

2<sup>nd</sup> October 2020

The Rt Hon Jesse Norman MP  
Financial Secretary to the Treasury  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Minister,

**Cancelled Budget: Clarity on tobacco duty increases and antiforeshalling restrictions**

We are writing to seek urgent clarity on the implications of the cancelled Autumn Budget for the planned tobacco duty increase for October 2020. ACS (the Association of Convenience Stores) represents 33,500 local shops across the UK and FWD (the Federation of Wholesale Distributors) members supply over 450,000 retail and catering businesses in the UK.

Retailers are currently seeing increases in tobacco sales, largely due to the non-UK-duty-paid market shrinking significantly due to a significant decrease in illicit product in the market and restricted opportunities for people to legally bring in foreign-duty-paid tobacco from abroad.

Retailers and wholesalers are making live decisions on tobacco orders in order to supply their customers. Despite the cancellation of the Autumn Budget, HMRC officials have indicated that antiforeshalling restrictions could still apply. During the current period of uncertainty, antiforeshalling restrictions applied close to the Christmas period would present an additional burden for wholesalers and retailers.

If there is no formal Budget, the pre-Budget allocation rules should not be kept in place. Retailers need to be able to ensure they can obtain enough supply to meet anticipated demand from their customers. Without adequate supply from legitimate retailers, there is an increased risk of customers purchasing from the illicit market.

Retailers and wholesalers require urgent clarity on whether anti-foreshalling restrictions still apply despite the cancelled budget, the timescale for the lifting of any restrictions, and whether the continuing restrictions are ahead of an imminent tobacco duty increase. We would appreciate clarification on these points at the earliest opportunity.

Yours sincerely,

James Lowman



Chief Executive  
Association of Convenience Stores

James Bielby



Chief Executive  
Federation of Wholesale Distributors