

EN

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Answer given by Mr Hoekstra
on behalf of the European Commission
(26.8.2026)

Portugal can apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs which may be lower than the minimum rate of excise duty set by Council Directive 92/84/EEC¹, but not more than 75% lower than the standard national excise duty on alcohol.

This is based on Council Decision (EU) 2020/1790 of 16 November 2020² authorising Portugal to apply a reduced rate of excise duty on certain alcoholic products produced in the autonomous regions of Madeira and Azores. The rum covered by this Council Decision is defined as ‘a spirit drink produced exclusively by the distillation of the product obtained by the alcoholic fermentation of molasses or syrup produced in the manufacture of cane sugar or of sugar-cane juice itself’³. The Council Decision is based on Article 349 of the Treaty on the Functioning of the EU, which establishes a special legal regime for the EU’s outermost regions, allowing specific measures to address their structural, economic and geographic challenges.

Directive 92/83/EEC lays down the structures of excise duties on alcohol and alcoholic beverages, including certain specific provisions and exemptions applicable to particular categories of products. The current framework reflects long-standing policy choices and seeks to ensure the proper functioning of the Internal Market.

At this stage, the Commission is not planning a revision of this Directive. Nevertheless, the Commission continues to monitor the implementation and application of the existing rules and remains attentive to developments in the sector, including any evidence provided by stakeholders and Member States regarding the functioning of the current framework.

¹ Council Directive 92/84/EEC of 19 October 1992 on the approximation of the rates of excise duty on alcohol and alcoholic beverages (OJ L 316, 31.10.1992, p. 29).

² Council Decision (EU) 2020/1790 of 16 November 2020 authorising Portugal to apply a reduced rate of taxation to alcohol produced in the autonomous region of Madeira, OJ L 402, 1.12.2020, p. 21.

³ See Article 3(1)(a) of Council Decision (EU) 2020/1790 in conjunction with point 1(a) of Annex I to Regulation (EU) 2019/787 of the European Parliament and of the Council of 17 April 2019, OJ L 130, 17.5.2019, pp. 1–54, ELI: <http://data.europa.eu/eli/reg/2019/787/oj>.