



HM Revenue
& Customs

Alcohol Wholesaler Registration Scheme (AWRS)

Briefing Pack

If your business buys or sells alcohol this is for you.

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Introduction of the Alcohol Wholesaler Registration Scheme (AWRS)

The Alcohol Wholesaler Registration Scheme is being introduced on 1 January 2016 by HM Revenue and Customs (HMRC) to tackle alcohol fraud. If you're an alcohol wholesaler you need to get ready now.

Who is affected by the scheme?

If you sell, or arrange the sale, of alcohol to other businesses at or after the point at which excise duty becomes due, you will need to apply to register for this scheme. Duty becomes due at the point alcohol is "released for consumption" onto the UK market, for example when the goods leave an excise warehouse or regulated import scheme or are imported into the UK outside a duty suspension arrangement.

The types of businesses likely to be affected include:

- cash and carries
- producers of alcoholic drinks including brewers, cider-makers and wine producers
- brokers
- auctioneers
- others who sell business to business in the alcohol supply-chain.

Even if you already hold an excise registration, approval or licence of any type, you may also need to register for AWRS.

If you buy alcohol to sell to the consumer, that is if you are a retailer, hotel, pub, restaurant, cafe or a club ('trade buyers'), you do not need to apply to register unless you also sell alcohol to other businesses. From 1 April 2017, however, you must make sure that any UK wholesalers you buy alcohol from are approved by HMRC under this scheme.

To find out if you need to register, please use the flowchart 'Decision making: Do you need to apply to register?' on page 9 and, if you are a retailer, the flowchart on page 10.

When does the scheme take effect?

The scheme takes effect from 1 January 2016 when HMRC will start to accept applications to register. From 1 April 2017, trade buyers will need to ensure that any UK wholesalers they buy alcohol from are approved by HMRC.

What do I need to do now?

You should work through the flowcharts on pages 9 and 10 to help you decide whether you need to register, read the information in this pack and check <https://www.gov.uk/guidance/the-alcohol-wholesaler-registration-scheme-awrs> for further information.

What else can I do to get ready?

It's likely that you will already be doing many of these things as part of your approach to due diligence in trading:

- make sure your business records are in order and available.
- review your procedures and supply chains so that you are confident you are dealing in legitimate alcohol. You can also;
 - think about the risk of fraud within your supply chain and make a note of it
 - know your suppliers - satisfy yourself that deals are genuine. If it looks too good to be true, don't get caught out.

Know where your supplies come from, don't be afraid to ask and seek assurances or evidence that duty has been paid.

How do I apply?

If you need to register:

- you will need to apply online to HMRC to register for AWRS. You should make your application **between 1 January and 31 March 2016**.
- you will need to have a [Government Gateway](#) account to register. If you don't have an ID, go to the [Government Gateway](#) homepage and register as an organisation or individual. When you are presented with your ID on screen, make a note of it as you won't be sent anything in the post.

What happens once I have applied?

HMRC will begin to review applications from January 2016.

You will be given the decision about your approval to trade in alcohol as soon as possible, but this could take several months as we work through the applications. The decision will take into account whether your business is 'fit and proper' to carry on trading (see below for a description of the criteria applied). If your business doesn't meet the 'fit and proper' test, HMRC will remove your right to wholesale alcohol, or may impose certain conditions.

If you plan to start a business wholesaling alcohol at any time after 31 March 2016, you must apply for registration at least 45 calendar days before you want to start trading. Also, you can't trade until you receive approval from HMRC.

What happens from 1 April 2017?

From 1 April 2017, for all businesses selling alcohol:

- you will need to make sure that any UK wholesalers you buy alcohol from have been approved by HMRC. This includes businesses selling to the general public such as shops, hotels, pubs, restaurants, cafes and clubs). It also includes all other businesses in the supply chain who buy alcohol at or after the point at which duty becomes due.
- from 1 April 2017 you will be able to check your wholesaler has been approved by using HMRC's online look up service. You must do this for each UK wholesaler you buy from so that you can be confident about the legitimacy of your suppliers.

Preparing for 1 April 2017 – what can I do to get ready?

If you are an alcohol "trade buyer" such as a retailer, hotel, pub, restaurant, café or club and buy alcohol from UK wholesalers to sell on to your own customers:

- you should review your processes and supply chains to make sure you are provided with legitimate alcohol
- check that your wholesalers know about AWRS and that they are preparing for the changes
- from 1 April 2017 you can check that your wholesaler has been approved by using HMRC's online lookup service.

‘Fit and proper’ criteria

For you to be approved to wholesale alcohol HMRC will assess your application against ‘fit and proper’ criteria. Our staff may want to visit your premises and if so we’ll let you know. We need to be sure that:

- there is no evidence of illicit trading
- you, or any key person within the business has not previously been involved in non-compliance or any significant revenue fraud
- there are no connections between your business, or key people involved in the business, with other non-compliant or fraudulent businesses
- key people involved in the business don’t have criminal convictions which HMRC consider relevant - for example offences involving any dishonesty or links to organised criminal activity
- your application is accurate and complete and no attempt has been made to deceive
- you haven’t regularly or negligently failed to comply with HMRC record keeping requirements
- the applicant or key people in the business have not tried to avoid registration or traded without authorisation previously
- your business has provided sufficient evidence of its commercial viability and/or credibility
- you don’t have any outstanding, unmanaged HMRC debts or a history of poor payment
- you have satisfactory due diligence procedures in place to protect you from illicit supply-chains.

The criteria above are not exhaustive and your application could be rejected for other reasons than those listed above, if for example there are serious concerns that activities pose a serious risk to public revenues. Any approval given to you may also be subject to conditions.

Penalties

New criminal and civil sanctions are being introduced including for wholesalers who trade without HMRC approval.

You need to act now and make sure you submit your application between 1 January and 31 March or you could be penalised.

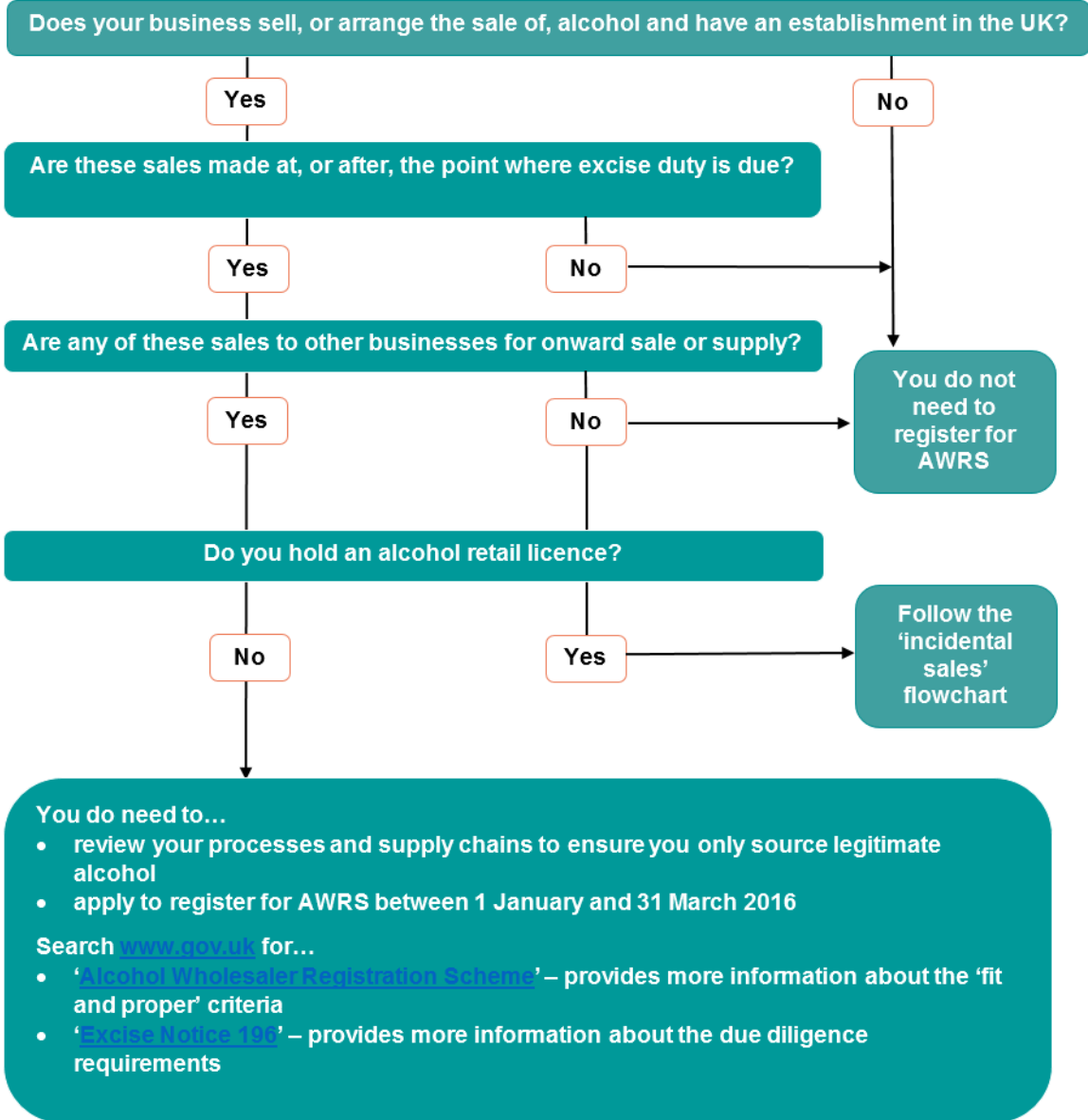
Further information

You can find more information about the new scheme on the GOV.UK website, search for ‘Alcohol Wholesaler Registration Scheme’. Sign up for email news alerts about alcohol duties at www.gov.uk/business-tax/alcohol-duties/email-signup - this means you will get an email when we publish more information about the scheme on GOV.UK.

Decision making – do you need to register?

Alcohol Wholesaler Registration Scheme (AWRS)

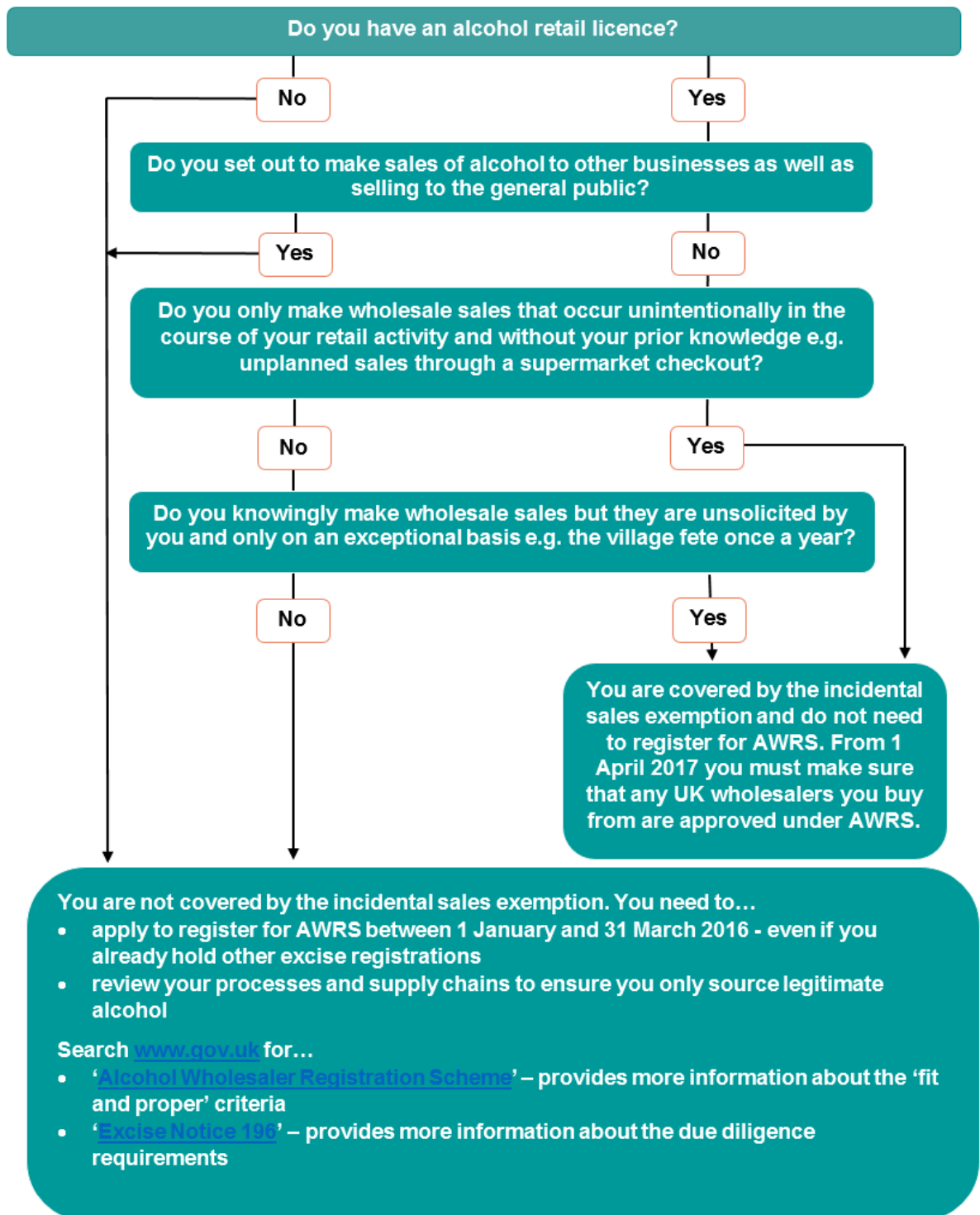
Do you need to apply to register?



NB: If your circumstances change you may need to register for AWRS

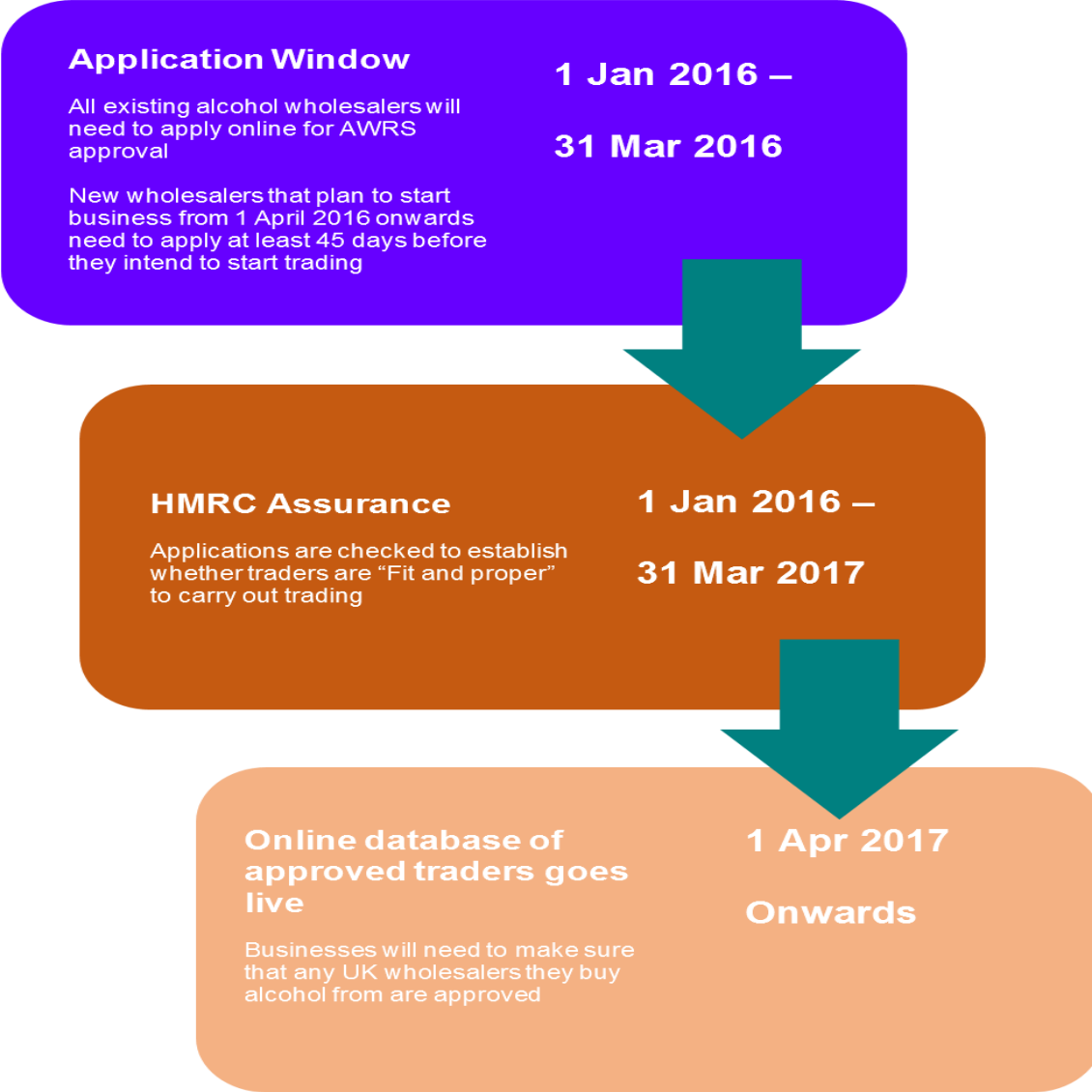
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Is your Alcohol Retail business covered by the incidental sales exemption?



NB: If your circumstances change you may need to register for AWRS

Timeline



Questions and answers

When and how do I register for the scheme if I am an existing wholesaler?

Registration will be online through the Government Gateway. If you are trading as an alcohol wholesaler on or before 31 March 2016, and expect to be trading from 1 April 2016, you must apply for the scheme any time during 1 January to 31 March 2016.

What happens if I want to start in business as an alcohol wholesaler after 31 March 2016?

You can register online through the Government Gateway. If you want to start trading sometime after 31 March 2016 you must apply for registration at least 45 calendar days before your start date and you can't start to trade unless you have successfully been registered by HMRC. .

What information will I need when I apply to register?

This will depend what kind of business you run, but everyone will need to provide details where appropriate, of:

- legal entity name trading name
- VAT Registration Number (if registered)
- Self Assessment UTR number (if registered)
- registered business address and how long at that address
- contact telephone number
- email address
- postal address
- your estimated annual turnover (for new businesses)
- details of the types of customer you sell to, for example pubs, restaurants
- products sold
- number of trading premises and their addresses
- business names, addresses and VAT numbers(if registered) of main suppliers
- whether or not you import or export alcoholic goods

If you are a sole proprietor you will need to provide:

- your full name
- your National Insurance Number
- your date of birth
- your Self Assessment UTR and
- your VAT Registration Number if you have one.

If you are in partnership you will also need to let us have the same information for each of the partners.

Limited Liability Partnerships need to provide:

- full names and details of partners (as above)
- the company name
- the trading name
- the company registration number
- the date of incorporation number.

Corporate bodies will need to provide:

- the number of directors
- full names of the directors
- dates of birth for each director
- National Insurance Number for each director

Corporate groups applying for group approval need to provide information about companies within the group which wholesale alcohol, this will include:

- the individual CT UTRs
- details of the group representative
- details of the group controlling body
- company registration numbers if incorporated in the UK.

These are not exhaustive lists, and you may need to submit further information as part of the registration process following your initial application.

I'm an existing wholesaler. What happens if I don't apply to register between 1 January and 31 March 2016?

We want all existing alcohol wholesalers to apply for the scheme by 31 March 2016. If you don't apply during this time you might face a penalty if you continue to trade beyond 31 March 2016.

Will I get an HMRC visit?

We may visit wholesalers who apply to register for the scheme if we need further information or clarification of the details provided in the application. If we decide to visit you we will let you know as soon as possible and arrange a convenient date and time.

How do I prepare for an HMRC visit?

We will want to look at your premises and everything you do there, so you need to be ready for that. We will ask you about your suppliers and your customers. We will also want to see any business plans and accounting records as well as any stock control procedures you have in place. We may ask you about other things too, if we think it's necessary, for example about your premises and systems. If you want more information search for '[Preparing for an Excise Visit Factsheet CC/FS16](#)' at www.gov.uk

How long do I have to wait before I hear whether I've been approved for registration?

We'll be reviewing applications through to March 2017. It's important that we make sure that only those applicants who meet the criteria explained in this note are registered with HMRC. We expect to get a lot of applications and it's going to take some months to get through them. Please be patient and don't worry, if you applied between 1 January and 31 March you can continue to trade as normal. Don't forget, if you are a new business starting after 31 March 2016, you must apply at least 45 calendar days prior to the date your business is due to start and you cannot start trading until you have been approved by HMRC.

What if I'm not approved?

If you don't meet the criteria we will refuse your application. You'll have the right to a review and you can appeal our decision. If we do refuse an AWRS registration that may also affect other approvals you hold with HMRC. If that happens, we'll contact you about it.

How do I make sure I only buy alcohol from HMRC registered wholesalers?

From 1 April 2017, we'll provide an online look-up service of approved wholesalers for you to use. Using this is Checking the online look-up will be part of the due diligence we expect from all businesses.

What happens if I buy alcohol from wholesalers who are not registered with HMRC?

From 1 April 2017, we want to know about wholesalers trading without registration. If you find you have inadvertently bought alcohol from an unregistered wholesaler, from 1 April 2017 you should report this to the Customs Hotline on 0800 595 000 or use the [Customs Hotline online form](#), search for 'Customs, Excise and VAT fraud reporting' at www.gov.uk

In cases where traders are found to be deliberately buying from unregistered wholesalers there is a new criminal and civil sanction From 1 April 2017 there will be a new criminal and civil sanction for those caught buying from unregistered wholesalers . Also, any alcohol found in the premises of unregistered businesses may be seized whether or not the duty has been paid. Businesses will have similar rights to review and appeal as they do for other civil penalties issued by HMRC.

How do I know if I'm a UK wholesaler'?

You only need to apply to register if you are established in the UK. This means:

- the place where essential management decisions are made and the business's central administration is carried out is in the UK, and/or
- the business has a permanent physical presence with the human and technical resources to make or receive taxable supplies in the UK

We would normally consider a company which is incorporated in the UK to have an establishment here as long as it is able to receive business supplies at its registered office.

What do you mean by ‘key people’?

Key people are those who play a key role in the operation of the business and may be regarded as the guiding minds behind the business. For example, they have authority and responsibility for directing and controlling the activities of the business or day to day management. Key people may also be significant beneficiaries of the business who are not directors or partners and so on.

What do you mean by “sales at or after the point at which excise duty is due”?

Alcohol is a dutiable product. This means that somewhere in the supply chain for alcohol which is sold in the UK duty should be paid, unless a specific exemption has been granted.

The duty point is the time duty charged on the product becomes due (whether or not payment is actually made at that time). This is often referred to as the point the goods are “released for consumption” onto the UK market, for example when the goods leave an excise warehouse or regulated import scheme or are imported into the UK outside a duty suspension arrangement.

What do I do if I deliver duty paid alcohol to a customer and the sale takes place when the goods are still in duty suspension?

These are still regarded as duty paid sales and you need to apply to register.

What if all my wholesale sales are within a corporate group?

If the only wholesale sales of alcohol you make are between members of the same corporate group, you do not need to register for AWRS.

What if all my sales of alcohol are abroad?

If all your trade in alcohol takes place abroad (no UK duty is due) you don't need to register.

What if I have a retail licence but might also sell alcohol to other businesses?

Check the flowchart in this guide. That will explain what you need to do.

Do I need to do anything after my registration has been approved?

Once you are approved, you will be sent a unique reference number (URN). From 1 April 2017 you must include this on all sales invoices involving wholesale of alcohol. You can decide where to include the number on the invoice, but it must be clear. You don't have to include the number on any other documentation unless you want to. You must also provide your URN to anyone who buys alcohol from you.

What will the AWRS unique reference number look like?

The format for the Unique Reference Number (URN) is:

XXAW00000123456

What do you mean by “trade buyer” of alcohol?

A trade buyer is someone who buys alcohol from a wholesaler to sell on to the others in the wholesale trade or to sell to the retail sector. From 1 April 2017, if buying from a UK wholesaler, trade buyers must only obtain alcohol from traders who are registered with HMRC. HMRC will provide an online look up service to help trade buyers verify their supply.

What about alcohol that has been exempted from duty or granted a relief from payment of duty?

You do not need to register if you only trade in alcohol that has been exempted or relieved from excise duty (e.g. denatured alcohol or alcohol sent to denaturers or authorised duty free spirits users; supplies to diplomats and so on).

If I only deal in alcohol received in duty suspense, do I need to register?

No, duty suspended movements are not included in the scheme.

I'm not VAT registered. Do I need to register for AWRS?

If you wholesale alcohol, yes. It doesn't matter whether you are VAT registered. Check the flowcharts in this guide.

What if I'm not sure whether I need to register or not?

Check the flowcharts within this guide and the guidance above.