



How does the shipment of excise goods with EMCS work?

We are happy to advise you!

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The above example shows the movement of excise goods. It is the same procedure for movement within a member state or between member states.

The process starts, when the consignor submits the e-AAD to the administrative authority of his country, the member state of dispatch (1). The member state of dispatch validates the e-AAD. In particular, the excise numbers of the consignor and the consignee are matched against a European register of operators (SEED). A confirmation e-AAD (including the ARC-Number) is sent back to the consignor and via the member state of destination administrative authority to the consignee (2). Now, the consignor can dispatch the goods and move them to the consignee (3). When the excise goods arrive, the consignee submits a acknowledgment of receipt to administrative authority of his country, the member state of destination (4). The administrative authority validates the acknowledgment and sends a report of receipt back to the consignee and via the member state of dispatch administrative authority to the consignor (5). Now, the consignor is no longer liable for taxation of the excise goods.

Why EMCS?

The European Commission and EU Member States have developed a trader-to-trader link in order to follow the movement of excise goods between Member States, called EMCS.

This **Excise Movement and Control System** will soon be of huge importance for manufacturers and traders of excise goods, such as alcohol and alcoholic beverages, tobacco products and energy products.

What is EMCS?

EMCS is an IT system for monitoring movements of excise goods under duty suspension between warehouses and traders in EU Member States. It will completely replace the paper document (AAD) that currently accompanies such movements.

EMCS is a very important development for all companies which are doing business with for example alcohol, tobacco or petroleum products.

EMCS is going live in several steps. In a first step, beginning at the end of 2009, companies get the opportunity to get familiar with EMCS in live action before the system becomes mandatory.

EMCS means:

- › simplification of movements of goods under duty-suspension
- › electronic transmission of the accompanying document instead of the paper document
- › secure movements of goods by checking the traders data before the goods are dispatched
- › quick and safe return of the evidence that the goods arrived
- › real time checks and information during the movements of goods

Frequently asked questions

How can companies use EMCS?

Companies are connected to EMCS solely via internet. They can usually use it in two ways:

- › they connect via an automated interface between their systems and EMCS which is developed by themselves or external suppliers
- › they use a website which is provided by the authorities of the member state (e.g. customs authorities) to manually fill in the EMCS relevant data

When is the usage of EMCS mandatory?

This depends on the member state. For Austria, for example, starting at the end of 2009, it is possible, but not mandatory to use EMCS. In February 2010, EMCS becomes mandatory for movements within Austria.

From April 2010, all companies within the EU have to be able to receive e-AADs send an acknowledgement of receipt via EMCS. From 2011, EMCS becomes mandatory in the whole EU.

What does it cost to use EMCS?

Of course, it is not possible to make a general statement about this. You can expect initial spending in the areas of training and adopting your internal IT-Systems as well as operating costs, for example personnel costs for manually inserting the EMCS data when you decide to use the website instead of an automated interface.

However, it is expected that the advantages of EMCS, like paperless data exchange and a quick, secure and traceable goods movement process, are far higher than its costs.

schedule	national		all EU member states	
	receipt	dispatch	receipt	dispatch
February 2010	x	x	o	o
April 2010	x	x	x	o
January 2011	x	x	x	x

x...mandatory o...optional

What happens, when the EMCS-System is unavailable for some reason?

EMCS depends heavily on a working data connection between companies and authorities. However, the possibility of connection problems has of course been considered. In such a case, EMCS transmission is temporarily suspended, replaced by paper forms or some other fallback solution is provided by the authorities.

How can hs²n help you with EMCS?

We can advise you with our experience in implementation of EMCS interfaces.

We are able to provide the technical infrastructure for EMCS communication with our "EMCS Message Center". It has a standardized interface for communication with administrative authorities on one side and an open interface for data exchange with your systems on the other side.

We are happy to help with making your IT-Systems ready for EMCS.

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