

LAW
on the State Budget of
the Republic of Bulgaria for 2023

TRANSITIONAL AND FINAL PROVISIONS

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§ 25. In the Excise and Tax Warehouses Act (promulgated in State Gazette (SG) issue No 91 of 2005; amended and supplemented, SG issue No 105 of 2005, SG issues Nos 30, 34, 63, 80, 81, 105 and 108 of 2006, SG issues Nos 31, 53, 108 and 109 of 2007, SG issues Nos 36 and 106 of 2008, SG issues Nos 6, 24, 44, and 95 of 2009, SG issues Nos 55 and 94 of 2010, SG issues Nos 19, 35, 82, and 99 of 2011, SG issues Nos 29, 54 and 94 of 2012, SG issues Nos 15, 101 and 109 of 2013, SG issues Nos 1 and 105 of 2014, SG issues Nos 30, 92 and 95 of 2015, SG issues Nos 45, 58, 95, and 97 of 2016, SG issues Nos 9, 58, 63, 92, 97 and 103 of 2017, SG issues Nos 24, 62, 65, 98 and 103 of 2018, SG issues Nos 7, 17, 33, 96 and 100 of 2019, SG issues Nos 9, 14, 18, 28, 44, 65 and 104 of 2020, and SG issue No 77 of 2021, SG issues Nos 12, 42, 52, 100 and 102 of 2022, SG issues Nos 8 and 54 of 2023) the following amendments and additions shall be made:

1. In Article 4(6), a third sentence shall be inserted: ‘Nicotine-containing tobacco substitutes and e-cigarette liquids, regardless of whether they contain nicotine, shall not be required to display a sales price on the consumer packaging.’

2. In Article 12b:

a) in paragraph 1, the words ‘containing nicotine’ shall be replaced by ‘regardless of whether it contains nicotine, for the purposes of this Law’.

b) new paragraph 3 shall be inserted:

‘(3) “nicotine-free e-cigarette liquid” means a liquid used by inhalation of vapours resulting from heating without combustion, and intended for use with an electronic cigarette, which is a device that can be used to consume nicotine-free vapours by means of a mouthpiece or a component of that article, including cartridge and container, and the device without cartridge or container. E-cigarettes can be single-use or reusable via a refillable container and reservoir, or refillable via single-use cartridges. A nicotine-free e-cigarette refill container is a container of nicotine-free liquid that can be used to refill an e-cigarette.’

3. In Chapter Two, Section II, an Article 12c shall be inserted:

‘Article 12c (1) For the purposes of this Law, tobacco substitutes containing nicotine shall be deemed to be tobacco products.

(2) Tobacco substitutes containing nicotine are nicotine products composed entirely or partially of powder, particles of paste/gel, or other substance, or a combination of these forms, including in packages in the form of packets (pouches) that do not contain tobacco, but contain nicotine, intended to introduce nicotine into the human body and which are not intended for medical purposes.’

4. In Article 21(1), a sub-paragraph 17 shall be inserted:

‘17. tobacco products within the meaning of Articles 12b and 12c intended for another Member State’.

5. In Article 24a:

a) in paragraph 5, a sub-paragraph 11 shall be inserted:

‘11. information on the specific purpose and way of use of the energy products falling within CN codes 2707, 2710 and/or 2902 contained in the final product, irrespective of their quantity, as well as information on equivalent products where a request has been made pursuant to Article 24(2)(4)’;

b) in paragraph 6, a sub-paragraph 14 shall be inserted:

‘14. documents proving the information referred to in paragraph 5(11) in respect of the final product.’

6. In Article 29:

a) in paragraph 3:

aa) in sub-paragraph 2, the words “containing” shall be replaced by “regardless of whether it contains”;

bb) new sub-paragraph 3 shall be inserted:

‘3. tobacco substitute containing nicotine is the amount of substance, regardless of the form, measured in kilograms.’;

b) in paragraph 4(6), after the word “registered”, the expression “for cigarettes with a valid excise duty band affixed” shall be inserted.

c) the following new paragraph 5 shall be inserted:

‘(5) For tobacco substitutes containing nicotine and liquids for e-cigarettes, regardless of whether they contain nicotine, no registered price shall be required for the sale on the territory of the country.’

7. In Article 38:

a) paragraph 3 shall be amended to read as follows:

‘(3) The excise rate for e-cigarette liquid, regardless of whether it contains nicotine, shall be as follows:

1. BGN 0,30 per millilitre as of 1st of August 2023;
2. BGN 0,35 per millilitre as of 1st of January 2024;
3. BGN 0,40 per millilitre as of 1st of January 2025;
4. BGN 0,45 per millilitre as of 1st of January 2026.’;

b) new paragraph 4 shall be inserted:

‘(4) The excise rate for tobacco substitutes containing nicotine shall be as follows:

1. BGN 90 per kilogram as of 1st of August 2023;
2. BGN 95 per kilogram as of 1st of January 2024;
3. BGN 105 per kilogram as of 1st of January 2025;
4. BGN 115 per kilogram as of 1st of January 2026.’

8. In Chapter Four, Section IV, the following Article 64b shall be inserted:

‘Article 64b. No excise duty band shall be affixed to the consumer package when released for consumption from a tax warehouse of:

1. Bottled alcoholic beverages falling within CN code 2208 and having an alcoholic strength by volume equal to or exceeding 15% in volume which are transported for commercial purposes to the territory of another Member State under the cover of an electronic simplified administrative document;

2. Tobacco products referred to in Articles 12b and 12c which are transported for commercial purposes to the territory of another Member State with the issue of a registered excise duty document and subject to the provisions of Article 86(5) and (6).’

9. In Article 82f, paragraph 10 shall be amended to read as follows:

‘(10) The security under par. 9 shall be furnished at one hundred per cent of the amount of the excise duty payable on the average monthly quantity of goods received at the rate set out in Chapter Three, Section IV.’

10. In Article 86:

a) in paragraphs 5 and 6, after the words “Article 21(1)(13)”, the words “and 17” shall be added;

b) new paragraphs 8 and 9 shall be inserted:

‘(8) Where the certified consignor is a licensed warehouse-keeper and the goods destined for another Member State are released for consumption on their departure from the tax warehouse

and provided the report of receipt of the excise goods released for consumption is registered in the computerised system within the time limit for lodging the excise duty declaration, a credit note shall be issued to the registered electronic excise duty document stating the reason for the undue excise duty and shall be included in the tax period of the registered electronic excise duty document issued.

(9) Where the certified consignor is a licensed warehouse-keeper and the goods destined for another Member State are released for consumption on their departure from the tax warehouse, and provided that the report of receipt of the excise goods released for consumption is registered in the computerised system after the time limit referred to in paragraph 8, but prior to the submission of the excise duty declaration for the following tax period, a credit note shall be issued to the registered electronic excise duty document, stating the reason for undue excise duty and shall be included in the period following the tax period of the registered electronic excise duty document issued.'

11. In the Transitional and Final provisions:

a) paragraphs 6a and 6b shall be repealed;

b) in § 6c the following new paragraphs 4-9 shall be inserted:

'(4) Persons who manufacture nicotine-free e-cigarette liquids and/or tobacco substitutes containing nicotine may continue their activities provided that they submit a written request for a tax warehouse management licence under this Act by 31 August 2023. In this case, the persons shall continue their activities until the Director of the Customs Agency has given a decision, but not later than 31 October 2023, subject to the provisions on the obligations of the licensed warehouse-keepers.

(5) By 31 January 2024, nicotine-free e-cigarette liquids and/or nicotine-containing tobacco substitutes may be released for consumption within the meaning of Article 20(2) without an excise duty band affixed to the consumer package by:

1. the persons referred to in paragraph 4;

2. the licensed warehouse-keepers, whose tax warehouse licence also includes nicotine-free e-cigarette liquids and/or tobacco substitutes containing nicotine;

3. the persons who import into the territory of the country liquids for nicotine-free e-cigarettes and/or substitutes of nicotine-containing tobacco;

4. the persons, who bring into the territory of the country liquids for nicotine-free e-cigarettes and/or substitutes of nicotine-containing tobacco.

(6) The persons who sell, store and market nicotine-free e-cigarette liquids and/or tobacco substitutes containing nicotine may continue their activities, provided that they submit a written request for a tobacco products marketing permit under this Act by the 31st of August 2023. In that case, the persons shall continue their activities at the places referred to in Article 90b until the entry into force of the relevant act of the Director of the Territorial Directorate, but not later than the 31st of October 2023.

(7) The persons referred to in paragraph 6 shall also attach to the request an inventory of nicotine-free e-cigarette liquids and/or nicotine-containing tobacco substitutes available on the premises concerned as of the 1st of August 2023.

(8) The persons who hold a valid tobacco products marketing permit and who sell, store and market nicotine-free e-cigarette liquids and/or nicotine-containing tobacco substitutes may continue their activities, provided that they submit an inventory of the nicotine-free e-cigarette liquids and/or nicotine-containing tobacco substitutes available at the premises as of the 1st of August 2023. The inventory shall be submitted by the 31st of August 2023 to the Director of the Territorial Directorate where the site is located.

(9) The persons referred to in paragraphs 6 and 8 may realize in the commercial network nicotine-free e-cigarette liquids and/or nicotine-containing tobacco substitutes without an excise duty band affixed by the 30th of April 2024. After the 30th of April 2024, the nicotine-free e-

cigarette liquids and/or tobacco substitutes containing nicotine must be affixed with an excise duty band on the consumer package.'

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§ 43. This Law shall enter into force on the 1st of January 2023, with the exception of:

1. paragraph 1(3) and (5), § 23(3) to (7), § 25 and 26, which shall enter into force on the 1st of August 2023.

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