

Environment & Climate Change - Denmark

Agreement on deposits on drink cans and bottles bought in German border shops

Contributed by **Plesner**

June 15 2015

Introduction

[What will it mean for the environment?](#)
[Proposed cross-border recycling system](#)
[Comment](#)

Author

Søren Stenderup Jensen



Introduction

On May 22 2015 the government secured parliamentary support for an agreement with Germany on deposits on drink cans and bottles bought in German border shops. Danish customers that buy drinks in German border shops are to pay either a Danish or a German deposit on bottles and cans and can get the deposit back in Denmark as well as in Germany. This is the essence of the future agreement between the two countries, concluded to ensure that Danes recycle more cans and bottles bought in Germany and that fewer cans and bottles are dumped in the countryside.

The deposit is imposed on the same products as in Denmark (ie, beer, soft drinks and other beverages) and on cans as well as glass and plastic bottles. The agreement will ensure that Danes can drop off cans and bottles in Denmark, even if they have been bought in German border shops. However, before the agreement can enter into force, it requires the expansion of the *Dansk Retursystem* (the Danish Recycling System) to be able to handle several million new bottles and cans every year. This is expected to take place in 2018.

What will it mean for the environment?

It is estimated that Danes buy 600 to 700 million cans without deposit in the border trade with Germany each year. It is further estimated that up to one million cans each year are dumped in public places (ie, on beaches, at petrol stations, in waste baskets or in the wild), where they take up to 500 years to decompose. Cans that are left in the streets or dumped in the rubbish end up in incinerators instead of being recycled into new cans. It is a waste of resources not to recycle cans, as the extraction of new aluminum creates large amounts of waste and extraction sites demand more than 10 times the energy it takes to recycle cans. When there is a deposit on cans, nine out of 10 are handed in for recycling. It is therefore considered a huge advantage for the environment – both for the natural environment and the climate – that there is a deposit on cans and other beverage containers.

Proposed cross-border recycling system

What will there be a deposit on?

A deposit will be imposed on the same products as in Denmark (ie, beer, soft drinks and other beverages).

How much will be paid?

The new Danish deposit will be similar to the existing deposit. The most common deposit rate is Dkr1 for cans and many bottles. However, there are also higher deposit rates of up to Dkr3 for larger bottles. Danes get back the deposit when they return cans or bottles to a vending machine.

Is it possible to pay and get back a German deposit instead?

Border shops may sell drinks with a Danish deposit or a German deposit (the German deposit is €0.25 or approximately Dkr2). If the products are bought with a Danish deposit, the customers may get the deposit back only in Denmark. If they choose to buy an item with a German deposit, they cannot reclaim the deposit in Denmark, but can instead get the deposit back in Germany, including in border shops. Accordingly, it may be convenient to purchase products with German deposits if a customer frequently trades in Germany.

Can German border shops refuse to introduce deposits on cans and bottles?

German border shops cannot refuse to introduce deposits on the products in question.

How will the rules be enforced?

The Schleswig-Holstein authorities accepted that no deposit was charged on cross-border shopping

when drinks were exported to Scandinavia. When the agreement enters into force, the Schleswig-Holstein authorities will enforce the new deposit rules on both customers and stores.

Will the charge apply to all border stores?

The deposit will be imposed on Schleswig-Holstein's border trade, which covers approximately 95% of the Danish-German border trade. The remaining 5% is located in a few stores in the state of Mecklenburg-Vorpommern.

Can foreign citizens avoid paying deposits?

Residents in Denmark must pay the Danish or German deposit in border stores. It applies to everyone in Denmark. Germans will continue to pay the German deposit, while Norwegians and Swedes will still be able to purchase drinks without paying deposits. However, it is expected that Norway and Sweden will join the Danish-German agreement.

German VAT

When customers buy goods in Germany, they pay German value added tax (VAT). It also applies to cross-border trade. Thus, there is VAT of 19% on deposits. Even if the Danes take the goods to Denmark, VAT is not reimbursed in Denmark. Accordingly, in the majority of cases, Danes will lose Dkr0.19 per can or bottle bought in Germany and recycled in Denmark. However, Danes can eliminate the extra expense if they choose to buy goods with a German deposit rather than a Danish deposit and then return the cans and bottles to Germany.

Comment

The relevant Danish legislation has not yet been amended to enable the implementation of the agreement in Denmark. Further, German border trade has raised questions as to whether the recycling system provided for in the agreement discriminates against German border shops due to the fact that Danish customers will have to pay Dkr0.19 (ie, the non-refundable VAT) more per can or bottle bought in a German border shop than in a Danish shop. It will be interesting to see how the agreement is implemented in Danish and German law.

For further information on this topic please contact [Søren Stenderup Jensen](mailto:ssj@plesner.com) at Plesner by telephone (+45 33 12 11 33) or email (ssj@plesner.com). The Plesner website can be accessed at www.plesner.com.

The materials contained on this website are for general information purposes only and are subject to the [disclaimer](#).

ILO is a premium online legal update service for major companies and law firms worldwide. In-house corporate counsel and other users of legal services, as well as law firm partners, qualify for a free subscription. Register at www.iloinfo.com.

Online Media Partners



© Copyright 1997-2015
Globe Business Publishing Ltd