

The Alcoholic Products (Excise Duty) (Amendment) Regulations 2024

Response by the Chartered Institute of Taxation

1 Executive Summary

- 1.1 The Chartered Institute of Taxation (CIOT) is the leading professional body in the UK for advisers dealing with all aspects of taxation. We are a charity and our primary purpose is to promote education in taxation with a key aim of achieving a more efficient and less complex tax system for all. We draw on the experience of our 20,000 members, and extensive volunteer network, in providing our response.
- 1.2 The CIOT received feedback from members welcoming the draft legislation which simplifies the alcohol duty system. We believe the legislation broadly achieves its aims, subject to our further comments.
- 1.3 We would like the ‘particulars’ stated in part 6 to be listed in Schedule 3, rather than have additional particulars separately listed in a published notice, as this will provide certainty for businesses and HMRC staff.

2 About us

- 2.1 The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. Our comments and recommendations on tax issues are made solely in order to achieve this aim; we are a non-party-political organisation.
- 2.2 The CIOT’s work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.
- 2.3 The CIOT draws on our members’ experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries.

2.4 Our members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.

3 Introduction

3.1 The Alcohol Duty Review aims to improve the alcohol duty system by making it simpler, more economically rational and less administratively burdensome on businesses and HMRC. The draft regulations aim to ensure that the administration of alcohol approvals, returns and payments operate as intended.

3.2 Our stated objectives for the tax system include:

- A legislative process that translates policy intentions into statute accurately and effectively, without unintended consequences.
- Greater simplicity and clarity, so people can understand how much tax they should be paying and why.
- Greater certainty, so businesses and individuals can plan ahead with confidence.
- A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented).
- Responsive and competent tax administration, with a minimum of bureaucracy.

4 Application for an alcohol product approval – part 6

4.1 In paragraph 17(1) the language used sets out a clear obligation with its use of 'must', however sub-paragraph (a) follows using the phrase 'as may be'. As the Commissioners will specify the application provisions in the notice, we recommend removing the 'may be' and simply saying 'as specified'. The use of 'may' increases uncertainty.

4.2 Paragraphs 18(3), 19(2), 25(2)(b), 26(2), 28(1) and (2), and 31(1)(a) also use 'must' and 'as may be' in the terminology. If it is already known that such details will appear in a notice it should say so, 'as specified'. Paragraphs 23(3) and 28 (4)(b) also use 'as may be' even though it seems clear that the notice will need to set out further details.

4.3 In paragraph 17(1)(b)(ii), we would like all particulars to be set out in Schedule 3, which provides clarity and certainty for both applicants and HMRC staff. Whilst it is acceptable for HMRC to request further information about the details submitted in an application, having additional particulars set out in a notice and not on the application form itself may increase the risk of errors from administrative oversight and extend the time taken for HMRC to be able to come to a decision of whether approve or reject the application, which would take increased resource time. We note that paragraph 21(2)(a) does not have a similar reference to a notice and all particulars are listed in Schedule 4.

5 Payment of alcohol duty and returns – part 9

- 5.1 In paragraph 24(2)(b), whilst we agree that the Commissioners must make provision for being able to impose an approved guarantee in circumstances warranting such protection of the revenue, its current scope is broad. We would like to see clarity in the notice on the circumstances when a guarantee may apply or equally, should not apply, to provide more certainty for applicants and increased consistency by HMRC when issuing requests for a guarantee. The regulations could refer to such conditions that will be specified in the notice.

6 Acknowledgement of submission

- 6.1 We would be grateful if you could acknowledge safe receipt of this submission, and ensure that the Chartered Institute of Taxation is included in the List of Respondents when any outcome of the consultation is published.

The Chartered Institute of Taxation

18 March 2024