



HM Treasury



HM Revenue
& Customs

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):

Helen Hill, Interim Business and Network Development Manager, Wales Safer Communities Network

Email address:

safercommunities@wlg.gov.uk

Address:

Wales Safer Communities Network,

4th Floor (Hosted by Welsh Local Government Association)

One Canal Parade,
Dumballs Road,
Cardiff
CF10 5BF

1. Are you:

A business?*

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

The Wales Safer Communities Network (hosted by WLGA) representing: 22 Councils, 4 OPCC, 4 Police Forces, 3 Fire and Rescue Services, Probation in Wales, Public Health Wales, 3rd Sector, WLGA and Welsh Government.

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.

Whilst we do have concerns (as outlined in the impact assessment on p37) regarding the financial impact on users (both individuals and families) and the potential to push them into the illicit tobacco market we do agree that the Government need to make e-cigarettes / vapes far less attractive for younger people and to those whom have never smoked.

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.

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

Yes

No

Please provide any supporting evidence.

We hope that there will be a reduction in the vaping behaviours and that it will not be as attractive for younger people who have not smoked before.

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.

Yes, the Network would support consistency between this and the tobacco regime.

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.

We support the proposals to align with the tobacco regime. Failing to do so may mean that businesses could sell products without appropriate signage and have greater opportunity to misinform the buyers for their own financial gain. Consistency and transparency is important for consumers to be confident in the

product they are purchasing and that there is not mixed messaging which could lead to accidental increased consumption.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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.

Yes, all registrants of a premises should comply in order for sufficient background checks to be completed and for HMRC to ensure they are happy there are no reasons to decline the registration.

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.

We would suggest all premises selling should be registered to avoid any confusion and ensure compliance i.e. storage- Just because one premises is suitable doesn't automatically mean a second would be.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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.

N/A

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

N/A

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.

Whilst we are not a business, from the consultation document the record keeping requirements do not appear to follow a common sense approach and do not appear too onerous.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question, though we do not disagree.

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.

N/A

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.

We do not have information that would be helpful to answer this question.

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.

We would suggest that existing frameworks and policies are replicated (where appropriate) to help avoid confusion and non-compliance.

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)?

We do not have information that would be helpful to answer this question.

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

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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.

The Network would support the implementation of Track and Trace to assist in ensuring quality assurance and supply to customers, although we are mindful of the resource implementations this will require and the limited resources across all sectors. However, we would support the need for a centrally controlled Track and Trace.

Track and trace may also allow the identification if products are sold to those under age, and also if there is problem littering to potentially trace back to the purchasing source to enable messaging on safe disposal.

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.

We do not have information that would be helpful to answer this question.

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?

Whilst the Network does not operate as a business, we are aware of the risks of increased vaping usage on young people and individuals who have not smoked, the unknown health implications of unregulated vapes and the known health implications of regulated vaping.

We support the proposals which are clear and will hopefully have a positive impact, although October 2026 is a long way off and the Network would be keen to support campaigns to address education and awareness of the changes will in advance of this date to assist with the foreseeable changes.

Any messaging/ corporate communications would need to be available in Welsh and English and we ask that the policy leads link in closely with Welsh Government as a devolved administration.

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.

We do not have information that would be helpful to answer this question.

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.

We do not have information that would be helpful to answer this question.

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

N/A

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

N/A

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?

N/A

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?

N/A

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

N/A

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?

N/A

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.

Whilst it is possible that the cost increase will lead to displacement of products, the products listed within this document have been around for a long time and the take up does not appear to have been as impactful as vaping nor do they (that we understand) have the same negative health implications (on the same scale at least). Whilst we are always mindful that addressing one issue may lead to a rise in something else (i.e. synthetic opioid use), currently, the ease of access and limited regulations give the false impression to the wider public that vaping is safe and as such we support the proposals set out to address this.

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?

N/A

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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