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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL IMPLEMENTING DECISION authorising the Republic of Croatia to apply a tax exemption to gas oil used to operate machinery in humanitarian demining in accordance with Article 19 of Directive 2003/96/EC

COUNCIL IMPLEMENTING DECISION (EU) 2021/...

of ...

**authorising the Republic of Croatia to apply a tax exemption
to gas oil used to operate machinery in humanitarian demining
in accordance with Article 19 of Directive 2003/96/EC**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity¹, and in particular Article 19 thereof,

Having regard to the proposal from the European Commission,

¹ OJ L 283, 31.10.2003, p. 51.

Whereas:

- (1) By Council Implementing Decision 2014/921/EU¹, Croatia was authorised to apply a tax exemption to gas oil used to operate specialised machinery in humanitarian demining in accordance with Article 19 of Directive 2003/96/EC (the 'tax exemption') until 19 December 2020.
- (2) On 18 September 2020, Croatia requested authorisation to continue to apply the tax exemption for the period from 20 December 2020 until 19 December 2026. At the request of the Commission, Croatia provided additional supporting information on 13 October and 6 November 2020.
- (3) With the tax exemption it intends to continue to apply, Croatia aims to speed up the demining of the remaining mine-contaminated areas in various regions. The tax exemption would have immediate positive effects on human life and health in those regions.
- (4) The tax exemption should be limited to accredited special-purpose machines designed and built specifically for clearing mined areas.
- (5) The tax exemption should be limited to mine-contaminated areas in the territory of Croatia.

¹ Council Implementing Decision 2014/921/EU of 16 December 2014 authorising Croatia to apply a tax exemption to gas oil used to operate machinery in humanitarian demining in accordance with Article 19 of Directive 2003/96/EC (OJ L 363, 18.12.2014, p. 150).

- (6) The tax exemption should apply to all operators involved in humanitarian demining in Croatia, thus no economic advantage will be given to any particular operator involved.
- (7) Consequently, the tax exemption is acceptable from the point of view of the proper functioning of the internal market and of the need to ensure fair competition and it is compatible with the Union's health, environment, energy and transport policies.
- (8) Each authorisation granted under Article 19(1) of Directive 2003/96/EC is to be strictly limited in time. In order to provide economic operators concerned with a sufficient degree of certainty and enough time to conclude the process of demining of the contaminated areas, it is appropriate to grant the authorisation for a period of six years.
- (9) In order to provide legal certainty to economic operators involved in demining operations and to avoid a potential increase in the administrative burden resulting from changes to the applicable tax rate, Croatia should be able to apply the tax exemption without interruption. The authorisation requested should therefore be granted with effect from 20 December 2020, in order to follow seamlessly on from the prior arrangements under Implementing Decision 2014/921/EU.
- (10) This Decision is without prejudice to the application of Union rules regarding State aid,

HAS ADOPTED THIS DECISION:

Article 1

Croatia is authorised to exempt from taxation gas oil used to operate machinery in humanitarian demining in its territory. The tax exemption shall be limited to accredited special-purpose machines designed and built specifically for clearing mined areas.

Article 2

This Decision shall apply from 20 December 2020 until 19 December 2026.

However, should the Council, acting on the basis of Article 113 or any other relevant provision of the Treaty, provide for general rules on tax advantages for humanitarian demining, this Decision shall cease to apply on the day on which those general rules become applicable.

Article 3

This Decision is addressed to the Republic of Croatia.

Done at ...,

For the Council

The President
