



Notification Number: 2018/349/UK

## Excise duty on mid-strength cider

Date received : 11/07/2018

End of Standstill : 12/07/2018

Fiscal Measures : Yes

### Message

Message 001

Communication from the Commission - TRIS/(2018) 01915

Directive (EU) 2015/1535

Notificación - Oznámení - Notifikation - Notifizierung - Teavitamine - Γνωστοποίηση - Notification - Notification - Notifica - Pieteikums - Pranešimas - Bejelentés - Notifika - Kennisgeving - Zawiadomienie - Notificação - Hlásenie-Obvestilo - Ilmoitus - Anmälan - Нотификация : 2018/0349/UK - Notificare.

No abre el plazo - Nezahtuje odklady - Fristerne indledes ikke - Kein Fristbeginn - Viivituste perioodi ei avata - Καμμία έναρξη προθεσμίας - Does not open the delays - N'ouvre pas de délais - Non fa decorrere la mora - Neietekmē atlikšanu - Atidėjimai nepradedami - Nem nyitja meg a késések - Ma' jiftaħ il-perijodi ta' dawmien - Geen termijnbegin - Nie otwiera opóźnień - Não inicia o prazo - Neotvorí oneskorenia - Ne uvaja zamud - Määräaika ei ala tästä - Inleder ingen frist - Не се предвижда период на прекъсване - Nu deschide perioadele de stagnare - Nu deschide perioadele de stagnare.

(MSG: 201801915.EN)

#### 1. Structured Information Line

MSG 001 IND 2018 0349 UK EN 11-07-2018 UK NOTIF

#### 2. Member State

UK

#### 3. Department Responsible

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#### 3. Originating Department

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#### **4. Notification Number**

2018/0349/UK - C50A

#### **5. Title**

Excise duty on mid-strength cider

#### **6. Products Concerned**

Cider (or perry) of a strength exceeding 1.2% but less than 8.5%abv obtained from the fermentation of apple (or pear) juice without the addition at any time of any alcoholic liquor or of any liquor or substance which communicates colour or flavour other than such as the UK Commissioners of HM Revenue & Customs may allow as appearing to them to be necessary to make cider (or perry).

#### **7. Notification Under Another Act**

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#### **8. Main Content**

Draft legislation amends UK primary legislation - the Alcoholic Liquor Duties Act 1979 (ALDA) sub section 62(1A) (rates of excise duty on cider) - to introduce a new duty band for still cider of a strength of not less than 6.9% but not exceeding 7.5% alcohol by volume. It also amends ALDA section 62B (cider labelled as strong cider) to ensure that the up-labelling provisions reflect the creation of the new mid-strength cider band. These changes will come into force on 1st February 2019.

#### **9. Brief Statement of Grounds**

Cheap, high strength 'white' ciders around 7.5% alcohol by volume have been identified by public health groups as a product that causes disproportionate levels of harm. They are particularly visible due to their close association with dependent, street and underage drinking primarily due to their low price. A 3 litre bottle of a 7.5%abv 'white' cider contains 22.5 units of alcohol which is over 1.5 times the number of units the UK Chief Medical Officers have recommended for weekly consumption to keep the health risks from drinking alcohol to a low level. Public health groups report that super strength drinks have become one of the biggest causes of premature death of homeless people in the UK and research suggests that 25% of alcohol treatment services patients drink white cider, and 45% of those white cider drinkers drink it exclusively.

In 2017, the UK government announced its intention to introduce a new duty band for still cider of a strength of at least 6.9%abv but not exceeding 7.5%abv to address the strong public health concerns by encouraging the production and consumption of lower-strength ciders; and reduce the availability and affordability of these products. The start date of 1st February 2019, is to allow cider producers time to reformulate and reduce the strength of their drinks below 6.9%. This follows the Alcohol Structures consultation with public health groups, local authorities, alcohol producers, industry/consumer groups and individuals.



The current UK duty rates for still cider are split into two bands:

Main still cider band - above 1.2% up to 7.5%abv

Higher strength still cider band - above 7.5% but less than 8.5%abv

Currently, any products within a band pay the same duty regardless of their alcoholic strength within that range.

From 1st February 2019, the duty rates for still cider will be split into three bands:

above 1.2% but less than 6.9%abv

from 6.9% up to 7.5%abv

above 7.5% but less than 8.5%

The majority of 'mainstream' UK ciders are below 5.6%abv (80% of the market) and would not be affected by this change. Traditional ciders are generally premium products, at 6.0% and above, made by smaller producers and are closely connected with rural economies. Setting the new band at 6.9% will ensure producers are able and incentivised to reformulate and lower the alcoholic strength of their drinks. It will also ensure we target the strongest 'white' cider, whilst also minimising the impact on the rest of the cider industry; traditional cider makers can reformulate their drinks and avoid the higher duty rate, while still maintaining their traditional characteristics.

Any products captured by the new mid-strength band will pay a higher duty rate than their current rate. The intention is that this will encourage producer-led behaviour change, have a positive impact on health and on families by helping to reduce excess alcohol consumption and tackle the related health harms.

Sparkling cider is unaffected. Sparkling ciders generally do not include 'white' ciders.

#### **10. Reference Documents - Basic Texts**

References of the Basic Texts: Existing legislation being amended - the Alcoholic Liquor Duties Act 1979 (ALDA) sub section 62(1A) and section 62B - copies of these sections enclosed.

Relevant EU Directives:

Council Directive 92/83 - on the harmonization of the structures of excise duties on alcohol and alcoholic beverages.

Council Directive 92/84 - on the approximation of the rates of excise duty on alcohol and alcoholic beverages.

#### **11. Invocation of the Emergency Procedure**

No

#### **12. Grounds for the Emergency**

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#### **13. Confidentiality**

No

#### **14. Fiscal measures**

Yes

#### **15. Impact assessment**



Yes

**16. TBT and SPS aspects**

TBT aspect

No - The draft is not a technical regulation nor a conformity assessment

SPS aspect

No - The draft is not a sanitary or phytosanitary measure

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European Commission

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