Illicit Alcohol and Tobacco – Business Guidance

Introduction

Illicit alcohol and tobacco are goods which are non-duty paid (ie. genuine product on which the appropriate tax has not been paid) or counterfeit (ie. fake products on which no tax will be paid).

Islington Council has found a great deal of illicit alcohol and tobacco recently - the high amount of tax payable on the goods makes it very profitable to distribute them. However, we will take strong action against licensed premises found selling illicit goods. We will do this because:

- the goods may be unsafe as counterfeiters ignore normal quality standards;
- law-abiding business will suffer from unfair competition;
- selling illicit goods boosts the profits of organised criminals;
- huge losses are caused to the UK’s tax revenues by the trade in illicit alcohol and tobacco.

Islington Trading Standards intend to carry out many more visits to counter this widespread problem. Businesses selling illicit goods may be prosecuted and / or their alcohol licence may be revoked or suspended.

General rules

NEVER BUY ALCOHOL, CIGARETTES OR TOBACCO FROM ANYONE WHO BRINGS THE GOODS TO THE SHOP. This is the Golden Rule. Illicit alcohol will be illegal in some way – non duty-paid, counterfeit or stolen – and may be unsafe for people to consume. You should be very careful buying any goods in this manner – you won’t have a means of contacting the seller and the responsibility for any offence will be yours. Counterfeit batteries, condoms, DVDs and unsafe cosmetics are also regularly sold in this manner.

Door to door sellers will often claim to be from genuine business and even produce paperwork with genuine business details on. Don’t be fooled!

Only deal with reputable traders and get proper invoices. Cash and carry businesses have been known to deal in illicit goods, so you must still check purchased goods, especially if the seller is not a business you know and trust. If illicit goods are found then we will expect you to be able to produce these invoices.

Beware of ‘special offers’. Some cash and carry business have sold non-duty paid wine on ‘Buy one, get one free’ offers for a cost which is less than the excise duty payable and disguise it by not putting the ‘free’ goods on the invoice, so it appears you have paid a reasonable price.

Train anyone who is allowed to buy stock and make a record of their training.

Control your stock so you can be sure where and when you bought it eg. by marking the goods or cases with the supplier and date purchased. Do not accept returns of tobacco or alcohol from customers who have changed their minds in case they have substituted illicit goods.

What are the penalties if I sell illicit alcohol or tobacco?

Anyone selling illicit alcohol or tobacco can be fined or even imprisoned. Further, if you hold a licence to sell alcohol, it is likely to be reviewed and may be revoked if these goods are found in your shop.
How do I tell if goods are illicit?

Check the Duty stamp

Is a duty stamp required? Spirits must carry a UK Duty stamp, normally on the back label if:
- the alcohol content is at least 30% alcohol by volume (abv)
- the bottle size is at least 35cl.

Does it fluoresce? The stamp will be pink in colour, but will glow white, yellow or green when ultra violet (UV) light is shined on it. It should not reflect blue / violet and any stamp that does is likely to be fake. UV lights are easy and cheap to buy and checking your stock with such a light is a sensible precaution, although please note that some fakes are good enough to have stamps that do glow as if genuine.

Is it separate to the other labelling? Separate stamps are allowed, but must start with a unique code starting with ‘V’ for vodka; ‘W’ for whisky etc. Check that it is not stuck over any labelling – this is not permitted.

Check the back label: Labels without duty stamps used on export stock are often replaced with labels with fake duty stamps on. Warning signs that should make you suspicious are:
- Back labels stuck over another label
- Poor printing on the label
- If the label is crooked or bumpy where it has not been stuck on properly
- If the label is not in English, it was clearly not produced for the UK market.

Is the case resealed? If spirits are sold in cases that have been resealed with tape or have the ‘UK Duty Paid’ statement crossed through – indicating that export bottles may have been removed to have their back label changed for one carrying the UK Duty Stamp – don’t buy them.

Is anything about the deal odd? Is the price too low? The excise duty on a bottle of wine is £2.00 (£12.00 per case of 6) and £7.90 on a standard bottle of spirits (£11.29 per litre). This has to be added to the cost of the product; transportation costs and VAT.

Has someone told you a story (eg: “It’s old stock from a shop I’ve closed”) to make themselves appear convincing?

Tobacco products: Any tobacco product – including shisha and chewing tobacco - that does not carry the required health warnings is illegal for sale in the UK and is almost certain to be smuggled. The warnings must be in English and include one of the following statements:

- “Smoking kills” or “Smoking seriously harms you and others around you” (on cigarettes, hand rolling tobacco and shisha). A picture warning is also required on these products.
- “This tobacco product can harm your health and is addictive” (on chewing tobacco).

How can I get further advice?

If you require further information, clarification or advice on any of the above, or would like us to check any goods, please do not hesitate to contact the Trading Standards Service at:

222 Upper Street, London, N1 1XR Tel: 020 7527 3198
Email: trading.standards@islington.gov.uk