traders with mineral oils containing marking substances shall cease to be valid in cases when excise license and authorization holders fail to submit request for re-registration within the time limit referred to in paragraph (1) of this Law.

(3) When registering the taxpayers, the adjustment of the existing measuring devices of the excise permit holders, prescribed in Article 62 paragraph (2), Article 64 paragraph (2) and Article 65 paragraph (3) of this Law, shall be performed in the course of one year starting from January 1st, 2020.

### **Article 123**

#### **Commenced proceedings**

Proceedings commenced for submission of excise form and excise payment, submitted requests for obtaining excise stamps and requests for excise refund by the day this Law starts applying shall be finalized pursuant to the Law on Excise ("Official Gazette of the Republic of Macedonia", nos. 32/2001, 50/2001, 45/2002, 98/2002, 24/2003, 96/2004, 38/2005, 88/2008, 105/2009, 34/2010, 24/2011, 55/2011, 135/2011, 82/2013, 43/2014, 167/2014, 188/2014, 129/2015, 154/2015, 192/2015, 23/2016, 171/2017 and 120/2018).

### **Article 124**

#### **Increase of excise duty on tobacco products**

(1) Starting from 1<sup>st</sup> July 2020 until 1<sup>st</sup> July 2023 inclusive, the amount of the specific and minimum excise duty on cigarettes referred to in paragraph (1) in Article 84 of this Law, shall increase by Denar 0.20 per piece on 1<sup>st</sup> July every year.

(2) Starting from 1<sup>st</sup> July 2020 until 1<sup>st</sup> July 2023 inclusive, the amount of the specific excise duty on smoking tobacco as fine-cut tobacco, smoking tobacco as other smoking tobacco, tobacco for water pipe (hookah tobacco); tobacco for sniffing and chewing tobacco referred to in paragraphs (3), (4) and (5) in Article 85 of this Law, shall increase by Denar 125.00 per kilogram net weight on 1<sup>st</sup> July every year.

(3) Starting from 1<sup>st</sup> July 2020, the amount of the specific excise duty on non-combustible tobacco product referred to in paragraph (6) in Article 85 of this Law, shall increase by Denar 300.00, by Denar 350.00 on 1<sup>st</sup> July 2021, by Denar 400.00 on 1<sup>st</sup> July 2022, and by Denar 450.00 on 1<sup>st</sup> July 2023 per kilogram net weight of tobacco mixture.

(4) Starting from 1<sup>st</sup> July 2020 until 1<sup>st</sup> July 2023, the amount of the excise duty on liquid intended for filling an electronic cigarette referred to in paragraph (7) in Article 85 of this Law, shall increase by Denar 0.20 per milliliter volume on 1<sup>st</sup> July every year.

#### **Article 125**

##### **Provisions applicable until accession of the Republic of Macedonia to the European Union**

Provisions referred to in Article 100 of this Law shall apply until accession of the Republic of Macedonia to the European Union.

#### **Article 126**

##### **Provisions to apply as of the accession of Republic of Macedonia to the European Union**

Provisions referred to in Article 3 paragraph (2), Article 4 paragraphs (2), (3), (4), (5) and (6), Article 5 paragraphs (10), (14), (16) and (17), Article 8 paragraphs (6), (7) and (8), Article 9 paragraph (2), Article 10 paragraphs (5), (7), (11) and (12), Article 27, Article 28, Article 29, Article 30 paragraph (2), Article 33, Article 34 paragraphs (6), (8) and (15), Article 35 paragraphs (3) and (5), Article 36, Article 37 paragraphs (8) and (10), Article 38, Article 39, Article 40, Article 41, Article 42, Article 43, Article 44, Article 45, Article 46, Article 47 paragraph (1), item 6), paragraph (7) and paragraph (8), Article 48 paragraph (1) items 1) and 2) and paragraphs (2) and (3), Article 59 paragraph (2), Article 74 paragraph (1) items 9) and 10) and Article 106 paragraph (7) shall start applying as of the day of accession of the Republic of Macedonia to the European Union.

#### **Article 127 (deleted)**

#### **Article 128**

##### **Customs tariff nomenclature**

Customs Tariff shall apply to the tariff codes stated in this Law.

#### **Article 129**

##### **Cessation of validity of the Law on Excises**

The day this Law starts applying, the Law on Excises ("Official Gazette of the Republic of Macedonia", nos. 32/2001, 50/2001, 45/2002, 98/2002, 24/2003, 96/2004, 38/2005, 88/2008, 105/2009, 34/2010, 24/2011, 55/2011, 135/2011, 82/2013, 43/2014, 167/2014, 188/2014, 129/2015, 154/2015, 192/2015, 23/2016, 171/2017 and 120/2018) shall cease to be valid.

#### **Article 130**

##### **Entry into force**

This Law shall enter into force on the eight day from the day it is published in the "Official Gazette of the Republic of Macedonia, and it shall start applying from 1th November 2019.

**PROVISIONS**  
**of**  
**THE LAW AMENDING THE LAW ON EXCISE DUTIES THAT WERE NOT INCLUDED IN THE CONSOLIDATED**  
**TEXT**  
**("Official Gazette of the Republic of North Macedonia" no.225/19 dated October 31st, 2019)**

**Article 5**

- (1) The initiated procedures on requests submitted for planning and receiving the tax stamps shall be performed pursuant to the Law on Excise Duties ("Official Gazette of the Republic of Macedonia" number 32/2001, 50/2001, 45/2002, 98/2002, 24/2003, 96/2004, 38/2005, 88/2008, 105/2009, 34/10, 24/11, 55/11, 135/11, 82/13, 43/14, 167/14, 188/14, 129/15, 154/15, 192/15, 23/16, 171/17 and 120/18) until this Law starts to be implemented.
- (2) The taxpayers that, until the day on which the application of this Law shall start, have submitted a request for planning and receiving tax stamps pursuant to the Law on Excise Duties ("Official Gazette of the Republic of Macedonia" number 32/2001, 50/2001, 45/2002, 98/2002, 24/2003, 96/2004, 38/2005, 88/2008, 105/2009, 34/10, 24/11, 55/11, 135/11, 82/13, 43/14, 167/14, 188/14, 129/15, 154/15, 192/15, 23/16, 171/17 and 120/18) shall be able to receive the tax stamps until March 31st, 2020 the latest.

**Article 6**

Pursuant to this Law, the manufacturer or importer of tobacco for water pipe (hookah tobacco), chewing tobacco, sniffing tobacco and heat-not-burn tobacco product, as well as the liquid for electronic cigarette, regardless of whether it contains nicotine or not, shall declare the monthly needs for planned quantities of tax stamps for the month of January to the competent customs authority in the period from December 1st until December 10th, 2019.

**Article 7**

The economic operators that until December 31st, 2019 pursuant to the inventory that has been performed have stocks of unsold quantities of liquid for electronic cigarette in wholesale or in retail outlets, may have them in free circulation unmarked with tax stamps until March 31st, 2020.

**Article 8**

The provision of Article 87 paragraph (22) of the Law on Excise Duties\* (“Official Gazette of the Republic of North Macedonia” number 108/19 and 143/19) shall start to be applied on December 1st, 2019.

#### **Article 9**

The provision of Article 1 of the Law on Changing and Amending the Law on Excise Duties (“Official Gazette of the Republic of North Macedonia” number 143/19) shall start to be applied on January 1st, 2020.

#### **Article 10**

In Articles 2 and 4 of the Law on Changing and Amending the Law on Excise Duties (“Official Gazette of the Republic of North Macedonia” number 143/19) the date “November 1st, 2019” is changed with the date “January 1st, 2020”.

#### **Article 11**

This Law shall enter into force on the day of its publication in the “Official Gazette of the Republic of North Macedonia”.

### **PROVISIONS**

**of**

### **THE LAW AMENDING THE LAW ON EXCISE DUTIES THAT WERE NOT INCLUDED IN THE CONSOLIDATED TEXT**

**(“Official Gazette of the Republic of North Macedonia” number 275/19 dated December 27th, 2019)**

#### **Article 13**

- (1) For the manufacturers and importers of excise goods referred to in Article 56 paragraphs (5) and (6) of this Law, the provisions of Article 9 paragraph (4), Article 10 paragraphs (2) and (4), Article 16 paragraphs (1) and (3), Article 32 paragraph (2), Article 34 paragraph (1), Article 64, Article 69 and Article 72 of this Law shall be applied from January 1st, 2021.
- (2) For the manufacturers and importers of excise goods referred to in Article 92 paragraph (3) items 6), 7) and 8) of this Law the provisions of Article 9 paragraph (4), Article 10 paragraph (2) and Articles 106, 109, 112 and 114 of this Law shall start to apply on January 1st, 2021.
- (3) Private healthcare institutions that are holders of an authorization for exempted user are obliged to act upon the obligation referred to in Article 30 paragraph (1) of this Law until and including April 1st, 2020.

#### **Article 14**

The procedures initiated before the misdemeanour authority referred to in Article 116 paragraph (1) of this Law shall be completed pursuant to the Law on Excise Duties ("Official Gazette of the Republic of Macedonia" number 32/01, 50/01, 45/02, 98/02, 24/03, 96/04, 38/05, 88/08, 105/09, 34/10, 24/11, 55/11, 135/11, 82/13, 43/14, 167/14, 188/14, 129/15, 154/15, 192/15, 23/16, 171/17 and 120/18) until the day on which this Law enters into force.

#### **Article 15**

This Law shall enter into force on the day of its publication in the "Official Gazette of the Republic of North Macedonia".

Official Gazette number 77/21

#### **Article 13**

On the day of entry into force of this Law, the Regulation with legal force on the implementation of the Law on Excise Duties \* during state of emergency ("Official Gazette of the Republic of North Macedonia" No. 86/20, 105/20, 125 / 20 and 169/20) shall cease to be valid.

#### **Article 14**

The provisions of Article 13, paragraphs (1) and (2) of the Law Amending the Law on Excise Duties ("Official Gazette of the Republic of North Macedonia" No. 275/19) shall not apply until 1st January 2022.

The provisions of paragraph (3) shall not apply until 1st January 2022.

#### **Article 15**

This Law shall enter into force on the day of its publication in the "Official Gazette of the Republic of North Macedonia".