



2024/837

7.3.2024

COUNCIL IMPLEMENTING DECISION (EU) 2024/837

of 26 February 2024

authorising Sweden to apply a reduced rate of taxation to electricity directly provided to vessels at berth in a port, 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 electricity ⁽¹⁾, and in particular Article 19 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Council Implementing Decision 2020/1674/EU ⁽²⁾ authorised Sweden to apply a reduced rate of taxation to electricity directly provided to vessels, other than private pleasure craft, at berth in a port ('shore-side electricity') in accordance with Article 19 of Directive 2003/96/EC, until 31 December 2023.
- (2) By letter dated 5 April 2023, Sweden sought authorisation to continue to apply a reduced rate of taxation to shore-side electricity pursuant to Article 19 of Directive 2003/96/EC, until 31 December 2027. The Swedish authorities provided additional information by letter dated 19 October 2023.
- (3) By applying a reduced rate of taxation to shore-side electricity, Sweden aims to continue the promotion of the use of shore-side electricity. The use of such electricity allows the needs of vessels at berth in a port to be satisfied in a less environmentally harmful way than by their burning bunker fuels.
- (4) In so far as the use of shore-side electricity helps to avoid emissions of air pollutants originating from the burning of bunker fuels, it contributes to an improvement to the local air quality in port cities, as well as to noise reduction. The measure is therefore expected to contribute to the environmental, health and climate policy objectives of the Union.
- (5) Allowing Sweden to apply a reduced rate of taxation to shore-side electricity does not go beyond what is necessary to increase the use of such electricity, since on-board generation of electricity will remain the more competitive alternative in most cases. For the same reason, and because of the current relatively low degree of market penetration of the relevant technology, the application of that reduced rate of taxation is unlikely to lead to significant distortions in competition while it is in effect and would therefore not negatively affect the proper functioning of the internal market.
- (6) In accordance with Article 19(2) of Directive 2003/96/EC, each authorisation granted under Article 19(1) of that Directive is to be limited in time. In order to ensure that the authorisation period is sufficiently long so as not to discourage relevant economic operators from making the necessary investments, it is appropriate to grant the authorisation until 31 December 2027. However, that authorisation should cease to apply from the date of application of any modified general rules on tax advantages for shore-side electricity adopted by the Council under Article 113 or any other relevant provision of the Treaty on the Functioning of the European Union, should such provisions become applicable prior to 31 December 2027.

⁽¹⁾ OJ L 283, 31.10.2003, p. 51.

⁽²⁾ Council Implementing Decision (EU) 2020/1674 of 29 October 2020 authorising Sweden to apply a reduced rate of taxation to electricity directly provided to vessels at berth in a port, in accordance with Article 19 of Directive 2003/96/EC (OJ L 378, 12.11.2020, p. 3).

- (7) In order to provide legal certainty to port and ship operators and to avoid a potential increase in the administrative burden for the distributors and redistributors of electricity, it should be ensured that Sweden may continue to apply a reduced rate of taxation to shore-side electricity. The authorisation requested should therefore be granted with effect from 1 January 2024, in order to follow seamlessly on from the prior arrangements under Implementing Decision (EU) 2020/1674. By providing for application as from a date prior to entry into force of the special measure, the legitimate expectations of market operators and individuals are respected, as the special measure does not encroach upon their rights and obligations.
- (8) This Decision is without prejudice to the application of Union rules regarding State aid,

HAS ADOPTED THIS DECISION:

Article 1

Sweden is authorised to apply a reduced rate of taxation to electricity directly supplied to vessels, other than private pleasure craft, at berth in a port ('shore-side electricity'), provided that the minimum levels of taxation referred to in Article 10 of Directive 2003/96/EC are complied with.

Article 2

This Decision shall apply from 1 January 2024 until 31 December 2027.

However, in the event that the Council, acting on the basis of Article 113 or any other relevant provision of the Treaty on the Functioning of the European Union, introduces modified general rules on tax advantages for shore-side electricity, this Decision shall cease to apply on the day on which those general rules become applicable.

Article 3

This Decision is addressed to the Kingdom of Sweden.

Done at Brussels, 26 February 2024.

For the Council
The President
D. CLARINVAL