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## Administrative and legal regulation and the challenge of ensuring compliance with environmental standards in the production and circulation of excise goods

Dmytro Chepizhak\*

Postgraduate Student

Research Institute of Public Law

03035, 2-A G. Kirpa Str., Kyiv, Ukraine

<https://orcid.org/0009-0003-2379-1298>

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### Abstract

This study aimed to examine the regulatory mechanisms governing the circulation of excise goods in Ukraine in order to identify ways of optimising these mechanisms and enhancing their effectiveness. A comprehensive analysis of the current Ukrainian regulatory framework, statistical data, and international practices in the regulation of excise goods was conducted using formal-legal, statistical, and comparative methods. The research identified key issues in the administrative and legal regulation of excise goods. In particular, it was found that the existing regulatory mechanisms insufficiently account for environmental requirements, contributing to negative environmental impacts and increasing ecological risks. The analysis of regulatory provisions revealed a lack of clear environmental assessment criteria for producers of excise goods, as well as inadequate oversight of the disposal of industrial waste. Furthermore, the study highlighted the limited alignment of Ukrainian legislation with European standards, particularly regarding the digitalisation of control over the production and circulation of

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\*Corresponding author

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excise goods. Additionally, it was established that the current mechanisms of administrative oversight – such as inspections and control measures – lack sufficient transparency, creating conditions conducive to corruption. Statistical analysis revealed that the share of illicit trade in tobacco products increased from 2% in 2017 to 17.8% in 2022, while the number of convictions declined threefold. Drawing on international experience, particularly the practices of Germany, France, Italy and the Netherlands, several solutions have been proposed. These include the introduction of electronic excise stamps, the development of automated systems for accounting and monitoring the circulation of excise goods, enhanced customs controls at borders, and the establishment of public registers of licensees. It is also recommended that regulatory acts be improved by adapting European approaches to Ukrainian conditions, which would contribute to reducing the shadow economy and increasing tax revenues. The findings highlight the need for systemic reform in the regulation of the excise sector and the development of an effective model of administrative oversight that aligns with international standards

**Keywords:** sustainable development; state control; shadow market; waste disposal; monitoring digitalisation; European standards

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## Introduction

The growing share of the shadow market for excise goods – such as alcoholic beverages and tobacco products – combined with the challenges of economic instability in Ukraine, underscores the need for enhanced control in this sector. In the context of Ukraine's European integration and the implementation of the European Green Deal, environmental standards for the production of excise goods are becoming increasingly stringent. This entails the introduction of stricter environmental requirements for production processes, the modernisation of manufacturing, and the reduction of environmental impact. Particular attention must be given to reducing pollutant emissions, adopting energy-efficient technologies, managing production waste, and using environmentally safe packaging. Therefore, to ensure financial stability, protect consumer rights, and meet environmental standards, it is necessary to improve administrative procedures and implement modern technologies for tracking and accounting goods.

However, in the process of improving the administrative and legal regulation of excise goods, certain issues require further examination.

Foremost among these is the mismatch between the current regulatory framework and present-day conditions. M. Boiță *et al.* (2022), in their study of regulatory mechanisms concerning excise goods, also highlighted this issue. In particular, the authors emphasise the need for clearer differentiation between offences and administrative sanctions, as well as gaps in regulatory provisions that facilitate violations.

The study by Y. Yuswanto *et al.* (2022) examined the application of customs and excise regulations, highlighting the difficulties associated with enforcing Indonesia's current legislation in relation to the import of goods via electronic platforms. Similarly, K. Ochocki (2020), in analysing the capacity of excise taxation to address market failures in Poland, pointed to shortcomings in adapting excise regulations to modern realities – particularly in response to the rapid development of digital technologies and international trade. Of particular relevance is the research conducted by S. Shadikhodjaev (2024), which explores the relationship between environmental standards and international trade. The author emphasises that

the implementation of environmental standards in the production of excise goods – especially in the energy sector – often faces challenges due to the lack of a harmonised approach to environmental regulation across jurisdictions. S. Shadikhodjaev (2024) stresses the importance of balancing trade interests with environmental requirements, especially in the context of international commitments to reduce greenhouse gas emissions and promote environmentally sustainable production technologies. Despite the valuable insights offered by these studies, certain issues remain unaddressed. These include the harmonisation of excise legislation with global standards, the introduction of digital tools for monitoring e-commerce, and the specific regulatory challenges related to transnational transactions involving excise goods.

Another pressing issue is the excessive complexity and bureaucratic nature of the licensing mechanisms for the production and sale of excise goods. Licensing procedures often involve an excessive number of requirements, which are not always aligned with the realities of the modern market. This conclusion is also reflected in the study by L. Panggabean (2024), who analysed revenue generation mechanisms from excise duties on tobacco products and ethyl alcohol. The author highlighted that the overly complex licensing procedures result in reduced tax revenues, as many economic operators are unable to meet the stringent requirements. Attention should also be given to the impact of corruption risks on licensing processes, which warrants further investigation.

The insufficient level of automation in the regulation of excise goods circulation represents another significant barrier to effective oversight. The absence of integrated electronic systems to automate inspections, reporting, and data analysis slows down control procedures and increases the risk of errors. In his study, M. Oordt (2023) also emphasised the importance of automating the monitoring and accounting of excise goods,

stressing that the lack of integrated electronic systems significantly reduces the efficiency of excise administration and creates additional opportunities for tax evasion. K. Firmantoro (2022), in turn, analyses cases of negligence by customs and excise authorities in the enforcement of court decisions, noting that the insufficient level of digitalisation in inspections leads to delays in implementation and causes economic losses to both the state and businesses. The study by J. Zubović *et al.* (2024) is also noteworthy, as it examines the impact of excise taxation on income distribution. The authors point out that the absence of automated mechanisms for monitoring excise payments exacerbates inequalities in market access and increases the burden on legitimate producers. L. Wati *et al.* (2024) explore the relationship between tobacco company classification, environmental uncertainty, and risk management in the context of excise taxation. Their findings show that the lack of automated monitoring systems complicates not only the oversight of excise compliance but also the tracking of adherence to environmental production standards. Despite the significance of these findings, certain aspects remain insufficiently explored – particularly the implementation of modern technologies to ensure transparency and continuity in the accounting of excise goods, as well as the integration of automated systems across various state regulatory bodies.

Another notable issue is the weak alignment with international standards in the regulation of excise goods. The low level of integration with international instruments limits the potential for adopting established practices and modern technologies. In this context, Z. Zhelev (2020) highlighted the importance of harmonising excise legislation with European standards, noting that inadequate adaptation hampers the implementation of effective regulatory and control mechanisms. Additionally, B. Munga *et al.* (2022) found that insufficient application of international

standards in the automation of management systems reduces their effectiveness, particularly due to difficulties in tracking transnational transactions and integrating with global databases.

P. Van Vaerenbergh (2023), in exploring the relationship between low environmental standards and subsidy rules in international trade, emphasised that non-compliance of national production standards with international environmental requirements creates not only environmental risks but also trade barriers. The author stresses the need to harmonise environmental production standards for excise goods to ensure fair conditions in international trade and adherence to global environmental commitments. Nevertheless, certain aspects remain underexplored – particularly the harmonisation of digital technologies with international standards and the development of unified mechanisms for cross-border data exchange aimed at improving the regulation of excise goods circulation.

An analysis of existing studies has revealed a range of unresolved issues in the regulation of the excise goods market. Therefore, the present research aimed to identify the main problems related to the administration of excise goods circulation, including shortcomings in the enforcement of environmental standards, and to develop recommendations for improving existing mechanisms in line with environmental safety requirements and international best practices. The key objectives of the study included:

- analysing the current legal and regulatory framework governing the circulation of excise goods, and identifying its shortcomings, particularly in the area of environmental safety;
- identifying challenges associated with the implementation of modern digital technologies in processes of control, monitoring, reporting, and environmental impact assessment;
- examining the experience of European Union (EU) member states in this field.

## **Materials and Methods**

To analyse the current legal and regulatory framework governing the circulation of excise goods, the formal legal method was employed. This approach involves the examination of legal provisions in their textual form to determine their content, logic, structure, and interrelations. In particular, the analysis covered the Criminal Code of Ukraine (2001), the Tax Code of Ukraine (2010), the Resolution of the Cabinet of Ministers of Ukraine No. 408-2019-п (2019), and the Laws of Ukraine Nos. 1264-XII (1991), 2707-XII (1992), 265/95-BP (1995), 2899-IV (2005), 675-VIII (2015), 222VIII (2017), 1019-IX (2020), 2320-IX (2022), 3173-IX (2023), and 3817-IX (2024). The analysis focused on provisions regulating the obligations of business entities regarding licensing, income declaration, excise payment, and compliance with environmental standards. Particular attention was given to regulations concerning the disposal of production waste, reduction of harmful emissions, and the adoption of environmentally friendly technologies. Special consideration was also given to the regulation of excise goods circulated through online platforms, with an emphasis on the absence of specific provisions addressing the characteristics of e-commerce, such as seller and buyer identification, transaction monitoring, and digital product tracking.

To substantiate the implementation of modern digital technologies in control, monitoring, reporting, and environmental accounting processes, the statistical method was applied. This approach enables the examination of quantitative indicators reflecting the effectiveness of existing mechanisms and assesses their alignment with current requirements. Using this method, statistical data from the Kantar Ukraine agency were analysed, including the share of illicit tobacco trade from 2017 to 2022, as well as the number of convictions related to the illegal production, storage,

sale, or transportation for the purpose of sale of excise goods over the same period (Economichna Pravda, 2023).

The comparative method was employed to examine the experience of EU countries in regulating the circulation of excise goods, allowing for the comparison of approaches to the implementation of control and monitoring mechanisms across jurisdictions. Particular attention was given to Germany, France, Italy, and the Netherlands, which demonstrate a high level of effectiveness in combating the illicit trade in excise products. Relevant legal acts analysed included the Energy Tax Act of Federal Republic of Germany (2006), the Tobacco Tax Act of Federal Republic of Germany (2009), the Beer Tax Act of Federal Republic of Germany (2009), the General Tax Code of France (1950), the Decree of the President of the Italian Republic No. 504 (1995), and the Law of Netherlands "On Excise Duty" (1991). The comparison focused on the impact of harmonised excise rates and the introduction of automated reporting systems, as well as their role in reducing the shadow market.

## Results

Excise goods are specific categories of products subject to special excise taxation due to their significant social relevance and their impact on public health, the environment, and the national economy. These typically include alcoholic beverages, tobacco products, fuel, electronic cigarettes, and certain other goods defined by national legislation, depending on a country's policy priorities. Excise taxation serves not only as a means of generating revenue but also as a regulatory tool aimed at reducing the consumption of socially harmful products and encouraging the use of more environmentally friendly alternatives (Ferreira, 2021). In addition, excise duties play a key role in curbing the illicit trade, fostering fair competition, and protecting consumers from counterfeit goods.

The primary legislative act governing the circulation and production of excise goods in Ukraine is the Tax Code of Ukraine (2010), particularly Section VI, which deals with excise taxation. Article 215 of the Code outlines the list of excisable goods and sets out the basic principles for their taxation. According to Paragraph 215.1 of Article 215, excisable goods include ethyl alcohol, alcoholic beverages, tobacco products, liquids for electronic cigarettes, fuel, vehicles, and electricity. Analysis of Paragraph 215.2 of the same article, which regulates excise tax rates for these goods, indicates the imposition of relatively high rates on certain categories, particularly alcoholic beverages, tobacco products, and fuel. These elevated excise rates significantly affect the final retail price, potentially reducing the competitiveness of such goods in the domestic market and encouraging the growth of illicit trade. Rather than further increasing excise rates, it would be more appropriate to focus on broadening the list of excisable goods to include luxury items such as high-end vehicles, jewellery, and other expensive products. This approach would help to reduce the tax burden on the mass market, maintain the affordability of excise goods for consumers, increase budget revenues, and promote greater social equity by shifting the tax load towards wealthier segments of the population.

It is worth noting that Section VIII of the Tax Code of Ukraine (2010) is dedicated to the regulation of the environmental tax, defined as a nationwide mandatory payment levied on actual volumes of pollutant emissions into the atmosphere, discharges into water bodies, waste disposal, and radioactive waste volumes. The taxation system applies differentiated rates depending on the source of pollution, allowing for the consideration of varying levels of environmental impact. However, the effectiveness of the environmental tax as a regulatory tool remains limited due to the relatively low rates, which often fail to incentivise

enterprises to significantly reduce emissions or invest in environmentally friendly technologies. Moreover, the lack of clear integration between the environmental tax and modern digital monitoring systems creates a risk of underestimating actual pollution levels. This highlights the need to raise tax rates to levels that more accurately reflect the costs of ecosystem restoration, as well as to implement digital solutions to enhance the transparency and efficiency of environmental tax administration.

Article 232 of the Tax Code of Ukraine (2010) regulates the operation of the Electronic Fuel Sales Administration System (EFSA), which serves as a key instrument for monitoring the circulation of fuel. An analysis of the Procedure for the Electronic Administration of Fuel and Ethanol Sales (the Procedure), approved by Resolution of the Cabinet of Ministers of Ukraine No. 408-2019-п (2019), makes it possible to identify the main advantages and shortcomings of EFSA's operation. The Procedure outlines detailed rules for recording the volumes of fuel and ethanol by excise warehouse, including the automation of volume accounting via customs declarations, distribution of fuel among excise warehouses, and the ability to monitor stock levels based on taxpayers' requests. However, it should be noted that EFSA is not integrated with other digital platforms, such as customs and tax databases, which limits the potential for comprehensive monitoring. Additionally, Paragraph 47 of the Procedure establishes accounting standards, for example, allowing up to 1% discrepancies in fuel volumes for retail trade, but does not provide mechanisms for verifying these figures against actual data at local sites. Overall, the Procedure lays out the fundamental rules for EFSA's operation but requires improvement, particularly in terms of integration with other systems and the implementation of stricter monitoring and verification mechanisms.

It is also important to highlight the Law of Ukraine No. 3173-IX (2023), which introduces an electronic excise stamp and establishes the Electronic System for the Circulation of Excise Goods. This system is designed to enable tracking of such goods from the producer or importer to the final consumer. However, the introduction of a tax promissory note for the import of alcoholic beverages, as outlined in Paragraph 13 of the Law, may impose an additional administrative burden on businesses, particularly small and medium-sized enterprises.

The Law of Ukraine No. 222-VIII "On Licensing of Economic Activities" (2015), specifically Article 7, sets out the list of economic activities subject to licensing. These include the production, storage, and sale of excise goods such as alcoholic beverages, tobacco products, e-cigarette liquids, and fuel. The procedure for obtaining a licence is regulated by Articles 8-15 of this Law. However, the licensing process is also governed by another legal act, namely Section VII of the Law of Ukraine No. 3817-IX (2024). This law defines the key requirements for the licensing of the production, storage, and sale of the aforementioned goods, as well as the mechanisms for monitoring their circulation. According to Article 43 of the Law, licensing is carried out on the basis of submitting a substantial number of documents to the State Tax Service of Ukraine. These include founding documents, certificates on the technical condition of equipment, financial reports, certificates of conformity, and others. This procedure is excessively complex, time-consuming, and not always transparent, which creates additional barriers for legitimate economic operators, particularly small and medium-sized enterprises. The absence of digitalised applications and tracking processes via electronic systems further complicates interactions between entrepreneurs and public authorities, increases time costs, and heightens the risk of corruption.

In addition, Article 6 of the Law of Ukraine No. 3817-IX (2024) regulates the operation of excise warehouses. However, the lack of integrated digital platforms for automated product accounting results in gaps in the monitoring of production and movement. Specifically, the law does not account for the potential application of modern technologies, such as blockchain, to ensure transparent accounting and tracking of excise goods. The absence of such mechanisms hinders the detection of excise tax evasion and illegal circulation, especially in a cross-border context.

It is also important to highlight the Law of Ukraine No. 1019-IX (2020), which represents a significant step forward in the regulation of new types of tobacco products. The law introduced mandatory excise labelling for heated tobacco devices and liquids for electronic cigarettes, established rules for their production, importation, and sale, and strengthened administrative liability for violations. These measures include increased fines and the potential revocation of licences.

In addition, the provisions of the Law of Ukraine No. 2899-IV "On Measures to Prevent and Reduce the Use of Tobacco Products and Their Harmful Effects on Public Health" (2005) are of particular relevance. Article 16 of this law sets out a broad range of prohibitions aimed at limiting commercial influence, such as bans on marketing campaigns, promotional events, sponsorship, and the use of associative imagery that could encourage sales or create a favourable image of tobacco brands. Similar restrictions apply to heated tobacco devices and electronic cigarettes (Articles 16-1 and 16-2), including bans on advertising, free distribution, sales bundled with other goods, and other forms of commercial promotion.

In the context of regulating the circulation of excisable goods, the provisions of the Law of Ukraine No. 265/95-BP (1995) and the Law of Ukraine No. 675-VIII (2015) are also of considerable importance. Article 7 of the Law of Ukraine

No. 675-VIII (2015) requires sellers to provide consumers with comprehensive information about goods, including product characteristics, payment and delivery terms, and to ensure that contracts are concluded in electronic form with appropriate confirmation. For excisable goods such as alcoholic beverages and tobacco products, this provision is particularly significant, as it promotes transparency in sales conditions and minimises the risk of consumer deception. However, the law does not establish mandatory mechanisms for age verification, which creates a regulatory gap concerning the sale of goods prohibited to minors. The absence of such requirements makes it impossible to effectively control compliance with rules prohibiting the sale of excise goods to certain categories of people, particularly through online trade, where the risk of non-compliance significantly increases. This highlights the need to improve legislation by introducing compulsory age verification for purchasers via digital services or other reliable methods.

Article 3 of the Law of Ukraine No. 265/95-BP (1995) obliges business entities conducting cash transactions to use cash registers, allowing tax authorities to monitor each transaction in real time. However, this law does not include specific requirements for the mandatory integration of cash registers with e-commerce platforms, which hinders effective oversight of online transactions.

Particular attention in the regulation of the production and circulation of excisable goods should be given to the environmental aspects set out in the Law of Ukraine No. 1264-XII "On Environmental Protection" (1991). This law establishes the general principles of Ukraine's environmental policy, which are directly relevant to the regulation of businesses involved in the production or sale of excisable goods. Article 22 of the law outlines the foundations of the national environmental monitoring system, which is responsible for collecting, processing, storing, and

analysing information on the state of the environment. A key requirement of this Article is the obligation for enterprises whose activities may negatively impact the environment to submit analytical data from their observations to the relevant public authorities free of charge. This provision is directly applicable to enterprises engaged in the production or distribution of excisable goods such as fuel, alcoholic beverages, or tobacco products. These businesses often place an additional burden on the environment through the emission of harmful substances, the generation of waste, or the use of natural resources in their production processes. The obligation to submit monitoring results provides a foundation for ensuring compliance with environmental standards by business entities. A notable aspect of Article 22 is its emphasis on integration with scientific institutions to enable both short-term and long-term forecasting of environmental changes. This approach may support the development of programmes aimed at reducing the negative environmental impact of excisable goods production. For instance, monitoring results could inform the adoption of technologies designed to reduce CO<sub>2</sub> emissions during fuel production or guide the management of waste generated in the manufacture of tobacco products. However, Article 22 does not specify how the monitoring data should be incorporated into government programmes or taken into account in the implementation of economic and social measures. This lack of detail creates a gap in the practical application of the data, limiting its potential to enhance the environmental responsibility of businesses.

Challenges related to compliance with environmental standards in the production and distribution of excisable goods are also evident in other legislative acts. In particular, Article 17 of the Law of Ukraine No. 2320-IX (2022) obliges enterprises to carry out waste processing operations. This requirement is especially relevant for enterprises

involved in the production of excisable goods, such as fuel and tobacco products, as their operations may generate substantial volumes of waste. The disposal of such waste requires adherence to high environmental standards; however, the absence of transparent monitoring and enforcement mechanisms by public authorities makes it difficult to assess the actual environmental impact of these enterprises. This highlights the need to improve oversight systems, particularly through the digitalisation of reporting processes and the integration of environmental requirements into the broader regulatory framework.

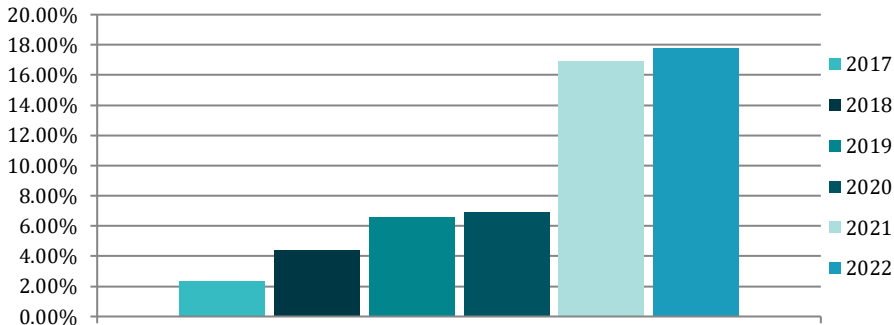
Article 10 of the Law of Ukraine No. 2707-XII (1992) outlines the obligations of business entities that emit pollutants to comply with environmental safety standards and implement measures to reduce emissions and the impact of physical factors. These requirements include maintaining emission treatment facilities and equipment in working order, monitoring the volume and composition of pollutants, developing contingency measures for emergency situations, and paying the environmental tax. Particular attention is given to the need for developing measurement methodologies, equipping sampling points for assessing gas-dust flow parameters and adhering to maximum permissible emission standards. However, despite the detailed provisions, the absence of sector-specific standards that reflect the particularities of excisable goods production, along with limited opportunities for automated monitoring, poses challenges to the effective implementation of the measures stipulated in Article 10. This underscores the need to improve the regulatory framework and strengthen mechanisms for monitoring compliance with environmental standards.

Thus, the administrative regulation of excisable goods circulation in Ukraine faces a range of challenges that limit its effectiveness. Despite the introduction of electronic administration and

excise monitoring systems, the lack of integration between various digital platforms – such as customs, tax databases, and e-commerce systems – hinders comprehensive control over the movement of these goods. The limited digitalisation of licensing procedures, alongside their complexity and duration, as well as insufficient automated accounting capabilities, contributes to bureaucratisation and creates barriers for legitimate businesses. Moreover, the absence of specialised sector-specific standards tailored to the operations of excise goods producers complicates compliance with environmental requirements established by law and results in inadequate control over waste disposal. Low environmental tax rates reduce the tax's incentivising function, failing to significantly lower the environmental burden, while the lack of automated monitoring of pollution volumes undermines its administrative efficiency. Additionally, the absence of clear requirements for age

verification in the online sale of excisable goods and weak control over cross-border transactions increases the risk of illicit trade. Overall, these issues highlight the need to modernise the legislative framework, digitalise administrative procedures, develop industry-specific environmental standards, and enhance automated monitoring of excisable goods circulation. Such measures would promote transparency, fair competition, compliance with environmental standards, and increased revenue for the state budget.

An analysis of statistical data has revealed a serious problem concerning the growth of the shadow market for excisable goods in Ukraine, resulting in significant losses to the state budget. According to Kantar Ukraine (Economichna Pravda, 2023), the share of illicit trade in tobacco products increased from over 2% in 2017 to 17.8% in 2022, making it one of the highest rates in Europe (Fig. 1).



**Figure 1.** Share of illicit tobacco trade in Ukraine according to Kantar Ukraine

**Source:** Economichna Pravda (2023)

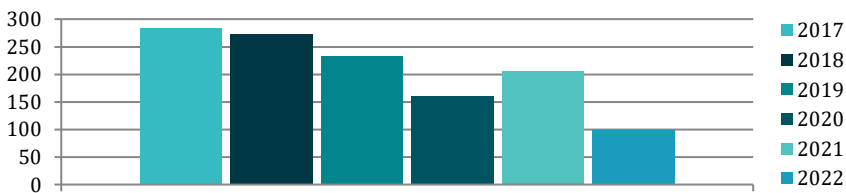
This rise indicates the widespread circulation of counterfeit and smuggled products entering the market without being subject to tax regulation. Counterfeit goods are produced without adherence to established standards and without payment of excise duty, which not only reduces budget revenues but also creates unfair competition for legitimate businesses. Smuggled

products, which illegally cross borders, often bypass customs controls due to gaps in the monitoring system, including insufficient automation of inspection processes and the lack of effective data exchange with customs authorities of other countries. As a result, the state loses considerable amounts in potential tax revenue each year – funds that could otherwise be allocated to social

programmes and infrastructure development. Beyond financial losses, counterfeit goods pose risks to public health due to the absence of quality control, as such products may contain harmful additives or toxic substances.

Particular attention should be paid to the sharp decline in the number of convictions under Article 204 of the Criminal Code of Ukraine (2001), which establishes liability for the illegal production, storage, sale or transportation of excisable goods (Fig. 2). In 2022, the number of convictions under Article 204 fell to just 100 – three times lower than in previous years. This reflects a significant decline in the effectiveness of law enforcement efforts to combat the illicit trade in excisable goods. One of the main contributing factors is the objective difficulty caused by ongoing military actions, which have limited the capacity to carry out inspections, confiscations, and investigations. At the same time, the lack of modern monitoring tools, such as digital platforms for tracking the circulation of excisable products,

poses additional challenges to detecting violations. This issue is particularly pressing in the context of online sales, which have become one of the primary channels for distributing illegal goods. The lack of clear regulatory requirements regarding seller identification, digital inventory tracking, and transaction monitoring enables unscrupulous businesses to evade responsibility and avoid paying excise duties. As a result, illicit trade via the Internet not only harms the state budget but also facilitates the distribution of counterfeit products that may pose risks to consumers (Fatiha & Nassima, 2024). To address this issue, it is necessary to improve legislation on e-commerce involving excisable goods, implement integrated digital monitoring platforms, and enhance coordination among law enforcement agencies. Thus, the analysis of statistical data highlights the urgency of tackling the illegal circulation of excisable goods, which results in substantial losses to the state budget and poses risks to legitimate businesses and consumers alike.



**Figure 2.** Number of convictions under Article 204 of the Criminal Code of Ukraine, according to data from Kantar Ukraine

**Source:** *Economichna Pravda* (2023)

To develop recommendations for improving the regulation of excisable goods circulation in Ukraine, an analysis was conducted of practices in European Union countries that have successfully implemented modern control and monitoring mechanisms in this area. In Germany, the regulation of excisable goods is governed by national legislation, including the Energy Tax Act of Federal Republic of Germany (2006), the Tobacco Tax Act of Federal Republic of Germany (2009), and

the Beer Tax Act of Federal Republic of Germany (2009). Germany actively participates in the EU-wide regulatory system for excisable goods, particularly through the implementation of the Excise Movement and Control System (EMCS) – an electronic system for monitoring the movement and circulation of excisable goods under a deferred excise duty payment regime. This system is based on the use of the electronic administrative document (e-AD), which enables real-time

tracking of product movement, producers, suppliers, and end users. The EMCS ensures transparency in the circulation of excisable goods, minimises opportunities for tax evasion, and supports efforts to combat the illicit market. All entities involved in the supply chain are required to register within the system, ensuring reliable tracking of products (Adams & Effertz, 2010). In addition, Germany has introduced strict licensing regulations for the production and sale of excisable goods, as outlined in national legislation and in the Directive of the European Parliament and of the Council No. 2014/40/EU (2014). Excise duties represent a significant source of state revenue, and their administration is continuously improved through digitalisation.

Germany places strong emphasis on a comprehensive approach to tackling the illicit circulation of excisable goods – particularly tobacco products – through the implementation of the Track & Trace system. This system enables the tracking of the entire supply chain using unique codes, which significantly reduces the risk of counterfeiting (Manthey *et al.*, 2024). Moreover, considerable attention is given to regulating online sales of excisable goods, where clear certification rules are enforced, compliance with legal requirements is mandatory, and sellers are held accountable for observing tax regulations.

In France, the regulation of excisable goods is based on the provisions of the General Tax Code of France (1950), which covers excise duties on alcoholic beverages, tobacco products, energy products, and other categories of excisable goods. A key element of the regulatory framework is the integration of the European Parliament and of the Council No. 2014/40/EU (2014), which governs the labelling, registration, and tracking of tobacco products.

The distinctiveness of the French approach lies in its strict oversight of distribution and its specific taxation policy, which aims not only to generate revenue but also to achieve social and

environmental objectives. France has actively implemented the Track & Trace system for tobacco products, with a particular focus on social policy: a substantial share of excise duty revenue is allocated to healthcare funding and anti-smoking programmes. A notable feature of the French system is that excise revenues from tobacco products are partly used to offset the costs of the national health insurance system (Sardjono *et al.*, 2023). In addition, France maintains one of the strictest regulatory regimes for advertising excisable goods in the world. For instance, all tobacco advertising is completely prohibited, while alcohol advertising is subject to significant restrictions, including mandatory health warnings. Online sales are also tightly regulated: vendors are required to obtain a special licence, and buyers must undergo identification procedures, including age verification.

In the field of alcohol excise duties, France employs a graduated approach, whereby tax rates vary according to the strength and category of the beverage. To encourage the consumption of wine – a traditional national product – taxes on it remain comparatively low, whereas high excise rates are imposed on stronger alcoholic drinks. France's integration of environmental excise duties into the broader tax system is a key element of its national policy to combat climate change. This approach is based on the principle of encouraging both producers and consumers to adopt environmentally friendly practices through economic incentives. For example, fuel excise duties are determined not only by the type of fuel but also by the level of CO<sub>2</sub> emissions generated during its use. This means that carbon-intensive fuels (such as diesel or petrol) are taxed at higher excise rates than alternatives like bioethanol or electricity. To ensure the transparency and effectiveness of this system, the French government has introduced a clear methodology for calculating excise duties, which takes into account the carbon footprint of a product. For instance, each unit of fuel is labelled

with a CO<sub>2</sub> intensity rating, which is then used to determine the applicable tax rate. This encourages manufacturers to invest in technologies that reduce greenhouse gas emissions and support the transition to renewable energy sources. In addition, France actively supports the Green Certificates programme, which allows producers of low-emission products to receive tax incentives. This system not only helps reduce environmental impact but also creates a competitive advantage for companies that adopt innovative and environmentally sustainable technologies (Haar, 2024). Thus, the French system for regulating excisable goods is characterised by its comprehensive nature, emphasis on social and environmental outcomes, and a high level of regulatory oversight, offering a model that could inform the development of similar policies in other countries.

Italy's approach to regulating the circulation of excisable goods is notable for its focus on digitalisation, combating counterfeiting, and accommodating national economic specificities. The primary legislative framework is set out in the Decree of the President of the Italian Republic No. 504 (1995), which governs the taxation of alcoholic beverages, tobacco products and energy sources. A distinctive feature of the Italian system is the use of blockchain technology to monitor the circulation of excisable goods – particularly wine, which is a strategic national product. Blockchain ensures full traceability from vineyard to consumer, thereby minimising the risk of counterfeiting and supporting the international reputation of Italian brands (Sabbagh *et al.*, 2024).

Another important feature of Italy's approach is the adaptation of excise duties to support local production. For instance, small wineries and craft breweries benefit from reduced excise rates, which encourage the development of small businesses and the preservation of traditional production methods. Italy also maintains a well-developed system for combating the illicit

market, utilising specialised mobile units of the Financial Police that carry out on-the-spot inspections and confiscate illegal goods. Particular attention is paid to the taxation of tobacco products. In addition to traditional cigarettes, excise duties also apply to e-cigarette liquids and heated tobacco devices (Peeters & Gilmore, 2012). The state monopoly on excise stamp production, along with an electronic accounting system, reduces opportunities for counterfeiting. Italy is also one of the leading countries in integrating environmental considerations into excise policy. For example, fuel excise duties are differentiated based on CO<sub>2</sub> emissions, incentivising the use of alternative fuels such as bioethanol. The country is actively implementing financial incentive programmes for companies investing in the production of environmentally friendly fuels or upgrading their manufacturing processes to reduce CO<sub>2</sub> emissions. These incentives include tax relief, subsidies for the adoption of innovative technologies, and access to dedicated environmental funds. Collectively, these measures enable Italy not only to effectively generate budget revenue but also to support key economic sectors, combat the shadow market, and protect consumers.

The Netherlands' approach to regulating the circulation of excise goods is characterised by a high level of digitalisation, international integration, and a strong focus on the environmental aspects of taxation. The primary legislative act governing this area is the Law of the Netherlands on Excise Duty (1991), which sets out the rules for taxing alcohol, tobacco products, and energy goods. The Netherlands is one of the leading countries in adopting digital systems to monitor and administer the circulation of excise goods. A notable example is the implementation of the automated Excise Movement and Control System (EMCS), used to track the movement of goods under deferred excise payment arrangements. This system is integrated with customs and tax

platforms, enabling real-time data exchange. A distinctive feature of the Dutch model is its active engagement in international data exchange. Through cooperation with customs authorities in neighbouring countries, the Netherlands effectively minimises the risks of excise goods smuggling (Koshchuk *et al.*, 2024). Online sales of excise goods are also strictly regulated. Legislation requires compulsory seller registration, buyer identification, and the licensing of all platforms engaged in the sale of excise products. These measures reduce the risk of tax evasion and limit underage access to such goods. Strict penalties for violations of excise regulations and the high efficiency of oversight by fiscal authorities have significantly reduced the size of the illicit market in the Netherlands (Subagiyo *et al.*, 2020). As a result, excise duties represent a substantial source

of government revenue, while also supporting environmental and social policy objectives.

Thus, international experience demonstrates that digitalisation, the integration of modern technologies, strict regulatory oversight, and alignment with international standards significantly enhance the effectiveness of excise goods regulation. The successful cases of Germany, France, Italy, and the Netherlands illustrate a reduction in the illicit market, increased tax revenues, and the promotion of environmentally friendly alternatives through the implementation of Track & Trace systems, blockchain technology, and the regulation of online sales. Based on an analysis of EU member states' experience, the following recommendations are proposed to improve the regulation of excise goods circulation in Ukraine (Table 1).

**Table 1.** Recommendations for improving the regulation of excise goods in Ukraine

Recommendations	Description of measures	Expected outcomes
Implementation of a Track & Trace system	A Track & Trace system enables the monitoring of each product unit through unique identification codes. Ukraine should develop an integrated electronic platform and ensure the necessary infrastructure for code scanning. Excise revenues could serve as a funding source	Greater market transparency, increased tax revenues, and a reduction in counterfeit products
Integration of environmental standards into excise regulation	Setting excise duties on excise goods per their environmental impact, for example, fuel excise rates based on CO <sub>2</sub> emissions or alcohol duties linked to production waste volumes. A portion of the revenue is allocated to environmental projects	Encouragement of environmentally sustainable excise goods production; reduction of carbon footprint; creation of competitive advantages for businesses adopting clean technologies; increased funding for environmental initiatives
Digitalisation of monitoring and reporting	Digitalisation facilitates the automation of data recording and analysis related to the production and movement of excise goods. It is necessary to develop an integrated platform, introduce a system for automatic data reconciliation, and digitise existing paper-based procedures	Reduced risk of smuggling, improved control efficiency, greater transparency in circulation, and prompt identification of violations
Regulation of online sales of excise goods	Online sales require the registration of sellers, mandatory customer identification via electronic tools, and monitoring of platform activities. To ensure proper control, specialised units should be established within the tax authority	Reduction of the illicit online market, prevention of access to excise goods by minors, and increased tax revenue
Support for small businesses and traditional industries	The introduction of reduced excise rates for small producers would ease the financial burden and enhance competitiveness. Simplified licensing procedures and government support mechanisms should be developed	Stimulation of regional economic activity, preservation of traditional industries, job creation, and increased competitiveness of small enterprises

**Source:** compiled by the author

The Track & Trace system is an effective tool for ensuring transparency in the circulation of excise goods, enabling the tracking of each individual unit through unique markings at every stage of its distribution – from the producer to the end consumer. In Ukraine, it is necessary to develop an integrated electronic platform that consolidates databases from customs authorities, tax bodies, producers, and retailers. This platform should support real-time data processing, allowing regulatory bodies to promptly monitor the movement of goods. A key element in the implementation of the system is the development of infrastructure for reading these markings, including mobile applications for consumers to verify product legitimacy and fixed scanners for use at customs checkpoints and points of sale. Excise duties could serve as an important source of funding, with a portion allocated to support the system's operation. For Ukraine, the Track & Trace system should become not only a tool to combat counterfeit products but also a critical mechanism for increasing tax revenue, improving market transparency, and strengthening consumer confidence in product quality. Successful implementation would lay the foundation for aligning Ukrainian legislation with European standards and enhancing the competitiveness of legitimate businesses.

In addition to the existing environmental tax, Ukraine should consider integrating ecological excise duties into the broader taxation system for excisable goods, drawing on the experience of France and Italy. For instance, fuel excise duties could be differentiated according to CO<sub>2</sub> emission levels, while alcohol excise duties could reflect the volume of production waste and the energy efficiency of manufacturing processes. This approach would provide additional incentives for producers to invest in environmentally friendly technologies. As a result, enterprises that adopt cleaner production methods would gain a competitive advantage through reduced tax burdens. A portion

of the revenue generated from such excise duties could be allocated to environmental protection programmes, enterprise modernisation, and the development of low-impact technologies.

The digitalisation of monitoring and reporting in Ukraine is a key step towards enhancing transparency in the circulation of excisable goods and improving the effectiveness of state oversight. The experience of EU countries in implementing the Excise Movement and Control System (EMCS) demonstrates that automation enables real-time tracking of excisable goods, significantly reducing the risks of smuggling and tax evasion. A similar system in Ukraine should incorporate several key components. Firstly, it is essential to establish a unified, integrated platform that consolidates data from various sources, including customs, tax authorities, manufacturers, distributors, and retailers. This platform should operate in real time, enabling regulatory bodies to promptly analyse information on the production, movement, and sale of excisable goods. To ensure its effectiveness, existing paper-based processes must be digitised and converted into a digital format. Secondly, an automatic data reconciliation system should be introduced. This system would verify business reports against actual recorded data. For example, if a manufacturer reports a certain volume of production, the system would automatically compare this with the volumes declared during transport and those registered at customs. Such reconciliation would help detect discrepancies and flag potential violations.

Online sales of excisable goods represent one of the weakest links in the system of state regulation, as this market segment often remains inadequately controlled. The example of the Netherlands demonstrates that strict licensing of sellers, mandatory buyer identification, and the development of specialised platforms for online trade significantly reduce the risk of illicit sales of excisable products, particularly to minors. For

Ukraine, the primary task is to establish a unified registration system for platforms engaged in the online sale of excisable goods. This could be implemented through mandatory registration of sellers in a dedicated state register, allowing all market participants to be monitored. Registered platforms should be required to meet specific standards, including integration with state tax systems to enable the automatic recording of transactions. A second key step involves the introduction of compulsory buyer identification. This could be achieved using modern digital tools such as electronic signatures, bank card verification, or the Diia system. Such measures would not only prevent minors from accessing excisable goods but also ensure greater transparency in taxation. A third essential element is the enforcement of legislation. Specialised units should be established within the State Tax Service to monitor online platforms for compliance with regulations governing the sale of excisable products. These units would be responsible for verifying sellers' licences, assessing whether their activities align with declared conditions, and responding to consumer complaints.

The introduction of reduced excise duty rates for small-scale producers of excisable goods could play a significant role in supporting small businesses and promoting the development of traditional industries in Ukraine. Italy's experience shows that such incentives not only stimulate economic activity in rural areas but also help preserve national production traditions, such as winemaking and craft brewing. In the Ukrainian context, this is particularly relevant, as small enterprises are often key employers in rural communities, and winemaking – especially in the Zakarpattia, Odesa and Kherson regions – has centuries-old traditions. To implement reduced excise rates in Ukraine, a mechanism should be developed that takes into account the scale of production. For example, producers whose annual output does not

exceed a specified threshold could be eligible for a lower excise rate. Such a policy would reduce the financial burden on small enterprises and enhance their competitiveness relative to larger producers. It is also advisable to introduce simplified licensing procedures for small enterprises. In many cases, high licensing requirements act as a barrier to market entry for new participants.

The recommendations outlined above are aimed at comprehensively improving the regulation of excisable goods circulation in Ukraine, drawing on the successful practices of EU countries. The implementation of a Track & Trace system, the digitalisation of monitoring and reporting, the regulation of online sales, and support for small businesses will help reduce the scale of the shadow market, increase tax revenues, and ensure greater transparency in oversight mechanisms. A particular emphasis on supporting small producers will encourage regional economic development and the preservation of national traditions. A comprehensive approach to implementing these recommendations will support the harmonisation of Ukrainian legislation with international standards, foster a competitive business environment, and enhance the effectiveness of public administration in the excise goods sector.

### **Discussion**

One of the key findings is that the absence of integrated digital platforms for monitoring the circulation of excisable goods creates significant gaps in oversight. This hinders the detection of violations, facilitates the growth of the illicit market, and reduces the overall effectiveness of public administration. In Ukraine, a unified platform that connects data from tax authorities, customs, producers, and retailers in real time has yet to be implemented. The issue of lacking integrated digital platforms is also highlighted by J. Opiso *et al.* (2023), who analysed the impact of digital systems on excise administration,

particularly concerning petroleum products. The authors conclude that the introduction of digital monitoring platforms for excisable goods significantly increases transparency and reduces excise tax evasion. However, as noted by J. Opiso *et al.* (2023), the effectiveness of such platforms depends on the technical capacity of personnel and the level of integration with existing government databases. These conclusions are fully supported, as the experience of other countries examined in this study confirms that digital platforms are an effective tool for reducing the size of the shadow market. In turn, A. Podkalicka and M. Fredriksson (2023) highlighted that digital platforms not only enhance transparency in monitoring but also influence the behaviour of market participants. The authors argue that such platforms create new mechanisms of interaction between producers, sellers and regulatory authorities while emphasising the need for mediation – that is, coordination between the various stakeholders. Authors also noted that the absence of integrated platforms leads to fragmented information, which complicates oversight and creates opportunities for manipulation. These conclusions can be supported only in part. The importance of mediation and coordination is undeniable, particularly in the context of Ukraine, where inter-agency cooperation and the integration of tax control systems remain limited. However, the authors' emphasis on information fragmentation as a key issue is more relevant to countries with well-developed digital trading markets. In Ukraine, the main challenge is not so much fragmentation but the absence of a centralised platform to consolidate existing data.

The study also revealed that online sales of excise goods remain the least regulated area. The absence of licensing requirements for platforms, as well as the lack of mandatory identification for buyers and sellers, contributes to the expansion of the illicit market. The growing popularity of ecommerce in Ukraine makes this issue

increasingly pressing. E. Ervina *et al.* (2023), in their research, also examine the regulation of online sales of excisable goods, particularly through the introduction of legal provisions. The authors stress that the primary issue lies in the insufficient oversight of platforms trading in excise goods. They emphasise that the lack of platform registration requirements and buyer identification mechanisms creates conditions for tax evasion and facilitates the growth of the illegal market. Meanwhile, A. Mufti and M. Limatahu (2022), in their study of the supervisory role of the Directorate of Customs and Excise in the Maluku Region, pointed out that the complexity and fragmentation of licensing procedures also hinder control over the circulation of excise goods, especially in remote and isolated areas. These conclusions are valid, as similar challenges are also present in the Ukrainian market. The absence of platform licensing and buyer identification mechanisms in Ukraine indeed creates significant gaps in the oversight of online sales of excisable goods. Moreover, S. Ma *et al.* (2022), in their study on the impact of excise taxation on e-liquid pricing for electronic cigarettes in the context of online sales, concluded that e-commerce is one of the primary distribution channels for excisable goods, where prices often fail to reflect established norms due to tax evasion. The authors point out that the lack of effective regulation in the online trade of such goods contributes to the growth of the shadow market. They therefore emphasise the need to introduce excise duties for online sellers and to develop mechanisms for verifying price compliance with regulatory requirements. These conclusions are highly relevant to Ukraine, particularly given the rising popularity of electronic cigarettes and vaping liquids. However, the partial implementation of excise control in Ukraine requires adapting the proposed approaches to local conditions – specifically through the development of price verification tools and systems for monitoring

online sales. It is also important to consider the market's readiness for such reforms, as small businesses may face significant challenges in meeting these requirements.

Another key finding of the study is the insufficient integration of environmental standards into the regulation of excisable goods in Ukraine. The analysis revealed that, despite the existence of an environmental tax, its current structure does not reflect the specific characteristics of excisable goods production and fails to provide sufficient incentives for the greening of industrial processes. In this context, the perspective of F. Lanterna (2023) is particularly relevant. Author emphasised the need to reform excise duties on energy products, taking into account both environmental and redistributive goals. The author proposes an approach that combines incentives to reduce CO<sub>2</sub> emissions with targeted support for vulnerable social groups through the earmarked use of tax revenues. These conclusions can be partially agreed with, as the proposed mechanism could indeed enhance the effectiveness of environmental regulation. However, its implementation would require careful adaptation to the country's economic conditions to avoid placing an excessive tax burden on businesses. E. Onyeabor (2024), meanwhile, examines international legal principles that set standards in environmental legislation. He argued that environmental excise taxes can only be effective if they are implemented with transparency, alignment with international norms, and sensitivity to local contexts. This position is well-founded, as the successful introduction of environmentally oriented excise duties depends on harmonisation with international standards – especially given Ukraine's commitment to European integration. Both approaches underline that environmental excise duties should serve not only fiscal purposes but also act as tools for sustainable development, aligning with the broader findings of this study.

The analysis of international experience in regulating the circulation of excisable goods has confirmed that the key elements of effective management in this sector include the implementation of digital technologies, harmonisation of legal frameworks with international standards, and targeted support for specific categories of producers. The use of integrated digital platforms, such as the EMCS system employed in EU countries, significantly enhances the transparency of excise goods circulation and reduces the risk of smuggling. G. Varrica and E. Cigu (2024), in turn, highlighted the importance of the principle of free movement of goods within the EU single market, particularly regarding excisable products. The authors note that harmonising excise legislation enables member states to reduce trade barriers and strengthen competitiveness. At the same time, they stress that the implementation of common standards, such as EMCS, requires not only technical integration but also political commitment and intergovernmental cooperation. These conclusions are particularly relevant for Ukraine, especially in the context of harmonisation with European standards. However, it is only partially possible to agree with all the authors' findings. The conditions for the free movement of goods within the EU are based on a high level of mutual trust between member states and integrated control mechanisms. In Ukraine, where the level of smuggling remains high, it is first necessary to establish effective control over the domestic market before integrating into international systems. H. Jatzke (2012), in his study, highlights that the excise suspension system in EU countries significantly facilitates the movement of excisable goods, such as alcohol and tobacco, within the single market. The author also emphasises that the integration of digital technologies ensures transparency at each stage of excise goods movement, but stresses the importance of further harmonisation of

procedures among EU member states – an argument that deserves support.

The analysis of international experience served as a foundation for developing specific recommendations that could be effectively implemented in Ukraine. The key areas include the introduction of digital tools for monitoring, the integration of environmental standards into excise regulation, the development of mechanisms for regulating online sales, and the stimulation of small businesses through tax incentives. These measures would help ensure market transparency, enhance control mechanisms, reduce the scale of the shadow economy, and contribute to regional economic development. An important component is the integration of all tools into a unified system that consolidates databases of various government agencies, enabling real-time information exchange. In examining the challenges of implementing excise tariffs for tobacco companies, W. Aziz (2024) notes that a complex tariff system and uneven distribution of excise burdens create obstacles for small producers. The author stresses that simplifying the tariff structure, developing flexible taxation mechanisms, and ensuring transparent oversight can significantly improve regulatory efficiency – findings that are also supported by the present research. R. Nugroho and E. Setijaningrum (2024), in their study, examine the mechanism for distributing excise funds based on an analysis of tobacco excise policy. The authors note that a fair and transparent distribution of excise revenues between central and regional authorities can serve as an important stimulus for local economic development. They also highlight that using excise funds to finance regional health programmes and efforts to combat the shadow market helps achieve socially significant objectives. However, these conclusions can only be partially supported, as the effectiveness of fair and transparent distribution largely depends on the level of administrative capacity and

oversight mechanisms in the regions. In countries with underdeveloped financial decentralisation or weak transparency in the use of public funds, such an approach may lead to inefficient allocation of resources or even abuse. M. Nurkhamid and M. Sutartib (2021), in their analysis of the exemption of ethyl alcohol from excise duties under customs legislation, emphasise that clear criteria for exemption – such as use in pharmaceuticals or scientific research – can support the development of these sectors without compromising the excise budget. At the same time, they stress the need for strict monitoring of ethyl alcohol usage to prevent its illegal distribution. The authors' conclusions can only be partially supported. While clear criteria for excise exemption represent an important step in supporting the pharmaceutical and scientific sectors, their practical implementation requires exceptionally strict oversight. Moreover, exemption criteria must not only be clearly defined but also adapted to the specific characteristics of each sector. Without sufficient detail, such provisions risk being exploited for tax avoidance under the guise of legitimate use. Therefore, although the approach of supporting specific industries through excise exemptions is promising, its effectiveness largely depends on the existence of transparent regulatory procedures and mechanisms to monitor the targeted use of exempted ethyl alcohol.

In conclusion, the recommendations developed on the basis of EU experience aim to address key challenges in the regulation of excisable goods in Ukraine. The introduction of digital platforms, regulation of online trade, support for small businesses, and the environmental orientation of excise policy have the potential to significantly improve governance, reduce the shadow market, and ensure alignment with European standards. These recommendations represent an important step towards modernising Ukrainian legislation and enhancing transparency in the excise goods market.

## Conclusions

The findings of the study have made it possible to identify key challenges and prospects for improving the regulation of excisable goods in Ukraine. Firstly, the analysis of Ukraine's regulatory framework revealed several significant issues that hinder the effective oversight of excisable goods. In particular, while the excise marking system and the EFSA platform establish basic conditions for monitoring the circulation of excisable products, their limited integration with other digital platforms restricts the potential for comprehensive supervision. In addition, the insufficient regulation of environmental standards in the production of excisable goods remains a critical challenge. Mechanisms governing emissions and waste disposal are still inadequately detailed in certain sectors. Although high excise tax rates contribute to state revenue, they also increase the risk of illicit trade and call for optimisation, such as broadening the list of excisable goods to include luxury items. Legislative restrictions on advertising, sales promotions and sponsorship of excisable goods – particularly tobacco products and electronic cigarettes – represent a positive step towards minimising social harm. However, the absence of mechanisms for verifying buyers' age in online sales remains a serious concern. The licensing process for activities related to excisable goods also requires modernisation. Current procedures are overly complex and insufficiently digitised, posing significant obstacles to small and medium-sized enterprises. Therefore, the improvement of the regulatory framework demands a comprehensive approach. This should include alignment with international standards, the simplification of procedures for businesses, and the integration of digital technologies to enhance transparency and regulatory effectiveness.

The analysis of international practices in Germany, France, Italy and the Netherlands in regulating the circulation of excisable goods has

shown that the key elements of effective management include the implementation of digital technologies, the harmonisation of legislation with international standards, and support for small businesses. The use of integrated systems, such as Track & Trace platforms, ensures transparency at all stages of product distribution and significantly reduces the share of counterfeit goods in the market. Efficient licensing mechanisms and identification procedures for online traders, as applied in EU countries, help mitigate the risks of illicit trade, particularly via the Internet. A socio-environmental approach to taxation, which encourages the use of environmentally friendly products, increases the effectiveness of excise policy and reduces environmental harm. Support for small producers through preferential excise rates creates favourable conditions for local economic development and the preservation of national traditions. Importantly, all these mechanisms are underpinned by a high level of digitalisation and the integration of intergovernmental platforms, enabling EU countries to coordinate excise control measures effectively.

The study identified insufficient integration of environmental standards into the regulation of excisable goods in Ukraine. The introduction of environmentally oriented excise duties – taking into account CO<sub>2</sub> emissions or the volume of waste generated – could serve as an effective instrument for promoting the greening of production processes. The experiences of France and Italy demonstrate that such excise duties not only serve fiscal purposes but also contribute to achieving climate goals. Implementing similar mechanisms in Ukraine would help reduce the environmental impact of excisable goods production, support the modernisation of enterprises, and create conditions for harmonisation with international standards.

Based on the findings, a series of recommendations have been developed to improve

the effectiveness of excise regulation in Ukraine. One of the key priorities is the implementation of a Track & Trace system, which enables the monitoring of each unit of product throughout all stages of its circulation. It is recommended to establish an integrated electronic platform that brings together data from customs authorities, tax services, and producers, allowing for real-time monitoring. To address issues related to online sales, it is proposed to introduce buyer identification through electronic signatures or banking systems, alongside the licensing of sellers. These measures would help reduce the share of the illegal market. Particular attention is given to supporting small businesses by introducing preferential excise rates for producers with limited output, especially in the wine and

craft brewing sectors. It is also recommended that environmental standards be integrated into excise policy, with differentiated rates based on producers' environmental impact. Further research may focus on developing specific implementation mechanisms for these recommendations, as well as evaluating their effectiveness following implementation.

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## Адміністративно-правове регулювання та проблема дотримання екологічних стандартів виробництва та обігу підакцизних товарів

Дмитро Чепіжак

Аспірант

Науково-дослідний інститут публічного права

03035, м. Київ, вул. Г. Кірпи, 2-А

<https://orcid.org/0009-0003-2379-1298>

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### Анотація

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Метою дослідження було вивчення особливостей механізмів регулювання обігу товарів, що підлягають акцизному оподаткуванню, в Україні для виявлення шляхів їх оптимізації та підвищення ефективності. У дослідженні з використанням формально-юридичного, статистичного та порівняльного методів проведено комплексний аналіз чинної нормативно-правової бази України, статистичних даних та міжнародного досвіду у сфері регулювання обігу підакцизних товарів. В результаті виявлено ключові проблеми адміністративно-правового регулювання обігу підакцизних товарів. Зокрема, встановлено, що чинні механізми регулювання недостатньо враховують екологічні вимоги, що сприяє негативному впливу на довкілля та посиленню екологічних ризиків. Зокрема, аналіз нормативної бази показав відсутність чітких критеріїв екологічної оцінки для виробників підакцизних товарів, а також брак контролю за утилізацією виробничих відходів. Крім того, виявлено недостатню адаптацію українського законодавства до європейських стандартів, зокрема у питаннях цифровізації контролю за виробництвом і обігом підакцизних товарів. Додатково встановлено, що чинні механізми адміністративного нагляду, такі як перевірки та контрольні заходи, є недостатньо прозорими, що створює передумови для корупції. Аналіз статистичних даних засвідчив, що частка нелегального обігу тютюнових виробів збільшилася з 2% у 2017 році до 17,8% у 2022 році, в той час як кількість вироків знизилася втричі. На основі аналізу міжнародного досвіду, зокрема практики Німеччини, Франції, Італії та Нідерландів, запропоновано низку рішень, таких як впровадження електронної акцизної марки, створення автоматизованих систем обліку та контролю обігу підакцизних товарів, посилення митного контролю на кордонах та запровадження публічних реєстрів ліцензіатів. Рекомендовано також удосконалення нормативно-правових актів шляхом адаптації європейських підходів до українських реалій, що сприятиме зменшенню тіньового сектору та збільшенню податкових надходжень. Отримані результати свідчать про необхідність системних змін у регулюванні підакцизної сфери та створення ефективної моделі адміністративного нагляду, що відповідає міжнародним стандартам

**Ключові слова:** сталий розвиток; державний контроль; тіньовий ринок; утилізація відходів; цифровізація моніторингу; європейські стандарти