



EUROPEAN COMMISSION

Cabinet of Commissioner Paolo Gentiloni
Head of Cabinet

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Dear Sir,

On behalf of Commissioner Gentiloni, I would like to thank for your recent letters of 15 and 17 June 2020 regarding the impact of COVID-19 on the European beer industry and hospitality sectors.

COVID-19 is a severe public health emergency for our citizens, societies and economies with infections in all Member States. It is also a major economic shock to the EU. The European Commission is fully aware of the negative economic impact the COVID-19 pandemic has had on all and will use all the instruments at its disposal to mitigate the socio-economic impact of the COVID-19 pandemic.

Regarding the various points raised in your correspondence, I would like to provide you with the following feedback:

Excise duty related issues

As you rightly note, the current rules for excise duties on alcohol (Directive 92/83/EEC) allow Member States to apply reduced rates of excise duties to support the brewing industry. This includes, for example, reduced rates of excise duty on up to 200,000 hectolitres of beer per annum produced by small independent brewers. We understand that currently 13 Member States have adopted the maximum threshold allowed and a further 10 Member States apply the reduced rates to a lower threshold.

VAT related issues

The European Commission services have already suggested to Member States to show flexibility, when it comes to VAT obligations of businesses during the COVID-19 pandemic. These relate in particular to VAT payments, the late payment penalties and sanctions, areas, which fall largely under the remit of Member States. In this context, it should be noted that certain Member States have adopted urgent measures specifically aimed at supporting the hospitality sector.


As regards VAT rates, the current EU rules for VAT allow Member States to apply a reduced rate to foodstuffs “including beverages but excluding alcoholic beverages”

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(point 1 of Annex III to the VAT Directive¹). Restaurant and catering services are eligible for reduced rates, “*it being possible to exclude the supply of (alcoholic and/or non-alcoholic) beverages*” (point 12a of Annex III to the VAT Directive). Thus, Member States already have the discretion to allow a reduced VAT rate for the on-trade consumption of alcohol.

Furthermore, I note and welcome the initiatives and support that the brewers have provided to date during the pandemic. Finally, let me reiterate that the European Commission remains in close contact with Member States and it is determined to address the extreme challenges of the COVID-19 pandemic as well as welcomes your continued support in this regard.

Yours sincerely,



Marco Buti

¹ Council Directive 2006/112/EC of 28.11.2006 on the common system of VAT – OJ 347, 11.12.06, p.1.