
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement Article 22 of Regulation (EC) No 110/2008 (OJ No L 39, 13.2.2008, p 16) of the European Parliament and of the Council on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89, (“the Regulation”).

The Regulation makes provision for Member States to introduce measures ensuring that spirit drinks marketed with a protected geographical indication are produced in accordance with the specific conditions laid down in a technical file for the product. This includes chemical, physical and oenological characteristics. In the UK, this affects Scotch Whisky, Plymouth Gin, Irish Whiskey produced in Northern Ireland, Irish Cream produced in Northern Ireland and Somerset Cider Brandy, all of which are registered at Annex III to the Regulation.

Article 22 of the Regulation requires that a relevant spirit drink is verified by a competent authority as being compliant with its technical file before it can be placed on the market. The Article requires that the costs of verification for each relevant spirit drink are borne by the producers who are subject to the controls specified in the technical file.

The Commissioners for Her Majesty’s Revenue and Customs (“the Commissioners”) are designated as the authority responsible for the verification of UK spirit drinks registered at Annex III to the Regulation and their task is to design and administer verification schemes for each relevant spirit drink to test for compliance with its technical file. The Commissioners must impose charges for the verification, details of which will be published in each verification scheme.

Regulation 1 provides for citation and commencement.

Regulation 2 defines the various terms and expressions used in these Regulations.

Regulation 3 provides for the publication of verification schemes and the method of making an application for verification.

Regulation 4 provides for charges for obtaining verification to be imposed on producers with production facilities engaged in one or more production processes required to create a relevant spirit drink. The charge arises on the making of an application for verification.

Regulation 5 provides for the charges to be determined by and paid to the Commissioners. Details of the requirements will be specified in the relevant verification scheme.

Regulation 6 provides for inspections in the course of obtaining verification to be undertaken by agents authorised by the Commissioners. The regulation also makes provision for the costs of such an inspection to be recovered from the producer by the agent and for the agent’s fees to be recovered.

Regulation 7 requires the Commissioners to review the operation and effect of these Regulations and publish a report within five years after they come into force and within every five years after that. Following a review it will fall to the Commissioners to consider whether the Regulations should remain as they are, or be revoked or be amended. A further instrument would be needed to revoke the Regulations or to amend them.

A transposition note has been prepared which sets out how the main elements of Article 22 of the Regulation will be transposed into UK Law. A Tax Information and Impact Note has not been prepared for this instrument as it contains no substantive changes to tax policy.