

Vaping Products Duty consultation response template

It is recommended that you read the full consultation document before completing your response. Please note that the text boxes used in this template can be expanded to accommodate additional text.

Guidance for respondents

- Please try to answer all questions (even if it is just to say that you do not have an opinion) as this will assist with our analysis.
- You are not limited to only answering the questions asked and we will also consider written submissions provided to the consultation.
- There is no word limit on responses.

Responses should arrive no later than **29 May 2024**, with early responses encouraged where possible.

For further information on how we handle your personal data, please read the Privacy Notice in Chapter 12 of the consultation document.

Please send your response to: vapingproductsduty@hmrc.gov.uk

Please enter **"Vaping Products Duty consultation response"** in the subject line.

Chapter 4: About you

Full Name (if responding on behalf of a business / organisation please include the business / organisation name):

Email address:

Address:

1. Are you:

☐ A business?*

☐ An organisation? If so, please provide details (e.g. trade/health body):

☐ An individual

***If you answered 'a) a business' please specify which of the following describe your business:**

☐ a UK producer of vaping products to which you own the brand

☐ a UK producer of vaping products to which you do not own the brand

☐ a UK packager of vaping products that someone else has produced

☐ an overseas producer of vaping products

☐ an importer of vaping products into the UK

☐ a UK retailer

☐ a UK wholesaler or distributor

☐ a business providing goods or services that support the production, packaging, importation, or supply of vaping products in the UK – please provide details:

☐ another type of business – please provide details:

2. If you are a business, where is your business established?

☐ UK

☐ Isle of Man

☐ EU – please state country:

☐ Non-EU – please state country:

3. If you are a business, how many staff do you employ?

☐ Fewer than 10

☐ 10-100

☐ 101-500

☐ More than 500

Tobacco industry declaration

As a party to the World Health Organization's Framework Convention on Tobacco Control (FCTC), the UK has an obligation to protect the development of public health policy from the vested interests of the tobacco industry. To meet this obligation, we ask all respondents to disclose whether they have any direct or indirect links to, or receive funding from, the tobacco industry.

4. Do you have any direct or indirect links to, or receive funding from, the tobacco industry?

☐ Yes

☐ No

Structure of the duty

5. Do you agree that the rates and structure outlined in Chapter 3 will achieve the stated objectives of the duty?

☐ Yes

☐ No

Please provide any reasons for your answer.

6. Do you agree that the rates and structure will encourage manufacturers to reduce the nicotine content of their products? Yes/No. Please provide any reasons for your answer.

☐ Yes

☐ No

Please provide any reasons for your answer.

7. What do you think the likely impact the rate structure will have on consumers' vaping behaviours?

Please provide any supporting evidence.

Scope of the duty

8. Should production of vaping products by individuals for their own use be within scope of the duty?

☐ Yes

☐ No

Please explain any reasons for your answer.

9. Are there any other factors concerning home production/blending that should be considered?

☐ Yes

☐ No

Please specify.

Chapter 5: Liability for the duty

10. Do you agree with the proposals on how liability would work?

☐ Yes

☐ No

Please provide any reasons for your answer.

11. Do you agree with HMRC's proposal for when products should be charged with the duty?

☐ Yes

☐ No

Please provide any reasons for your answer.

12. Do you have views on the extent to which premises used for further processing or packaging should be required to register or seek approval?

☐ Yes

☐ No

If so, please explain your answer.

13. Do you agree with the suggestion on who should be liable to pay the duty?

☐ Yes

☐ No

If not, do you think any other person should be held liable?

14. The government also welcomes evidence on the processes followed in the manufacture of vaping products, including any secondary processes that are carried out after initial manufacture, for example processing of semi-finished products or packaging.

Exemptions and reliefs

15. Do you agree that products destined for general sale on the UK market should not qualify for any reliefs or exemptions from the duty?

☐ Yes

☐ No

If not, do you think there should be any exceptions to this, please explain why.

16. Are you aware of any examples of vaping products being used for purposes other than general sale on to the UK market that you feel ought to be eligible for relief or exemption?

☐ Yes

☐ No

If so, please provide any supporting evidence.

Chapter 6: UK manufacture: Registration, returns and other requirements

17. Please provide information on how manufacturing supply-chains of vaping products currently operate.

18. Are vaping products subject to additional processing on a different premises or by businesses other than the initial manufacturer?

☐ Yes

☐ No

If so, please explain your answer and provide any supporting evidence.

19. Are there any processes, including packaging of vaping products, that you feel should not be required to take place on premises registered or approved by HMRC?

☐ Yes

☐ No

If so, please explain what these are and why the relevant premises should not require approval from HMRC.

Registration of premises, process and requirements

20. Is there any other information that would be relevant for HMRC to consider an application for registration?

☐ Yes

☐ No

If yes, please explain your answer and provide any supporting evidence.

21. Is there a need for joint registrations covering more than one legal entity that manufactures/or stores vaping products in the same premises?

☐ Yes

☐ No

If so, please explain your answer and provide any supporting information and evidence.

22. Is there a need for registrations to cover more than one premises owned by a single entity?

☐ Yes

☐ No

If so, please explain your answer and provide any supporting evidence.

Refusal/Revocation/Deregistration

23. Do you agree these registration and deregistration provisions are appropriate?

☐ Yes

☐ No

If not, please explain your answer and provide any supporting evidence.

24. Please provide details of the one-off costs businesses may face for registering for the duty with HMRC.

Filing returns and other requirements

25. Please provide details of the expected one-off and ongoing costs to businesses of completing and filing a monthly online return and making payments of duty.

26. Are these return and payment arrangements appropriate for UK manufacturers of vaping products?

☐ Yes

☐ No

If not, please explain your answer and provide any supporting evidence.

27. How soon (number of days) after the end of a month should businesses be expected to submit their return and make payment to HMRC for the duty? Please explain your answer.

Credits and repayments

28. Are there any other circumstances where a claim to a repayment of duty should be permitted which has not been covered above?

☐ Yes

☐ No

If so, please explain your answer and provide any supporting evidence.

Tax agents and intermediaries

29. If you are a business, do you intend to use a third-party agent to help meet your obligations for the duty?

☐ Yes

☐ No

If so, please provide details on which obligations you would seek assistance with.

30. If you are a tax agent, what services relating to the duty do you expect to offer to your customers?

Records and accounts

31. Will the record keeping requirements outlined above be straightforward for businesses to comply with?

☐ Yes

☐ No

If not, please provide details of any issues you expect.

Chapter 7: Treatment of imports, exports, and duty suspension

32. Is the proposed approach to imports appropriate for vaping products?

☐ Yes

☐ No

If not, please explain your answer and provide any supporting evidence.

33. Please provide information on how importation supply-chains of vaping products currently operate.

34. Is there is a need for any additional arrangements covering other persons that may have a role in import processes? For example, agents or fulfilment houses.

☐ Yes

☐ No

If so, please explain your answer and provide any supporting evidence.

Duty suspension arrangements

35. Are the proposals related to duty suspension appropriate?

☐ Yes

☐ No

If not, please explain your answer and provide any supporting evidence.

36. Is there a commercial need for HMRC to permit duty suspended storage of imported products?

☐ Yes

☐ No

If so, please explain your answer and provide any supporting evidence.

37. Do you agree that EMCS should be used for duty-suspended movements of vaping products in the UK?

☐ Yes

☐ No

If not, please explain any circumstances that you think are relevant.

38. If you are an importer of vaping products, how are they currently moved from overseas to the UK? Please provide details on packaging (individual pods, as bulk liquid or any other means) as well as any evidence you see as relevant.

Duty-free allowances

39. Should there be a quantitative personal allowance for vaping products?

☐ Yes

☐ No

Please provide evidence to support your answer where possible.

Goods to be loaded as ship, train, or aircraft stores

40. Should the government apply similar arrangements to vaping products shipped as stores as are applied currently for existing excise duties?

☐ Yes

☐ No

If not, please explain your answer and provide any supporting evidence.

Chapter 8: Compliance and enforcement

41. Are there any other specific compliance risks relating to the manufacture and importation of vaping products that may require bespoke compliance arrangements?

☐ Yes

☐ No

If so, please outline any scenarios that you anticipate may require bespoke compliance powers.

42. Where is the nicotine used in the manufacture of vaping products generally sourced from (e.g. UK or imported)?

43. How do businesses know the nicotine content of vaping products they manufacture or import?

44. How easy is it to test the nicotine content and strength of vaping products? Please provide relevant information relating to costs and availability of tests.

45. Are there any industrial uses for nicotine, other than the manufacture of tobacco, vaping and smoking cessation products?

☐ Yes

☐ No

Please provide evidence where relevant.

Penalties

46. Do you consider that the suggested approach to compliance and penalties is appropriate?

☐ Yes

☐ No

If not, please explain your answer and provide any supporting evidence.

Track and Trace

47. Should a track and trace system be introduced for vaping products?

☐ Yes

☐ No

Please explain any reasons for your answer.

48. Are there any other compliance tools, e.g. fiscal marks, which would be appropriate to introduce for vaping products?

☐ Yes

☐ No

If so, please outline these tools and explain how they would help ensure compliance with the requirements of the duty.

Chapter 9: Understanding commercial practices

49. Unless already covered in your responses to other questions within this document, please tell us about how your business operates and how you

think it would be impacted by the duty, including additional administrative burdens?

50. Are there any specific impacts on small and micro businesses that are not covered?

☐ Yes

☐ No

If so, please provide details of the anticipated one-off and on-going costs and burdens.

51. Are there any specific impacts on importers that are not covered?

☐ Yes

☐ No

If so, please provide details of the anticipated one-off and on-going costs and burdens.

52. If you manufacture or process vaping products, what type of businesses do you supply them to?

53. If you manufacture or process vaping products, how much of this product is sold domestically and how much is exported?

54. If you manufacture or process vaping products, please explain how the proposed levels of duty compare to the other costs involved in production/distribution. Do you expect an impact on profit margins?

55. If you are a business that supplies vaping products, to what extent do you expect to 'pass through' the new duty in prices that you charge to your customers?

56. If you manufacture or store vaping products, how long do you typically keep stock on hand before it goes out to sale?

57. Is there anything else you would like to add about how your business operates that may be relevant to the design of the new duty?

Alternative Nicotine Products

58. Do you believe the introduction of the new duty would lead to consumers switching to alternative nicotine containing products?

☐ Yes

☐ No

Please add which products you believe would be a realistic switch.

Chapter 10: Assessment of Impacts

59. Unless already covered in your responses to other questions within this document, is there anything else you would like us to note about the impact of the duty?

Thank you for taking the time to response to this consultation. HM Treasury and HM Revenue and Customs (HMRC) value the input of stakeholders and interested parties. We will consider your response to help shape our policy development and ensure a vaping duty achieves its objectives.

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