Alcohol Duty Review: Further technical detail consultation response template

It is recommended that you read the full consultation response 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 **21 October 2022,** with early responses encouraged where possible. If you need an extension, please contact the review team via the email address below.

For further information on how we handle your personal data, please read the Data Protection Notice in Annex C of the consultation response document.

Please send your response to:

[**HMTVATandExcisePolicy@hmtreasury.gov.uk**](mailto:HMTVATandExcisePolicy@hmtreasury.gov.uk)

Please enter “**Alcohol Duty Review consultation response**” in the subject line.

**General Information**

**1.** **Full name (including title)**

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**2(a).** **Mark the statement below [X] as applicable.**

*[ ] I have read the Data Protection Notice (Annex C of the consultation document) and understand that any information submitted may be published or disclosed.*

*[ ] I would like the information I have provided to be treated as confidential.*

*If you would like the information provided to be treated as confidential please explain why*

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**2(b).** **Are you responding (please mark the relevant box [X]):**

*[ ] as an individual (please complete* ***3 to 4*** *below)*

*[ ] on behalf of an organisation / company (please complete* ***5 to 8*** *below)*

**If you are responding as an individual:**

**3. E-mail address**

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**4.** **Address**

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**If you are responding on behalf of an organisation / company:**

**5.** **Organisation / Company**

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**6.** **Position within Company / Organisation**

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**7.**  **E-mail address**

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**8. Address**

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**9. If you are responding on behalf of an alcohol business please mark the relevant boxes below with an x (please mark all that apply)**

**9(a).** **Type of alcohol business:**

*[ ] produce**r [ ] importer [ ] excise warehouse/bottler*

**9(b).** **Type(s) of alcohol your business is involved with:**

*[ ] beer [ ] cider [ ] made-wine [ ] spirits [ ] wine*

**9(c).** **Size of business (no of employees):**

*[ ] 0-9 [ ] 10-49 [ ] 50 - 249 [ ] 250+*

**9(d).** **Amount of alcohol produced/imported per year (hectolitres):**

*Beer*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

*Cider*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

*Made-wine*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

*Spirits*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

*Wine*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

**10. If you are not responding on behalf of an alcohol business please mark the relevant box below with an x**

*[ ] Retailer [ ] Member of public [ ] publican [ ] health group [ ] economic group*

*[ ] other*

*If other please advise*

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**Consultation questions**

*Please provide your response in the boxes below. Make sure to note the “Guidance for respondents” provided above before completing.*

**Draught Relief – dispense mechanism**

1. Does the dispense system criteria outlined in the draft legislation adequately distinguish between on and off trade containers? Is there an opportunity for eligible containers to be diverted to the off-trade?

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1. Do the dispense system criteria outlined in the draft legislation capture ‘bag in a box’ formats? If not, are there design criteria for ‘bag in a box’ formats used in the on-trade which distinguish them from containers used in the off-trade?

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1. Other than the fact they are pressurised, designed to be connected to a dispense mechanism and the size of the containers, are there any other distinguishing characteristics of draught containers which can be easily identified at the duty point and which would ensure that the product can only be sold in the on-trade?

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1. Is defining a dispense system necessary to ensure the relief only benefits the on-trade? Would removing this requirement and relying on the container size be sufficient to ensure products were not diverted to the off-trade?

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**Small Producer Relief**

**Structure**

1. Would the proposed design of the Small Producer Relief (SPR) as outlined in the consultation response achieve the Government’s objective of providing a more general form of relief to small producers in a way that is consistent with the Alcohol Review’s wider objectives?

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1. Do you agree that the Government should use an average ABV of 4.5% as the basis for converting the current Small Brewers Relief (SBR) thresholds for use in SPR? If not, what would you propose as an alternative and why?

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1. Do you agree that the maximum size for businesses to qualify for the relief should be 4,500 hectolitres of pure alcohol? If not, what would you propose as an alternative and why?

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1. Do you agree with how production under licence should be treated for SPR? If not, how do you think production under licence should be treated?

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**Small Cidermakers’ Exemption**

1. Do you agree with the Government’s proposal to replace the Small Cidermakers’ Exemption with a 100% reduction in duty (giving the effect of a zero rate) for the smallest cidermakers within the broader SPR scheme?

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1. Do you agree that this 100% reduction in duty should apply to producers producing 5 hLpa or less per year? If not, what would you propose as an alternative and why?

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1. Do you agree that this 100% reduction in duty should be expanded to cover all products below 8.5% ABV rather than just apple and pear cider?

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**Effective rates and tapers**

1. Do you agree with the proposed effective rates set out in the response document for draught and non-draught beer, cider, wine and made-wine and spirits for products below 3.5% ABV, and at or above 3.5% but below 8.5% ABV?

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1. Do you agree with the proposed models for the new SPR tapers?

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1. If not, what would you propose as alternatives and why? Please provide supporting information on your production volumes, strengths and costs via the small producer survey

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**Mergers and Acquisitions**

1. Do you agree with the proposed transitional arrangements for small producers that merge with one or more other small producers? If not, which parts of the mergers and acquisitions rules do you disagree with? How do you think they should be changed?

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1. Do you agree that if a producer’s production drops and the transitional arrangements provide a less generous SPR rate than the usual rules, the transitional arrangements should terminate?

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1. Do you agree with the proposals for de-merger situations?

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**Other SPR questions**

1. Do you agree that the connectedness test to determine whether businesses are economically cooperating should be, as now for SBR, (i.e. linked to s. 1122 of the Corporation Tax Act 2010)? If not, what would you suggest as an alternative?

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1. Do you agree that compounders and rectifiers of duty-suspended spirits should be excluded from SPR?

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**Administration and implementation**

1. Do you agree with the proposed “small producer year” running from 1 February to 31 January? If not, please propose an alternative.

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1. When do you think the most appropriate time would be to introduce the new small producer relief?

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**Miscellaneous**

1. Do you agree with changing the name of the ‘made-wine’ Category to ‘other fermented products’? If not, what do you suggest as an alternative?

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1. Do you agree with the removal of the strength limit of 8.5% from the definition of cider?

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1. Do you agree with the proposed approach to the mixing of 2 or more alcoholic products per the draft clauses?

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1. Do you agree that the facility brewers currently have to offset drawback claims against duty due on their monthly return should be extended to producers of all alcoholic products?

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