

Tobacco Products Tax

Information for Importers and Manufacturers of Tobacco Products - Supplement to Notice 1877

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Section A - General

1. Introduction

This notice explains the Revenue requirements for the receipt, holding, manufacture and delivery of cigarettes and tobacco. It should be read in conjunction with Notice 1877 Excise: Tax Warehouse and Duty Suspension, which details requirements in relation to the holding, including manufacture, and movement of excisable products under duty suspension.

2. Notice 1877

The conditions within Notice 1877 Excise: Tax Warehouse and Duty Suspension also apply to tobacco manufacturers and importers.

3. Operative Date

This Notice and procedures herein will apply with effect from 1 June 2006.

4. Legislation

- Part 2, Chapter 3 of Finance Act, 2005 (No.5 of 2005).
- Statutory Instrument No. 261 of 2006 – Tobacco Products Tax Regulations 2006

5. Definitions

1. Cigarettes:
 1. rolls of tobacco capable of being smoked as they are and which are not cigars;
 2. rolls of tobacco which, by simple non-industrial handling, are inserted into cigarette paper tubes or wrapped in cigarette paper;
 3. products consisting in whole or in part of substances other than tobacco but otherwise conforming to the criteria set out in (i) or (ii). Any cigarette that is greater than 9 cm in length excluding any filter or mouthpiece shall be treated as if each 9 cm or part thereof of its length were a separate cigarette
2. Cigars:
 1. rolls of tobacco made entirely of natural tobacco;
 2. rolls of tobacco with an outer wrapper of natural tobacco;
 3. rolls of tobacco with a threshed blend filler and an outer wrapper of the normal colour of a cigar covering the product in full, including where appropriate the filter but not, in the case of tipped cigars, the tip and a binder, both being of reconstituted tobacco, where the unit weight, excluding the filter or mouth piece, is not less than 1.2 grammes and where the wrapper is fitted in spiral form with an acute angle of at least 30 degree to be longitudinal axis of the cigar,
 4. rolls of tobacco with a threshed blend filler and an outer wrapper of the normal colour of a cigar of reconstituted tobacco, covering the product in full, including where appropriate the filter but not, in the case of tipped cigars the tip ,where the unit weight, excluding the filter or mouth piece, is not less than 2.3 grammes and at the circumference over at least one-third of the length is not less than 34 millimetres.
 5. products consisting in part of substances other than tobacco but otherwise conforming to the criteria set out in (i), (ii), (iii) or 7 (iv) provided they have a wrapper of natural tobacco or a wrapper and binder both of reconstituted tobacco or a wrapper of reconstituted tobacco.
3. Commissioners: means the Revenue Commissioners.
4. Fine Cut Tobacco for the Rolling of Cigarettes: Smoking tobacco in which more than 25 per cent by weight of the tobacco particles have a cut width of less than 1 mm.
5. Manufactured tobacco product: A tobacco product is deemed to be manufactured when, in the opinion of the Commissioners; it has taken on the essential character of a tobacco product.
6. Materials: Tobacco in any form and any other substance to be used for incorporation in tobacco products.
7. Other smoking tobacco: Smoking tobacco other than fine cut tobacco for the rolling of cigarettes.
8. Reconstituted Tobacco: Tobacco (whether or not on a backing) that is made by agglomerating tobacco dust or finely divided tobacco derived from tobacco leaves or tobacco refuse and is generally put up in the form of rectangular sheets or strip.
9. Records: means any books, accounts, documents or other recorded information including information in a computer or in other non-legible form.
10. Release for consumption: means (i) any departure, including irregular departure, from a suspension arrangement, (ii) any manufacture, including irregular manufacture, of tobacco products outside a suspension arrangement, or (iii) any importation, including irregular importation of tobacco products, where such tobacco products have not been placed under a suspension arrangement.
11. Retail Selling Price: The price, at which cigarettes are sold by retail shall, for the purpose of charging excise duty, be taken to be the price declared in writing to the

Commissioners by the manufacturer or importer, at which it is recommended that those cigarettes be sold by retail.

If, in the opinion of the Commissioners, a price is declared that is lower by an unreasonably large amount than the price at which cigarettes of similar type and character are being sold, the Revenue Commissioners shall determine the retail price.

12. Smoking Tobacco:

1. tobacco which has been cut or otherwise split, twisted or pressed into blocks and which is capable of being smoked without further industrial processing;
2. tobacco refuse which is put up for retail sale and can be smoked and is not a cigar or cigarette;
3. products consisting in whole or in part of substances other than tobacco but otherwise conforming to the criteria set out in (i) or (ii).

13. Specified Tobacco Products: Cigarettes, fine-cut tobacco for the rolling of cigarettes and any other tobacco products in respect of which an order under Section 73 of the Finance Act 2005 relates.

14. Suspension arrangement: is an arrangement under which excisable products are produced, processed, held or moved, excise duty being suspended.

15. Tax Stamps: Labels issued by the Commissioners under Section 73 of the Finance Act, 2005 for the purpose of collecting the Tobacco Products Tax.

16. Tobacco Products: Cigarettes, cigars, fine-cut tobacco for the rolling of cigarettes and other smoking tobacco, except where such products contain no tobacco and are either used exclusively for medical purposes or are products commonly known as herbal cigarettes or herbal smoking products.

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6. Tobacco Products Tax Liability

Cigarettes, fine cut tobacco for the rolling of cigarettes, cigars and other smoking tobacco are all liable to tobacco products tax duty at the prevailing rates.

Unmanufactured tobacco is not liable to tobacco products tax duty but is subject to Revenue control.

7. Calculation of Tobacco Products Tax

The manner in which tobacco products tax duty is calculated for each type of tobacco product is outlined hereunder. The relevant rates of tobacco products tax may be found in the Excise Duty Rates page on the Revenue website.

(a) Cigarettes

Tobacco products tax on cigarettes consists of two separate elements (1) a specific amount of tax calculated per 1000 cigarettes plus (ii) an ad-valorem element, which is a percentage of the retail selling price.

(b) Cigars

Tax is to be charged on the net weight of dutiable product in kilograms per case. The weight of taxable product per case is to be taken to the nearest 0.5kg below where such weight is not less than 25kgs, to the nearest 0.2kg below where such weight is less than 25kgs and not less than 10kgs, to the nearest 0.1 kg below where such weight is less than 10kgs and not less than 4kgs.

Where the weight of taxable product per case is less than 4kgs but more than 2kgs, such weight is to be taken to the nearest multiple of 0.05kg below and to the nearest multiple of 0.02kg below when such weight is less than 2kgs.

The following table illustrates the levels of allowances at various weights: -

Weight of taxable product per case	Round Down To	e.g.
Not less than 25kgs	0.5kg	25.97kgs = 25.50kgs
Less than 25kgs but Not less than 10kgs	0.2kgs	15.97kgs = 15.80kgs
Less than 10kgs but Not less than 4kgs	0.1kgs	4.97kgs = 4.90kgs
Less than 4kgs but Not less than 2kgs	0.05kgs	3.97kgs = 3.95kgs
Less than 2kgs	0.02kgs	1.97kgs = 1.96kgs

When not packed in case, tobacco product tax is to be charged on the total net weight per brand per warrant computed to 0.02kg and any fraction of 0.02kg is to be disregarded.

(c) Fine Cut Roll Your Own Tobacco and Other Smoking Tobacco

Tobacco product tax is to be charged on the total net weight per brand per warrant computed to 0.02kg. Any fraction of 0.02kg is to be disregarded.

8. VAT

Paragraph 39 of Notice 1877 Excise: Tax Warehouse and Duty Suspension provides for the charging of VAT at the same time as alcohol products tax on alcoholic products released from tax warehouse. This does not apply to tobacco products. VAT is not payable at the same time as tobacco products tax and should be accounted for as normal in VAT 3 returns.

9. Approval

Excisable products, on which the duty has not been paid, may only be produced, processed and held in an approved tax warehouse. If you wish to produce, process or store tobacco products under duty suspension, you should apply in writing to your local Revenue Office to become an authorised warehousekeeper and for your premises to be approved as a tax warehouse - see paragraphs 5 to 20 of Notice 1877. Tobacco product manufacturers must make proper entry of all premises to be used in the business of manufacturing - this should be in the form of a signed factory plan detailing the processes to be performed in each room or department.

10.1 Licences

10.1 Home Grown Tobacco

Any person wishing to do so must apply to the local Revenue Office for a licence to grow tobacco. Special instructions will be issued in each case.

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11. Receipt, Production, Processing and Delivery of Tobacco Products under Duty Suspension.

1. Unmanufactured Tobacco

Unmanufactured tobacco, whilst not liable to tobacco products tax, may only be imported by an authorised warehouse keeper of tobacco products. Traders are required to maintain accounts of:

1. all materials received;
2. all materials used in the manufacture of tobacco product;
3. all materials disposed of other than in the manufacture of tobacco products;
4. all tobacco refuse derived from manufacture;
5. all tobacco products manufactured.

Traders must account to the satisfaction of the Commissioners for all materials received by them, and, in the case of materials not so accounted for, may be required to pay tax on the quantities of tobacco products as might reasonably be expected to be manufactured from such materials.

2. Manufactured Tobacco Products

1. Tobacco products without tax stamps:
The receipt, manufacture and delivery of unstamped tobacco products, under duty suspension, are subject to the provisions of Notice 1877 Excise: Tax Warehouse and Duty Suspension.
2. Tobacco products with tax stamps affixed:
The tax stamp system for cigarettes and fine cut tobacco is detailed in Section B.

12. Notice to dispose of Refuse.

The trader is to give the Revenue control unit at least 24 hours written notice of intention to dispose of refuse on form Ex. No. 767. The notice is to specifically draw attention to any consumable material included. Where the refuse does not contain any consumable material, the trader may dispose of the refuse after the expiry of four working hours from the time of delivery of the notice unless instructed to the contrary by the administration unit. Where consumable material is included, the refuse may not be disposed of pending the instructions of the Control Officer.

13. Preservation of Records

Manufacturers are required to preserve all accounts, records, books and documents relating to the purchase, receipt, sale, disposal or manufacture of materials and tobacco products for a period of not less than six years from the date of the last entry therein.

14. Charges for Attendance

Normal hours are deemed to be 8 am to 6 pm Monday to Friday inclusive but excluding public holidays. Attendances given at manufacturers' warehouses outside these hours solely for the convenience of the manufacturer may be charged for under the conditions relating to attendances under merchants' requests. Charge for attendance will be determined by local Revenue management having regard to the nature of the duty to be performed and the service to be provided.

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Section B - Tax Stamps

15. Tax Stamps

Tax Stamps are labels issued by the Revenue Commissioners under section 73 of Finance Act 2005 for the purpose of collecting the tobacco products tax on cigarettes and fine cut tobacco for the rolling of cigarettes. They are applied directly to cigarette packs beneath the cellophane wrapper and are supplied on reels and in sheets. Those supplied on reels will measure 19.05 mm x 33.86 mm, while those supplied in sheets will measure 19.05 mm x 44.45 mm. Each reel is sequentially numbered within each stamp code. Complete reels contain 50,000 stamps sequentially numbered from 50000 on the outer stamp to 00001 on the inner most stamp. Sheets are supplied in sequentially numbered batches containing 30,000 numbered stamps.

The design of each stamp comprises the following features: -

1. A continuous background printing of the words 'The Revenue Commissioners' and 'Na Coimisinéiri Ioncaim';
2. a representation of the (Official) Irish Harp containing 12 strings in a vertical plane encircled by a ring on which is printed the words 'Ireland', 'Éire', 'Excise Duty' and 'Dleacht Mháil';
3. three lines of encoding printed in black: -
 - o Line 1 = Stamp Code consisting of:
 - An alpha denoting the trader.
 - Three numerals denoting the quantity of cigarettes or fine cut tobacco for the rolling of cigarettes in each pack i.e 010 for a 10 pack of cigarettes; 125 for 12.5 grams tobacco, 015 for a 15 pack of cigarettes; 250 for 25 grams tobacco, 020 for a 20 pack of cigarettes; 500 for 50 grams tobacco, 025 for a 25 pack of cigarettes.
 - A hyphen and two numerals denoting the retail selling price (RSP) of the cigarettes and whether the cigarettes are home produced or imported. Numerals 01 to 69 will indicate that cigarettes are homeproduced whereas the numerals 70 upwards will indicate that

cigarettes have been imported. The value represented by a specific stamp code will change from time to time in line with changes in the retail price of cigarettes.

- Line 2 = Reel/Batch No. consisting of:
 - the letter "R" for stamps supplied on reels or the letter "B" for stamps supplied in batches of sheets; and 5 numerals denoting the reel or batch no.
- Line 3 = Stamp No. consisting of 5 numerals denoting the position of each stamp within the reel or batch on/in which supplied.
 - a single 4 mm wide black bar on the rear of each stamp; and
 - Security markings.
(Dimensions quoted may be altered at the discretion of the Commissioners)

16. Payment of Tobacco Products Tax by Tax Stamps

Tobacco products tax on cigarettes and fine cut tobacco for the rolling of cigarettes shall be payable by means of tax stamps (see paragraph 15) issued by the Commissioners. Each pack of cigarettes or fine cut tobacco for the rolling of cigarettes, intended for retail sale in the State, must have a tax stamp affixed to it in respect of which the appropriate duty has been paid. The Commissioners shall issue tax stamps only on payment of an amount equivalent to the duty represented by such stamps. This amount will be known as a tobacco tax charge. In the State, tax stamps may only be applied in a tax warehouse.

17. Participation in the Tax Stamp System

A manufacturer or importer of cigarettes or a tax representative in the State acting on behalf of a manufacturer or importer from outside the State may purchase tax stamps. Where the volume of business warrants it, the Commissioners may permit stocks of stamps to be held under Revenue control on the premises of a trader. The granting of such a facility will be subject to the acceptance by the trader of any conditions, including security, laid down by the Commissioners.

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18. Initial Application

Any trader requiring tax stamps must apply in writing to **Large Cases Division, Ballaugh House, 73-79 Mount St. Lower, Dublin 2.** giving details of his/her requirements. A minimum of two months notice is required before an initial delivery of stamps can be arranged. The application should contain the following particulars: -

1. Details of brands proposed to be manufactured/imported;
2. if the brand is not an existing brand sold by retail in the State, a declaration of the proposed retail selling price;
3. details of anticipated volumes and frequency of importation if manufactured outside the State;
4. the applicant's VAT number; and

5. his/her Trader Account Number (TAN), if already registered under the AEP system.

19. Ordering of Stamps

Following agreement with the Revenue Control Officer, traders are to submit Form Ex. No. 804 setting out their projected usage of stamps for the next calendar month to the Control Officer not later than the first working day of the current month. The form is to be endorsed "NIL" if no stamps are required. When the Control Officer completes the order, a copy will be returned to the trader.

20. Delivery of Stamps

Stamps will normally be delivered by the printing contractor directly to the premises of manufacturers and importers of tobacco products. Deliveries will be made monthly and not later than the 20th day of each month. Revenue control staff will advise the trader in advance of intended time of delivery and attend to oversee the receipt of the stamps.

21. Receipt of Stamps

On delivery of stamps the authorised company official and local Revenue control staff will compare the number and details of stamps received with the details contained in the delivery docket. If the stamps received do not correspond with the details contained on the delivery docket the docket is to be endorsed appropriately. Reels or batches (sheets) found to be incomplete or damaged are to be returned to the printing contractor and the delivery docket endorsed. Delivery dockets are to be signed by an authorised company official, the printer's representative and the Revenue Control Officer. Each docket will consist of a four page carbonised set. Copy 1 is to be held by the authorised company official.

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22. Storage of Stamps

Manufacturers and importers are to provide a secure store for stamps, which must be capable of being placed under Revenue lock. Access to the store is to be strictly controlled and restricted to authorised company officials. Manufacturers and importers are reminded that responsibility for the security of stamps delivered to their premises rests solely with them. Traders are further reminded to continue to give special attention to the security of stamps following their release from the secure store and, in the case of stamps being used for imported cigarettes, during their transportation to foreign manufacturers. Stamps discovered to be damaged or unusable after receipt are to be notified to the Revenue Control Officer.

23. Release of Stamps

Traders may release stamps from Revenue control by completing Trader Release Form Ex. No. 806. Stamps are to be released on a first in first out basis and in consecutive order. Partially used reels and batches are to be reissued, where possible, before full reels and batches of the same product code are issued. Form Ex. No. 806 is to be completed by the

authorised company official, numbered in an accounting period series (see paragraph 26) and submitted to the Revenue Control Officer. Traders who remove stamps from the secure store without completing Form Ex. No. 806 are advised that any such occurrence may result in the secure store being placed under Revenue lock and release of stamps being restricted to times when the Control Officer is in attendance, or the withdrawal of the facility to store stamps locally. Traders using reels and sheets (batches) for imported cigarettes are reminded of the necessity to ensure that stamps intended for home produced cigarettes are not sent abroad for use on imported cigarettes, as different stamp codes are used to distinguish home manufactured cigarettes from imported cigarettes.

24. Affixing of Stamps to Cigarette and Tobacco Packs

Stamps are to be affixed directly to cigarette and tobacco packs beneath the cellophane wrapper and may be placed either:

- horizontally, on the back;
- vertically, over the lid and front or back of the pack; or
- on either side of the pack.

It is important that each stamp be affixed solidly to a pack so that it cannot be removed without resulting in paper tear to either the stamp itself or to the cigarette pack. Details of adhesives suitable for use with stamps can be obtained from the Central Office.

25. Stocktaking

(a) Trader Stocktaking

Traders, involved in manufacturing tobacco products in the State must perform regular periodic stock checks of all tax stamps held. Specifically, a weekly stocktaking must be undertaken of all tax stamps held outside the secure store which have not yet entered accounts, e.g. stamped product at production machinery, stamps in machines, etc., particular attention being paid to the next stamp on reels held in machinery. A stock check must also be completed on the last working day of each accounting period and at close of business on budget day and on a day preceding a company price rise. All discrepancies discovered are to be fully investigated by the trader and the Revenue Control Officer notified of the results of such investigation.

(b) Official Stocktaking

Revenue control staff will carry out a stock-check of tax stamps in the secure store at the end of each accounting period. As far as is practical this check should be performed in conjunction with that carried out by the trader and, in any event the extent of discrepancies, if any, should be agreed with the trader. Any excess reels or batches (sheets) found will be regarded as unused stamps and any deficiencies will be treated as official releases and charged as such.

26. Deferred Payment

Payment of tobacco products tax in respect of stamped tobacco products released for consumption and the tax stamp charge in respect of quantities of stamps issued but not used may be deferred. The accounting period for tobacco products tax on stamped tobacco products normally begins on the 4th last day of each month and ends on the 5th last day of the succeeding month. Deferment of the tobacco products tax and the tobacco stamp charge due in any accounting period will normally be allowed to the second last working day of the second succeeding calendar month.

However, to ensure that deferred payments for tax charged in the period 28th October to 27th December are reflected in the end of year Exchequer returns, the Commissioners require that deferment is restricted as follows:-

1. Where a liability to tobacco products tax or tobacco stamp charge arises in the period 28th October to 30th November, the entire amount due is payable on deferment not later than 10.30 a.m. on the fourth last working day prior to the 25th of December.
2. Where a liability to tobacco products tax or tobacco stamp charge arises in the period 1st December to 27th December, half of the amount due is payable not later than 10.30 a.m. on the fourth last working day prior to the 25th of December and payment of the remainder may be deferred to not later than 10.30 a.m. on the second last working day of the following February.

For the purpose of collecting half the tax liability for the accounting period ending 27th December traders will be required to purchase their total requirement of stamps for the rest of the period before the close of business on the 20th December. Stamps will not be released between 21st and 27th December, save in exceptional circumstances.

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27. Deferred Guarantees

In order to avail of deferred payment, tobacco products tax and the tobacco stamp charge due must be secured by means of a bank guarantee and paid under the Deferred Payment Bank Direct Debit Scheme. Application for participation in the scheme is to be made to, **AEP Accounts, Government Offices, Nenagh, Co. Tipperary**. Traders seeking approval to participate in the Deferred Payment Scheme must provide a continuing guarantee [Form AEP 2 (Tax Stamps)] signed by the guarantor. As tobacco products tax paid by means of tax stamps is being accounted for separately from tax on unstamped tobacco products a separate Trader Account Number (TAN) will be required for accounting for tax stamp purchases under the bank's direct debiting scheme.

Traders already operating under a bond scheme may continue to do so until further notice. The bond penalty must provide security for all chargeable deliveries made in any period of 3.2 months.

28. Return of Unused Stamps to Secure Store

Traders should, as a general rule, only release sufficient stamps to meet their production requirements during the accounting period. However, in cases where this is not possible, e.g. production of the slower selling brands of cigarettes, complete or part reels and/or complete

batches remaining unused following production, may be returned to the secure store and credit may be claimed for the tax stamp charge involved. Stamp Return Form Ex. No. 807 is to be completed, numbered in an accounting period series and submitted to the Revenue Control Officer. If all is in order, a credit note will be given for the stamps concerned.

29. Repayment of Tobacco Products Tax on Tax Stamps

Tobacco products tax or an amount paid or due on the issue of tax stamps may be repaid or remitted where it is shown to the satisfaction of the 22 Commissioners that the tax stamps concerned have been destroyed or are damaged or are unsuitable for the use for which they were issued.

Applications for repayment of tobacco products tax or the tobacco stamp charge in respect of tax stamps purchased will fall into a number of categories:

1. stamps damaged or rendered unusable while being held by the trader after purchase or during the application and packing process;
2. stamps on products returned to the trader by customers, which will be destroyed;
3. stamps on products damaged after production, or which are found to be unsuitable for sale, and which are being destroyed; and
4. stamps on products which are to be used as samples for quality control or delivered for experimental or research purposes.
5. stamps on products which have been the subject of an irregularity in another Member State and where tobacco products tax on such products has been paid in another Member State.

Repayment will be effected by means of credits being allowed each month against deferred tax liabilities. Claims for repayment are to be made on form Ex. No. 808 (separate claim forms are required for home-produced and imported cigarettes). The claim forms are to be numbered in an accounting period series and submitted to the Revenue Control officer. If all is in order, the stamps must thereafter be destroyed under official supervision.

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30. Waste

Tax stamps damaged or otherwise rendered unusable during the packaging process are to be made available for inspection by the Revenue Control Officer when Form Ex. No. 808 is being submitted. In the case of imported cigarettes, damaged stamps are to be affixed to paper or cardboard sheets by stamp code and in uniform lots before being produced for inspection. The damaged stamps may not be disposed of by the trader until he/she is authorised to do so. Traders are to make special arrangements with their Revenue Control Unit for the verification of waste in cases of stamp wastage resulting from the large-scale destruction of stamped cigarettes.

The quantity of waste stamps may be established by comparing stamps used with finished production during a given period and credit will be allowed where stamps are shown to the satisfaction of the Commissioners to have been irretrievably lost during manufacture. It should be noted that claims in respect of stamps said to have been irretrievably lost during

manufacture abroad will have to be supported by a reconciliation statement certified by the Financial Controller of the foreign manufacturing company to be a complete and accurate account and will be allowed solely at the discretion of the Revenue Commissioners.

When the Revenue Control Officer is satisfied as to the quantity of stamps damaged or rendered unusable, and has agreed the amount of duty to be repaid, the trader will be given a credit note. Suitable arrangements should then be made for the destruction of the stamps in the presence of the Revenue Control Officer.

In the case of home manufacturers, at the end of each accounting period, the trader is required to give details of stamps, both used and unused, by him during the accounting period. He/she must also give details, by brand and pack size, of all cigarettes produced relating to that stamp usage. If a comparison of the production figures supplied by the trader and the stamp usage shows that the daily declarations of waste stamps were overstated, the trader is to advise the Revenue Control Officer on Form Ex. No. 809 of the quantities of stamps and the amount of duty by which the declarations were overstated. If the comparison reveals that the daily declarations of waste were understated the trader is to submit a claim for repayment of duty on Form Ex. No. 808.

31. Customer Returns and Stamped Tobacco Damaged after Production

Where stamped cigarettes or tobacco are damaged after production or are returned to the trader as being out of date or otherwise unfit for sale, repayment of the tax may be allowed subject to the stamps being destroyed under official supervision and any conditions that the Commissioners may think fit to impose are complied with. The amount of the repayment will be equal to the amount of duty paid at the time of release of the product for consumption. Generally, for ease of administration, repayment may be allowed at the rate which would have been payable had the stamps been purchased 3 months prior to application. The instructions relating to the submission of claims for repayment of duty set out in paragraph 30 above are to be followed.

32. Samples for Quality Control/Delivery for Experimental or Research Purposes

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The instructions outlined in paragraphs 31 above are to be followed. Cigarettes and tobacco products taken as samples etc. after stamping are to be included in the trader's return of production (see paragraph 34).

33. Tobacco produced for Sale in the State but Subsequently Diverted to Duty Free Sales

Claims for repayment will not be considered in respect of these products unless the stamps are destroyed and the products re-packaged.

34. Accounts

Traders who purchase tax stamps are obliged to maintain, in respect of each retail price category, records and accounts of:

1. stamps ordered;
2. deliveries of stamps to the purchaser's premises for storage under Revenue control;
3. stamps issued to the purchaser from such storage or directly;
4. stamps affixed to packages that were released for consumption;
5. stamps affixed to packages not yet released for consumption;
6. stamps in respect of which remission or repayment has been allowed;
7. stocks of unused stamps;
8. amounts of tobacco products produced by brand and package size;

and shall furnish returns to Revenue as may be directed from time to time.

Between the end of each accounting period as set out in paragraph 26 and the first day of the following calendar month (or the third last working day of December) the trader is required to agree the liability of tax stamp purchases with the Revenue Control Officer. The liability will consist of the tax stamp charge less any duly authorised credits.

Home manufacturers are required to provide details of cigarettes produced by brand and pack size during the accounting period along with details of stamps used in relation to this production.

Importers are required to furnish to their control officer details of cigarettes imported by brand and pack size during the accounting period with details of stamps used in relation to this importation.

When reconciliation is complete, the tax stamp system maintained by the Revenue Control officers will generate a tax stamp charge statement.

The trader must forward this statement to the Revenue Accounts Office together with a Home Consumption warrant (c&e 1115) for stamped product released for consumption during the accounting period.

Where there is an excess payment at the end of any given period, in respect of stamps actually unused within that period, that excess of the tobacco stamp charge will be placed on deposit. The trader will furnish details of all such excess amounts and will inform Revenue when these amounts of unused stamps are affixed to packages and released from the suspension regime in order to adjust any such deposits held and bring these relevant amounts to account as tobacco products tax.

35. Stamped tobacco products arriving from another country

The requirement that tax stamps be applied directly to the pack beneath the cellophane wrapper effectively means that cigarettes being imported for commercial purposes will have

to be stamped at point of manufacture. In the event, however, of a commercial consignment of unstamped cigarettes arriving in the State, the consignment will be required to be held in an approved tax warehouse until such time as stamps on which duty at the appropriate rate has been secured are affixed. Trader's records may be inspected in order to verify that the number of cigarettes received for consumption in the State is consistent with the number of tax stamps purchased. Traders' responsibilities in relation to receipts are outlined in paragraph 21 of Notice 1877.

36. Consignments of Stamped Tobacco from Other Member States of the EU

Such consignments will arrive under cover of an Administrative Accompanying Document (AAD) and should be dealt with as per paragraph 23 of Notice 1877 Excise: Tax Warehouse and Duty Suspension.

37. Consignments of Stamped Tobacco from Third Countries

A Single Administrative Document (SAD) is to be used as per paragraph 25 of Notice 1877 Excise: Tax Warehouse and Duty Suspension. In the case of cigarettes, the SAD must bear a declaration that the entered price is the price standing declared to the Commissioners. A claim for exemption from payment of tobacco products tax on cigarettes and tobacco in packs bearing tax stamps is to be made on the Single Administrative Document (SAD). The following details must also be shown on the SAD:

1. the size (for cigarettes) or weight (for tobacco) of retail pack for each brand and type, and the retail selling price per pack in the case of cigarettes;
2. the stamp code used for each brand and pack size;
3. the total number of cigarettes or the total weight of tobacco, and the total retail selling price in the case of cigarettes; and
4. the total amount of tobacco products tax paid by means of tax stamps.

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Section C - Tobacco Products, Other than Specified Tobacco Products

38. Receipt of Cigars

A manufacturer or importer may elect to deposit home manufactured or imported cigars in an approved tax warehouse on the basis of standard net weights by making written application to the proper Revenue officer requesting that the declared weights be accepted. The application must be supported by lists certified by the manufacturer of the standard net weights taken in kilograms to two decimal places per 1000 cigars of each brand and type. If the manufacturer is unable to supply standard net weights for imported cigars, the warehousekeeper's

declaration will be accepted subject to whatever controls and examination are deemed appropriate by the Revenue Control Officer.

The instructions of paragraph 7(b) are to be applied to the standard net weights thus established in order to determine the chargeable weight for excise duty purposes.

39. Deferred Payment of Tobacco Products Tax

39.1 Scope of the Deferment

Deferment of tobacco products tax may also be allowed on cigars and other smoking tobacco on delivery from warehouse. The home consumption warrant (c&e 1115) provides for deferment of the tax. Deferment of the tax charged in any month will normally be allowed to the second last working day of the following month. However, in the case of tobacco products tax charged in December, the position is as follows: -

Half of the balance of tax charged in December must be paid not later than 10.30 a.m. on the fourth last working day prior to the 25th December and payment of the 28 remainder may be deferred to not later than 10.30 a.m. on the second last working day of the following January.

39.2 Application for Participation in the Scheme

A person, in applying to participate in the deferred duty scheme must agree to operate under the direct debiting scheme. Application is to be made to, **AEP Accounts, Government Offices, Nenagh, Co. Tipperary.**

Traders already operating under a bond scheme may continue to do so until further notice. The bond penalty must provide security for all chargeable deliveries made in any period of two months. Under the bond arrangement the trader will, not later than the tenth day of the following month, be notified by the Revenue Accounts Office of the net amount of tax due and that payment of that amount is to be made to that office before 10.30 a.m. on the second last working day of the month.

39.3 Monitoring of Amount of Outstanding Payments

It is the responsibility of the trader to ensure that the amount of tax outstanding at any time does not exceed that which is secured by the guarantee or bond penalty. He or she is to keep suitable running totals for this purpose.

39.4 Centralised Payment of Tax

A trader may request that the tobacco products tax deferred under an approved arrangement be paid and accounted for in a nominated Revenue Accounts Office for all deliveries from warehouses or import stations irrespective of location. Under the centralised arrangement the nominated Revenue Accounts Office will be responsible for central control of all the traders transactions under the relevant approval number. Apart from dealing with the nominated Revenue Accounts Office, local control of the arrangement remains unchanged.

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40. Repayment of Tobacco Products Tax on Returned Products

Where cigars or other smoking tobacco are returned to the trader as being out of date or otherwise unfit for sale, repayment of tobacco products tax may be allowed subject to the goods being destroyed under official supervision and any conditions that the Commissioners may think fit to impose being complied with. The amount of repayment will be equal to the amount of tobacco products tax paid at the time of release of the product for consumption. Generally, for ease of administration, repayment may be allowed at the rate which would have been payable had the product been released for consumption 3 months prior to application.

Separate claims are required in respect of home produced and imported tobacco products. The amount of the repayment will not exceed the lesser of the amount of tobacco products tax actually paid or the amount of tobacco products tax that would be chargeable on the returned goods at the time they are returned to warehouse. Repayment will be effected by means of credits being allowed each month against deferred payment liabilities.

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Section D - Offences

41. Production, Processing & Holding - General

Paragraph 3 of Notice 1877 Excise: Tax Warehouse and Duty Suspension details offences under section 109 of the 2001 Finance Act relating to production, processing and holding of excisable products. It also outlines the powers of authorised officers of the Revenue Commissioners to enter premises, examine, copy and remove records under section 136 of that Act. In addition, it describes offences provided for in the Taxes Consolidation Act 1997 relating to incorrect returns.

42. Tobacco - General

Section 136 of the Finance Act, 2001 provides that an authorised officer of the Revenue Commissioners may at all reasonable times enter premises on which the manufacture of tobacco products is reasonably believed by the officer to be carried on, and may there make such search and investigation and take such samples of materials, tobacco products and partially manufactured tobacco products as the officer shall think proper, and may inspect and take copies of or extracts from any books or other documents there found and reasonably believed by the officer to relate to the manufacture of tobacco products.

Section 123 of the Finance Act 2001 as amended provides that any person who resists, obstructs or impedes an officer of the Revenue Commissioners in the exercise of these powers shall be guilty of an offence and shall be liable on conviction to a penalty of €3,000.

Section 121 of the Finance Act, 2001 as amended provides that any person who fails to comply with any of the provisions of that Act or with any of the Statutory Regulations under that Act shall, without prejudice to any other penalty which they may be liable, be guilty of an offence, and shall be liable on conviction to a penalty of €3,000 and any articles in respect of which the offence was committed shall be liable to forfeiture.

43. Tax Stamp Offences

Section 78 (3) of the Finance Act, 2005 provides that any person who in the State offers for sale or delivery, other than under a duty-suspension arrangement, cigarettes otherwise than in a pack or packs to which a tax stamp, on which tobacco products tax at the appropriate amount has been paid, is affixed in the prescribed manner, is guilty of an offence and shall be liable on summary conviction to a fine of €3,000 and/or a maximum of twelve months imprisonment, or on conviction on indictment to fine of up to €12,695 and/or a maximum of five years imprisonment. The cigarettes in respect of which an offence has been committed and any goods packed with or used to conceal the said cigarettes and any vehicle or conveyance in which the said 31 cigarettes are found in, on, or in any manner attached to, are also liable to forfeiture.

Section 78 (4) of the Finance Act, 2005 provides that any person who counterfeits, alters or otherwise makes fraudulent use of, or who is knowingly concerned in holding, selling or dealing in counterfeited or altered tax stamps is guilty of an offence and shall be liable on summary conviction to a fine of €3,000 and/or a maximum of twelve months imprisonment, or on conviction on indictment to fine of up to €12,695 and/or a maximum of five years imprisonment.

Section 79 of the Finance 2005 provides that any person who offers to treat, offers for sale or sells by retail any packet of cigarettes at a price higher than, in the case of cigarettes sold or to be sold by means of a coin-operated vending machine, the nearest multiple of five cent to the price, or in all other cases, the retail price, shall be guilty of an offence and shall be liable on conviction to an excise penalty of €60 in respect of each such offence.

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Section E - Forms

44. Tax Stamps

Stock No.	Short Description
Ex. No. 804	Monthly Projection
Ex. No. 805	Revenue Order form
Ex. No. 806	Release Form
Ex. No. 807	Claim for Credit of the Tax Stamp Charge on Unused Stamps
Ex. No. 808	Claim for Repayment of Tobacco Products Tax on Cigarettes
Ex. No. 809	Advice of Over-statement of Stamp Waste
Ex. No. 810	Adjusting Debit (Waste) [System produced]

Stock No.	Short Description
Ex. No. 811	Accounts Summary [System Produced]
c&e 1115	Home Consumption Warrant

45. Other

Stock No.	Short Description
Ex. No. 767	Notice of Intention to Dispose of Tobacco Refuse
Ex. No. 768	Claim for Repayment of Tobacco Products Tax on Tobacco Products.
Ex. No. 769	Repayment Allowed - Advice to the Revenue Accounts Office
Ex. No. 769A	Repayment Allowed – Advice to Accountant General
Ex. No. 769B	Repayment Allowed – Advice to Trader.

Traders should note that when claiming repayments using forms Ex Nos. 807, 808 and 768 listed above, references to "excise duty" on the forms should be suitably amended to read "the tax stamp charge" on form Ex No. 807 and "tobacco products tax" on forms Ex No. 808 and 768.

February 2012