

# Labelling ABV on wine - new flexibility

05 June 2023

We are sending you this because:

Your business may be responsible for labelling ABV on wine sold in the  $\ensuremath{\mathsf{UK}}$ 

The key points are:

- The ability to label in 0.1% steps is now in force
- This may also have implications for businesses considering labelling abv in light of the excise duty changes after 01 August

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Dear {{ contact.FIRSTNAME | default : "WSTA Member" }},

The relevant legislation is <a href="here">here</a>. There are similar Statutory Instruments for <a href="here">Scotland</a> and <a href="here">Wales</a>. The NI position is complicated by NI's special status and is likely to be dealt with when the Windsor Framework comes in to force. There may be different rules between green lane (NI only) and red lane products.

This legislation is poorly drafted and may well be looked at again in a future consolidation exercise, but for the moment at least we believe the intention is clear, on the basis of our earlier conversations with DEFRA.

#### **Describing ABV**

It is now permissible to describe abv for any alcoholic beverage on any of the following bases:

- % vol
- alc % vol
- alcohol % vol
- % alc/vol (NEW)

**Comment**: We are not sure why this new option was added or why a more flexible approach could not have been adopted. This is not a controversial area and we have not seen regulators picking up on any more creative expressions of abv, although our advice is to comply with the letter of the rules.

#### **ABV** increments

The requirement to label wine in 0.5% steps has been replaced by a requirement to label it to not more than one decimal place.

Comment: We asked for and expected this to be an option between the two methods.

Importantly, however, the tolerance levels remain the same (analytical tolerance and then +/- 0.5% or 0.8% for some products), so in practice it should remain feasible for businesses to label in 0.5% increments, where a single product is going into GB, NI and EU markets.

This may be important for excise duty calculations.

For example, a wine of fresh grape at 14.7% might be labelled at:

- 15% or above no advantage in GB but it may not matter for a low volume product where EU compliance and marketing may be more important
- 14.7% for strict accuracy in the UK market
- 14.5% to bring it within the easement until February 2025, where excise duty is calculated on a deemed abv of 12.5%, and for the product to remain correctly labelled in EU markets
- 14.2% after the end of the easement period and for the UK market, to reduce UK excise duty liability
- 14% if it is a PDO product and has been in bottle for three years, or is a sparkling
  wine, liqueur wine or product made from overripe grapes again, this is beneficial
  for UK excise duty and meets EU labelling requirements

This is also subject to the public notices that HMRC will issue about accounting for excise duty.

These choices do not necessarily make cost calculation, contract negotiation or marketing any easier. We would like to know if any if this creates any systemic problems for the

sector as a whole, so we can approach DEFRA on your behalf.

Best wishes,

## **David Richardson**

# **Regulatory & Commercial Affairs Director**



## **WSTA**

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