

Distance selling to Sweden of products subject to excise duty

- Excise duty on Alcohol
- Excise duty on Tobacco
- Excise duties on Energy products

This brochure is intended for you if you wish to sell alcohol products, tobacco products or energy products to Sweden by means of distance selling. The information gives an account of the rules that apply with effect from 1 April 2010 in consequence of Council Directive (2008/118/EU)¹ and the Swedish Act on Excise duty on Alcohol, the Act on Excise duty on Tobacco and the Act on Excise duties on Energy.

If you intend to engage in distance selling from Sweden to purchasers in other EU countries you should contact the responsible authorities in the member states concerned for information on the rules that apply to registration there.

The information is only of a general nature. More detailed information may be found in the Swedish Tax Agency's "Handledning för punktskatter" [Guide to excise duties](SKV 504) which is available on **www.skatteverket.se**. If you have any questions you can also contact the Swedish Tax Agency.

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The rules on which this information is based may be found in the Council Directive (2008/118/EC), the Act on Excise duty on Alcohol (1994:1564), the Regulation on Excise duty on Alcohol (2010:173), the Act on Excise duty on Tobacco (1994:1563), the Regulation on Excise duty on Tobacco (2010:177), the Act on Excise duties on Energy (1994:1776) and the Regulation on Excise duties on Energy (2010:178).

Goods subject to excise duty

The EU internal market and the free movement of goods have led to an harmonization of the Member States' procedural provisions on excise duties etc. For commercial trade the Member States have created an order whereby the excise duty on alcohol products, tobacco products and energy products is to be imposed in the country where the product is consumed at the duty rate of that country.

The harmonized rules imply in brief that a product that has been moved from one Member State to another for commercial purposes shall be subject to excise duty in the latter Member State. To avoid double taxation it is possible to obtain a refund of the excise duty that may have been paid in the country of dispatch.

Alcohol products, tobacco products and energy products that are moved to Sweden from another Member State or that are imported into Sweden from a country that is not a member of the EU shall therefore be subject to Swedish excise duties. The excise duty is calculated in different ways and at different rates depending on the type of excise duty and the type of product within the different types of excise duties that apply.

Alcohol products

Alcohol excise duty is paid for

- beer
- wine
- fermented beverages other than wine or beer
- intermediate products
- ethyl alcohol (spirits). Industrial alcohol is also subject to excise duty.

Alcohol products belong to these different types of products on the basis of the tariff heading allocated in the combined nomenclature (CN) and also on the basis of certain other conditions. Some alcoholic products are exempt from taxation, for example alcohol in vinegar and in medications and certain flavourings and foods as well as some denatured alcohol. Nor is alcohol excise duty due on products that under certain special circumstances have been destroyed or lost 2.

Current excise duty rates and examples of how the alcohol excise duty is calculated for the different types of products can be found on the Swedish Tax Agency website.

Tobacco products

Tobacco excise duty is paid for

- cigarettes
- cigars/cigarillos
- smoking tobacco
- snuff
- chewing tobacco.

What is meant by the different types of products is defined in the Act on Excise duty on Tobacco 3.

Cigarettes, cigars, cigarillos and smoking tobacco are covered by the EU's harmonized rules on excise duty on

tobacco products. The national excise duty regulations on snuff and chewing tobacco are dealt with separately in the brochure "Godkänd lagerhållare för snus och tuggtobak" [Authorized storekeeper for snuff and chewing tobacco] (SKV 542).

The provisions on distance selling that are described in this information do not apply to snuff and chewing tobacco.

Current excise duty rates and examples of how the tobacco excise duty is calculated for the different types of products can be found on the Swedish Tax Agency website.

Retail price for cigarettes

By retail price is meant the highest price at which it is permitted to sell each cigarette product in retail trade. The retail price must include tobacco excise duty, value added tax and any other state tax or charge. The price is laid down by the manufacturer or by his representative or, if the cigarettes are imported from a country not member of the EU, by the importer.

Information concerning the retail price of a cigarette product is needed in order to calculate the tobacco excise duty. Examples of how to calculate the excise duty can be found on the Swedish Tax Agency website.

Energy products

Energy excise duty, CO2 excise duty and excise duty on sulphur is paid for

- petrol
- oil
- liquefied petroleum gas, LPG
- certain other energy products 4.

Current excise duty rates can be found on the Swedish Tax Agency website.

Distance selling

Distance selling occurs when a party who is not engaged in independent economic activity buys alcohol products, tobacco products or energy products that have already been subject to excise duty and the products are transported to the purchaser directly from another EU country by the seller or on the seller's behalf.

The seller is liable for excise duty and must register as a distance seller in the Member States to which the products are transported. He must also guarantee payment and pay excise duty in these Member States. In the case of distance selling to Sweden one must register and also guarantee payment to the Swedish Tax Agency.

A seller thus has to pay the Swedish excise duty under the rules on distance selling if

- the purchaser in Sweden is not engaged in independent economic activity
- the products are transported to the purchaser in Sweden directly from another EU-country
- it is the seller or another person on the seller's behalf who transports the product from the other EU country to the purchaser.

All these preconditions have to be satisfied for distance selling to be involved. If any of the preconditions is not satisfied the excise duty has to be paid in Sweden under rules different from those applicable to distance selling.

Goods already subject to excise duty

“Goods already subject to excise duty” in this context means goods that have left duty suspension⁵ before they are transported to Sweden. Goods that have never been covered by duty suspension are also called “goods already subject to excise duty”. They are often goods that have been bought in the other EU country including that Member State's excise duty.

Distance selling can only apply to goods that have already been subject to excise duty in the Member State from which they are forwarded. A distance seller may never in this capacity import duty suspended goods into Sweden. To avoid double taxation the distance seller may instead request refund of the excise duty that has been paid in the country of dispatch.

The purchaser

In the case of distance selling the purchaser does not engage in any independent economic activity. This means that the provisions on distance selling are only applicable to sale to Swedish private individuals or to public bodies not engaged in independent economic activities.

A trader's commercial import into Sweden of goods liable to excise duties is subject to different rules from those applicable to distance selling; see the brochure “Införsel av beskattade alkoholvaror, tobaksvaror eller energiprodukter” [Import of alcohol products, tobacco products or energy products already released for consumption](SKV 541).

Transport of the goods from the other EU country

The goods must be transported direct from the other EU country to the purchaser in Sweden.

Who the purchaser is should be clear from the individual consignments when the goods are brought into the country. The goods may not be put into intermediate storage in Sweden. Transshipment for technical transport reasons is permitted provided the individual consignments are not divided or changed in any other manner.

The country in which the seller is located is immaterial. The determining factor is instead how, from where and to whom the goods are transferred. If the seller moves the goods from another EU country to, for example, a branch or a warehouse in Sweden and only afterwards moves the goods on to the customer this is not distance selling. In such cases the seller is instead liable for excise duty under other regulations and must give advance notice of the movement and guarantee payment of the excise duty with the Swedish Tax Agency; see the brochure “Införsel av beskattade alkoholvaror, tobaksvaror och energi produkter” [Import of alcohol products, tobacco products or energy products already released for consumption] (SKV 541).

The goods must be transported by the seller or on the seller's behalf⁶

The requirement that the goods must be transported by the seller or by another person on the seller's behalf includes, as well as those cases where the seller himself transport the goods to the purchaser, also those cases where the seller has entered into an agreement on transport with a forwarding company or a company that arranges forwarding services. This applies irrespective of whether the forwarder is paid directly by the seller or by the individual consumers. If there is a general agreement on transport between the seller and the forwarding company then distance selling is involved even in cases where the individual consumers enter into agreements with the forwarder. Even if the seller has not himself entered into a forwarding agreement the transports may still be regarded as executed on his behalf if a company in the same corporate group has entered into an agreement with the forwarding company.

Non-profit-making consignments

The provisions on distance selling also apply to consignments sent without profit motive from another EU country to a private individual in Sweden, provided that it is not purely a gift from one private individual to another. Goods that are sent from a private individual in one Member State to a private individual in another Member State are therefore regarded as distance selling even if the sender does not make any financial profit and only receives compensation for his expenses. The sender must pay excise duty on the goods in the receiving country. Pure gift consignments from one private individual to another are not taxed, however.

Liability for value added tax

Sale by a foreign company to Sweden of goods subject to excise duty in the form of distance selling means that Swedish value added tax has also to be paid. The distance sel-

ler must therefore register as liable for value added tax in Sweden; see the brochure “Skatteanmälan för utländska företagare” [Tax application for foreign entrepreneurs] (SKV 419b) or contact the Swedish Tax Agency foreign units.

Registered distance seller

Anyone who wishes more regularly to sell goods subject to excise duty to Sweden by means of distance selling must apply for registration with the Swedish Tax Agency and appoint a representative. The representative must be approved by the Swedish Tax Agency. Application is made on the form SKV 5336b. The form is on the Swedish Tax Agency’s website. The information on the form shows which additional information and which documents are to be appended to the application. The form also shows the address to which it is to be sent.

A person who has to register as a distance seller must also provide a guarantee, see “Guarantee”.

A person who only on a single occasion sells goods subject to excise duty to Sweden by means of distance selling may instead apply to be a temporarily registered distance seller; see “Temporarily registered distance seller”.

Registration as a distance seller applies only to the legal entity or natural person stated in the registration notice. In other words a registration cannot be transferred to another person. If a business is transferred to another legal entity or natural person this entity or person must therefore apply for registration on his own behalf.

Representative

A registered distance seller must be represented by a representative who is approved by the Swedish Tax Agency. The representative must be established in Sweden. The distance seller must give the representative power of attorney to be responsible as his agent for the excise duty tax reports and also for representing the seller generally with regard to matters relating to the excise duty concerned. Information for inspection of the distance seller’s excise duty tax return must be available with the representative.

The seller grants power of attorney to the representative and applies for approval of the representative at the time of applying for registration as a distance seller.

A representative cannot be approved until a guarantee has been lodged with the Swedish Tax Agency; see “Guarantee”.

It is the distance seller who is liable for the Swedish excise duty. The representative acts as the agent of the distance seller.

The Swedish Tax Agency may withdraw approval of a representative if the conditions for approval are no longer satisfied or if the distance seller or the representative so requests.

Guarantee

A distance seller must guarantee payment for the excise duty on goods sent to Sweden from other EU countries. A basis for calculation of the security must be submitted to the Swedish Tax Agency together with application for registration.

The guarantee shall be of an amount equal to ten per cent of the calculated annual tax on the goods that the distance seller sends to Sweden from other EU countries.

The registered distance seller is responsible for keeping his guarantee up to date. If the amount of the guarantee is no longer sufficient new guarantee must be provided.

Directives on guarantee are to be found on the Swedish Tax Agency website. The guarantee must be provided in Swedish kronor and may for example consist of a guarantee commitment by a bank or amount deposited in a blocked pledged bank account. The guarantee must be valid for at least six months after it has been cancelled.

If the distance seller does not lodge a guarantee with the Swedish Tax Agency the party which receives the goods in Sweden, i.e. the customer, will become liable for excise duty instead of the seller.

Other consequences of registration

- Registration as a distance seller also entails registration as liable for tax under “Skatteförfarandelagen (2011:1244)” in respect of excise duties on alcohol, tobacco, energy, carbon dioxide or sulphur.
- The Swedish Tax Agency may carry out an audit on the distance seller or the approved representative.

Excise duty tax returns

A registered distance seller must account for and pay excise duty on all duty liable goods that he forwards to Sweden by means of distance selling. The liability for excise duty arises when goods are brought into the country. One or more excise duty tax returns must be submitted for each type of excise duty. A distance seller who is registered for both alcohol and tobacco excise duty must therefore submit two different excise duty tax returns. A distance seller who is registered for excise duty on energy may need to submit three different returns depending on which type of energy products he is selling.

The tax return forms are sent to the approved representative, as it is the representative who is responsible for reporting the Swedish excise duty.

The front page of the tax return gives details of the current rates of excise duty. There may be other information there, so make a point of reading the front page carefully.

Do not forget to sign the excise duty tax return before sending it in. The tax return must be signed by an authorized signatory for the distance seller or by the authorized representative. An excise duty tax return cannot be signed by an agent other than the representative.

When must the distance seller submit excise duty tax returns?

A registration as a distance seller entails a duty to submit excise duty tax returns for every accounting period. The accounting period normally covers a calendar month.

A registered distance seller must submit excise duty tax returns even if no goods have been sold to Sweden during a particular accounting period. The distance seller must in that case submit a nil return. If returns are not submitted on time one may, in addition to being subjected to an arbitrary assessment and having to pay a late filing penalty, also have the representative's authorization withdrawn.

The excise duty tax returns must reach the Swedish Tax Agency not later than on the dates shown in the tables below. Different tables apply, depending on whether and how the company report value added tax and the size of the taxation basis for value added tax.

Those that do not have to account for value added tax at all must submit their excise duty tax return not later than the 12th (17th) of the month after the end of the accounting period as follows:

Excise duty tax return for the accounting period of	must reach the Swedish Tax Agency not later than
January	12 February
February	12 March
March	12 April
April	12 May
May	12 June
June	12 July
July	17 August
August	12 September
September	12 October
October	12 November
November	12 December
December	17 January

Large companies, i.e. companies with a taxation base for value added tax exceeding SEK 40 million for the tax year, must submit their excise duty tax return not later than the 26th (27th) of the month after the end of the accounting period as follows:

Excise duty tax return for the accounting period of	must reach the Swedish Tax Agency not later than
January	26 February
February	26 March
March	26 April
April	26 May
May	26 June
June	26 July
July	26 August
August	26 September
September	26 October
October	26 November
November	27 December
December	26 January

Others who have to submit an excise duty tax return must do so not later than the 12th (17th) in the second month after the end of the accounting period as follows:

Excise duty tax return for the accounting period of	must reach the Swedish Tax Agency not later than
January	12 Mars
February	12 April
March	12 May
April	12 June
May	12 July
June	17 August
July	12 September
August	12 October
September	12 November
October	12 December
November	17 January
December	12 February

In which tax return must the goods be entered for taxation?

The obligation to account for taxes occurs at the same time as the liability to tax. Duties must be accounted for in the excise duty form for the accounting period when the liability to tax occurred.

It is not permissible to set off excise duty between different accounting periods. If it is subsequently discovered that an error has been made in an excise duty tax return this return must be corrected by sending correct particulars to the Swedish Tax Agency.

How do you pay the excise duty?

Everybody who has to pay tax in Sweden is given a tax account. The Swedish Tax Agency summarizes all in-payments of tax, e.g. of excise duties and value added tax, on the tax account.

The excise duties are paid by depositing in the tax account of the registered distance seller. Payment must be made not later than the date when the return must have reached the Swedish Tax Agency; see “When must the distance seller submit excise tax returns?”. The excise duty is regarded as paid when it is entered in the Swedish Tax Agency account.

In-payment forms may be ordered on the Swedish Tax Agency service phone, +4620-567 000, option 6704, or on the Swedish Tax Agency website. When paying in any other manner, e.g. via the Internet, a correct reference number (OCR) must be given to ensure that the payment is entered in the correct tax account. The reference number is shown in the inpayment forms. The OCR number can also be calculated using an e-service on the Swedish Tax Agency website.

When paying into the tax account from abroad it is necessary to give special account numbers and details, see information on the Swedish Tax Agency website.

Deregistration

If one stops selling goods liable to excise duty to Sweden by means of distance selling one should make a written request for deregistration. This must be signed by an authorized signatory of the distance seller or by the representative.

Temporarily registered distance seller

A person who only on a single occasion sells goods subject to excise duty to Sweden by means of distance selling may instead register as a “temporarily registered distance seller” and guarantee payment of the excise duty to the Swedish Tax Agency before the shipment.

Registration

Registration is made on the form “Registration – Temporarily registered distance seller. Excise duties on alcohol, tobacco or energy products” (SKV 5372b). The form may be found on the Swedish Tax Agency website. Information on the form explains how to fill in the registration form.

The registration as temporarily registered distance seller must have reached the Swedish Tax Agency before the goods are sent from the other EU country.

A temporarily registered distance seller does not have a representative.

Guarantee

Anyone applying to be a temporarily registered distance seller must lodge a guarantee with the Swedish Tax Agency. The amount of the guarantee must be equal to the excise duty on the goods covered by the registration. Current tax rates are on the Swedish Tax Agency website.

The guarantee must be provided before the goods are dispatched from the other EU country.

The guarantee can suitably be lodged by depositing the amount in the Swedish Tax Agency account no. 95 06 71-8. Be sure to state the correct name of the distance seller when paying to enable the Swedish Tax Agency to link the guarantee to the relevant registration.

For payment from abroad into the Swedish Tax Agency account for guarantees the following information must be given:

IBAN	SE52 9500 0099 6042 0950 6718
BIC/Swift	NDEASESS
Bank	Nordea Bank, S-105 71 Stockholm
Payee	Skatteverket, S-771 83 Ludvika

Contact the Swedish Tax Agency for other forms of guarantees.

If the distance seller does not provide guarantee the person receiving the goods in Sweden, i.e. the customer, will become liable for the excise duty instead of the distance seller.

Special tax return

When the goods have been imported into the country the temporarily registered distance seller must account for the excise duty in a special excise duty tax return. The Swedish Tax Agency will send a tax return form to the temporarily registered distance seller as soon as the registration form and the guarantee have reached the Agency. The completed tax return must reach the Swedish Tax Agency not later than five days after the goods have been imported into Sweden. It must be signed by an authorized signatory for the distance seller.

Send the excise duty tax return to the address stated on the tax return form.

Payment of the excise tax

Everybody who has to pay tax in Sweden is given a tax account. The Swedish Tax Agency summarizes all in-payments of tax, e.g. of excise tax and value added tax, on the tax account.

When the guarantee has been provided as advance payment it will be used for paying the excise duty when the special excise duty tax return has reached the Swedish

Tax Agency. The Agency will transfer the amount to the distance seller's tax account.

If the guarantee has been furnished in a form other than an advance payment to the Swedish Tax Agency account, the distance seller must pay the excise duty by depositing in the tax account not later than five days after the goods have been imported into the country. The Swedish Tax Agency will then return the guarantee to the distance seller.

- ¹ Council directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12/EEC (OJ L 9, 14.1.2009, p. 12).
- ² For more detailed information on the different types of products and exemptions from liability for excise duty, see "Handledning för punktskatter" [Guide to excise duties] (SKV 504), chapter 3, or contact the Swedish Tax Agency.
- ³ For more detailed information on the different types of products, see "Handledning för punktskatter" [Guide to excise duties](SKV 504), chapter 4, or contact the Swedish Tax Agency.
- ⁴ For more detailed information on the different types of products, see "Handledning för punktskatter" [Guide to excise duties](SKV 504), chapter 5, or contact the Swedish Tax Agency.
- ⁵ For description of duty suspension arrangements and transfers of duty suspension products, see, "Handledning för punktskatter" [Guide to excise duties](SKV 504) and the brochures SKV 525 – 530 and SKV 532 – 534.
- ⁶ See "Handledning för punktskatter" [Guide to excise duties] (SKV 504) chapters 3, 4 and 5.

