

SOFT DRINKS INDUSTRY LEVY

GUIDANCE FOR RETAILERS ON WHAT TO EXPECT

What is the Soft Drinks Industry Levy?

From 6th April 2018, the Soft Drinks Industry Levy (the “sugar tax”) will take effect.

This means that from this date, soft drinks manufacturers and importers will have to pay a levy for drinks they produce with more than 5g of added sugar per 100ml.

The levy aims to encourage soft drinks manufacturers to reformulate and remove sugar from their products so that they can avoid the charge.

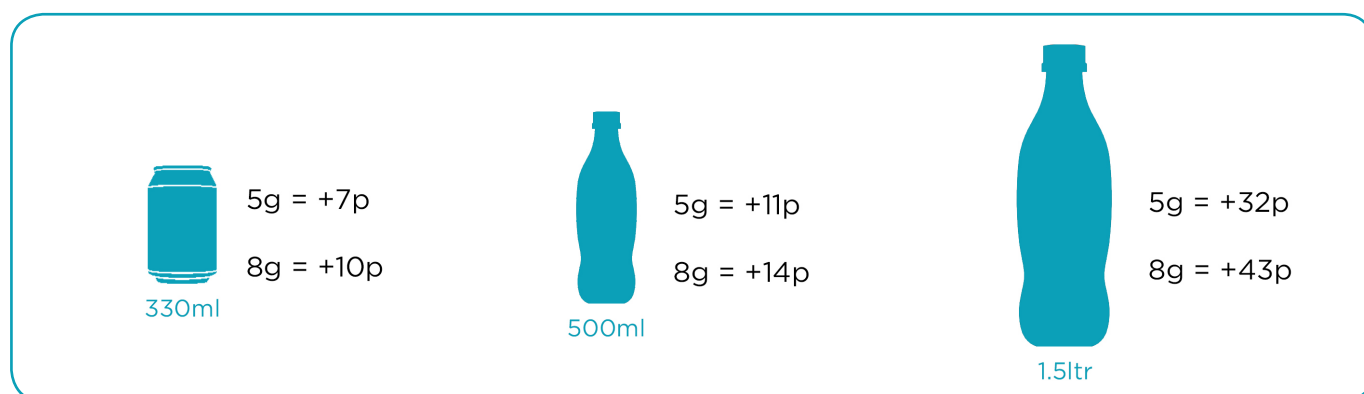
How the Levy Works

Soft drink manufacturers and importers will be required to pay a levy to the government for drinks they produce which have more than 5g of added sugar per 100ml.

The Soft Drinks Industry Levy is made up of two rates:

- 18p per litre if the drink has 5g of sugar or more per 100ml, and a higher rate of...
- 24p per litre if the drink has 8g of sugar or more per 100ml

This means soft drink manufacturers will have to pay an additional:



What Products Does the Levy Target?

The levy **will apply** to soft drinks with:

- More than 5g of added sugar per 100ml
- Ready to drink soft drinks and drinks that must be diluted
- An ABV of up to 1.2%

The levy **will not apply** to:

- Soft drinks with 75% or more milk content
- Soft drinks with no added sugar
- 100% pure fruit juice
- Alcohol replacement drinks such as non-alcoholic beers and wines

What Do Retailers Need to Do?

There are no legal requirements on how retailers must respond to the Soft Drinks Industry Levy. The Levy is applied at a manufacturer level which means that retailers will not face enforcement action. It is for you to decide how to price products in your store, speak to your wholesaler or other supplier for advice, and see manufacturer communications for recommended retail prices.

For More Information

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