

Anti-forestalling restrictions on removals of cigarettes in the run up to Budget 2014

HMRC Reference: Excise Info Sheet 01/14

1. What is this Information sheet about?

This Information Sheet is about the restrictions imposed on clearances of tobacco products, that is, removal for home use on payment of duty, in the run up to a Budget. The restrictions are to prevent the stockpiling of duty paid products prior to an expected duty rate increase.

2. Who do the restrictions apply to?

The restrictions apply to tobacco manufacturers and importers in the UK.

3. What products are restricted?

For the coming Budget cycle the restrictions will apply to cigarettes only.

4. When do the restrictions apply?

The restrictions apply from 1 January 2014 to Budget day 2014 on the 19 March 2014.

5. What are your obligations?

You must:

- apply to HM Revenue & Customs (HMRC) for an allocation quantity
- submit an Opening Statement
- keep removals within your allocation during the restricted period
- submit a Closing Statement after Budget day

6. How do I calculate my allocation?

Your allocation is based on average daily removals during the previous year, an uplift, is provided to allow for market fluctuations, brand launches etc. The formula depends on the number of days in the restricted period and the formula for this cycle is:

1. Divide the removals in the 12 month period to 31 October 2013 by 365, to give average daily removals.
2. Multiply your average daily removals above by 167. This is the number of days in the period from 1 November 2013 to the Budget date of 19 March 2014 plus a 28 day uplift.
3. Subtract from the allocation calculated at 2 above, the quantity of duty paid stock held at 31 October 2013.
4. Subtract from the number at 3 above, the quantity of all clearances between 1 November 2013 and 31 December 2013.

This should be your allocation, which must be entered on an Opening Statement and checked and agreed by HMRC.

7. Where can I find out more?

More details about the restrictions can be found in HMRC [Public Notice 85c](#).

Your rights and obligations

Your Charter explains what you can expect from us and what we can expect from you.

For more information go to [Your Charter](#).