

Soft Drinks Industry Levy Guidance

From 1 April 2019, the Soft Drinks Industry Levy ('the levy') was introduced in the Isle of Man. The levy is aimed at producers and importers on the Island of soft drinks containing added sugar.

If you are registered for the Levy in the UK you are not required to be registered in the IOM or if you are registered for the levy in the IOM you will not be required to register in the UK.

Who is it likely to affect?

- Businesses who import drinks into the Island from places other than the United Kingdom.
- Businesses that produce soft drinks on the Island. (There is an exemption for small producers who produce less than 1 million litres of drinks liable to the levy – see below guidance)

General description of the levy

The levy applies to the production and importation of soft drinks containing added sugar.

The levy applies to the producers and importers of these types of drinks. There are 2 rates which will be applied depending on the sugar content of the drink.

Lower rate – 18p per litre for drinks containing at least 5 grams of added sugar per 100ml.

Higher rate – 24p per litre for drinks containing at least 8 grams of added sugar per 100ml.

It will not apply to any drink where no sugar is added.

Drinks liable to the levy

For full guidance on the liable drinks which covers the below topics, please refer to HMRC guidance which can be found at

<https://www.gov.uk/guidance/check-if-your-drink-is-liable-for-the-soft-drinks-industry-levy>

- Drinks Liable to the levy
- What is classed as sugar?
- Drinks not liable to the levy
- Milk and milk based drinks
- Milk replacement drinks
- Alcohol replacement drinks
- What is classed as fruit juice?

Businesses that must register

Your business must register for the Soft Drinks Industry Levy if you:

- own the brand of a liable drink, or produce liable drinks under another brand, and you're not a small producer;
- bottle, can or otherwise package liable drinks for someone else.

If you've produced liable drinks in the past, but you have not produced any liable drinks after 1 April 2019, you do not have to register for the levy as a producer.

You may need to register, report and pay the levy if you're involved in bringing liable drinks into the Island from anywhere other than the United Kingdom, such as the EU and Channel Islands.

If any of your liable drinks are packaged by someone outside the Island and the UK, and you bring liable drinks back into the Island or the UK, you may need to register, report and pay the levy.

If you produce less than one million litres of liable drinks you may be a small producer.

Small producer exemption

You're classed as a small producer and do not need to register for the levy if all the following apply:

- A. you, and anyone connected to you, produced less than one million litres (worldwide) of liable drinks over the past 12 rolling months (including before 1 April 2019)
- B. you, and anyone connected to you, will not produce over one million litres of liable drinks in the next 30 days

You can choose to register for the levy if you use a contract packager. You will get a registration number which you can give to them so that they will not have to pay the levy on your drinks.

You must register as a producer if, at the end of any month, the amount of liable drinks you have produced over the past 12 rolling months (including before 1 April 2019) is more than one million litres.

If, over the past 12 rolling months, you have produced more than one million litres of liable drinks but have started to produce fewer liable drinks, you might need to register. When your production goes below one million litres over the past 12 rolling months, you can cancel your registration. You can then choose to register as a small producer if you use a contract packager.

Who is a connected person?

A person is connected with you if they are:

- your husband, wife or civil partner;
- your relatives (not including nephews, nieces, uncles or aunts) and their husbands, wives or civil partners;
- your husband's, wife's or civil partner's relatives and their husbands, wives or civil partners;
- your business partners and their husbands, wives, civil partners and relatives (if this applies);
- companies that you control, either by yourself or with any of the persons listed above; or
- trustees of a settlement of which you are a settlor, or of which a person who is still alive and who is connected with you is a settlor.

How to register in the Isle of Man

If you need to register as a Producer, Packager or Importer under the Soft Drinks Industry Levy please complete the application form on our website. The application form can be downloaded from

<https://www.gov.im/media/1370294/application-for-sdil-registration.pdf>

Once completed please email or post the completed application to:-

PO BOX 6
IOM Customs & Excise
Customs House
North Quay
Douglas
Isle of Man
IM99 1AG

customs@gov.im