

# Abstract

## EXCISE DUTIES ON MINERAL OILS. CONTROL UNDER SCRUTINY

*In a unique collaborative project, the Courts of Audit of Belgium and the Netherlands examined whether the Administration of Customs and Excises (Belgium) and the Taxation Service/Customs (Netherlands) succeed in adequately carrying out and enforcing the laws and rules in regard to mineral oils (domestic fuel oil, diesel, petrol,...). Consequently, the examination went beyond the national level. Its objective did not only consist in contributing to the reinforcement of the audit approach in Belgium and in the Netherlands, but also in furthering the harmonization and modernization of the European Union rules as regards excise duties.*

### **The European excise duties system**

The Courts of Audit reached the conclusion that the European excise duties system cannot be considered as being totally conclusive, although such was the purpose. An important gap lies in the impossibility, because of the rules, to control the goods subjected to excise duties physically, immediately on their arrival or departure. The control is carried out after the fact and is administrative by nature. Another important failing lies in the lack of harmonization of the Community rules concerning excise duties, because of various exemptions and reductions and tariffs, which are likely to vary largely between and within the Member States. These faults complicate the execution of control and facilitate fraud. Consequently, the Courts of Audit of Belgium and the Netherlands invited the respective political leaders to support effectively the European projects aimed at harmonizing the excise tariffs and automatizing the control systems.

### **Conclusions valid for both countries examined**

The Courts of Audit noted that there exists no collaboration at the operation level between the Belgian and Dutch services as regards physical controls on the cross-border transportation of oils. Furthermore, the technical knowledge required to be able to carry out certain controls is sometimes lacking.

### **Conclusions at the national level**

The Belgian laws and rules are closely linked to their European counterparts and are adequately worked out in regulations. Additional authorizations, prescriptions and procedures were provided to increase controllability.

However, the authorizations in regard to excise duties are not always strictly granted and managed according to these prescriptions. In Belgium, the delivery times for authorizations vary. The delivery time is sometimes determined by the economical importance. As a result, equal treatment of taxpayers is not always guaranteed.

A clear delimitation between administrative and accounting controls, systematic reports and a feedback towards the results of the risk analysis and control planning are lacking.

Special investigation inspections were created in Antwerp and Liege specifically to combat fraud involving mineral oils. Their actions obviously bear results; nonetheless, there is still room for improving the exchange of information with the conventional excise services.

The controls performed by the motorized squads are centered primarily on the lawful use of gas oil on the road. However, these squads do not have at their disposal a reagent enabling them to establish the facts on the road itself. The squads do not always have the necessary knowledge to check the accompanying documents. The transportation of oil on the inland waterways is hardly controlled.