



## 8 THINGS TO CONSIDER WHEN STARTING YOUR OWN SPIRITS BRAND

We often get asked about the legalities of selling your own spirit, so here are some answers to the most common questions:

### 1. DO I NEED TO BE A LIMITED COMPANY?

We are happy to work with all clients regardless of whether they are a private individual, sole trader, partnership or limited company, etc. However, in certain situations we may only be able to trade with registered businesses. Certainly, for some of the topics discussed below, you will need to have a registered business. If you are still unsure, then we can offer some initial advice.

### 2. HOW DO I START MY OWN FOOD BUSINESS?

When creating your own spirit brand, be aware that you may be required to register as a food business with the Environmental Health department of your local council. Usually this is an online form, and once submitted you will be able to operate. However, at some point you will get a call, and possibly a visit from the Environmental Health Officer. As high strength spirit is pretty low risk, there should not be any issues with your registration.

### 3. WHAT INSURANCE DO I NEED?

To operate as a business, you will need insurances. As a minimum you will need public and product liability insurance, usually with a minimum cover of £5m for each. Most events would not allow you to trade without these insurances. You should also consider extending your insurances to cover goods in transit. Most couriers and hauliers do not provide insurance cover for damage or loss of goods in transit. If we are organising the carriage of your goods to either your own premises, or to that of a fulfilment partner, etc. then the goods will NOT be covered by our own insurance, so you really need to have your own insurance cover in place.

There may be other insurances that you require in conjunction with your business. We recommend speaking to a commercial insurance broker to discuss your full requirements. There are brokers who specialise in working with alcohol businesses.

### 4. CAN I USE ANY BOTTLE?

For the UK market there are rules around the sizes of bottles you can use for your spirits. Although there is a great range of legal options, you couldn't for example put your spirits into a 75cl bottle. Also, there are rules around how you fill bottles. If supplying your own bottle, talk to us first about what bottle markings to look for to ensure we can legally fill them for you.

### 5. WHAT DO I NEED TO PUT ON THE LABELS?

There are rules around what must go on your labels. We can offer guidance but with the caveat that we are not a definitive resource, so would always recommend speaking to the subject matter experts. A great first port of call is your local Trading Standards office who should be able to give you solid advice, often for free or a small fee. Another great resource is the [WSTA](#) (Wine and Spirits Trade Association) who have a wealth of knowledge and resources to paid-up members.

## **6. DO I NEED A LICENCE TO SELL TO THE PUBLIC?**

If you are planning to sell your product to the end consumer then face-to-face sales must take place from a licenced premises. Many events are already licenced, or else have a Temporary Event Notice (TEN) in place to cover the sale and supply of alcohol. Always check with event organisers first.

If you have an online shop, then the place where you begin the fulfilment of the order must be from a licenced premises. So, if you store your product on a shelf in your garage, then your garage must have its own premises licence. Many clients have garages or front rooms licensed to support their online shop; others choose to use fulfilment partners who already have licensed premises.

If choosing to licence your own premises, be aware that you will also need to have a personal alcohol licence before you make your premises licence application. Your local council administers applications for premises and personal licences, and it is always worth having an informal chat with them first to discuss your plans. Note that the application for a premises licence requires a consultation period of 28 days.

We recommend allowing 45 working days to obtain both the personal and premises licences, and to budget around £300 – £400 to cover the cost of courses, application fees and advertising.

## **7. DO I NEED A DIFFERENT LICENCE TO SELL TO TRADE?**

If you are planning to sell your product(s) to trade customers, i.e., pubs, bars, shops, etc. then a completely different set of rules apply. You **MUST** register with the Alcohol Wholesalers Registration Scheme (AWRS) **BEFORE** making any trade sale (or contract of sale). The scheme is administered by HMRC, and you can check how to apply [here](#). Note that HMRC allow themselves 45 working days to process applications, but typically the whole process takes 2-3 months, sometimes longer.

There is no cost to applying for AWRS however you do need to prepare lots of evidence to support your application. We recommend reading Section 6.6 of [Notice 2002](#) and to gather all the information so that you have it as soon as you have completed the basic online application. Once you have completed the online application, wait a few days then contact HMRC and advise them that you want to send the supplementary information. Do not assume that silence means something is happening. You should get a named individual who will handle your application, keep in contact regularly to ensure your application is progressing. If they ask for any information not listed in Notice 2002 then you have a right to challenge, why they are asking for it. It is not uncommon for requests to be made by HMRC for information not required to process your application.

In summary, if planning to sell to trade, allow 3-4 months to have all your registrations in place.

## **8. IS WHARF DISTILLERY ALLOWED TO SUPPLY ALCOHOL TO ANYONE?**

As mentioned above, we can usually supply alcohol to anyone whether a private individual or a registered business. However, if you are looking for a supply of alcohol which you will then either re-purpose or repackage, then we may ask to see copies of your relevant licences.

EXAMPLE A: We supply neutral spirit (vodka) or gin to many customers who then make other products by mixing the spirits supplied by us with fruits, juices or other flavourings. They then bottle the 'new' product and sell under their own brand. This process is called compounding and a licence from HMRC is required to carry out this activity. If you intend to undertake this kind of activity, then you will need to show us a copy of your compounders licence, or else you will need to apply for one from HMRC.

Note: During Covid many cocktail bars have started to package cocktails in bottles to sell to their customers. Many have approached us to supply them the base spirits however, whilst a compounders licence is not required to make cocktails in a bar situation, it is required if you want to make those cocktails and then sell packaged.

EXAMPLE B: We supply neutral spirit to many customers who then want to put it in a still with botanicals to make their own gin. This process is called rectification for which a licence is required from HMRC. We may ask to see a copy of this licence before we are able to supply.

EXAMPLE C: We often get requests to supply house spirits in bulk which the customer then wants to repackage into smaller bottles. The activity of repackaging is a licensable and we advise customers that they should check with HMRC what specific license is required to carry out this activity legally. Any bottled spirit drink over 30% ABV in a bottle of 350ml or greater must bear a UK Duty Stamp. Applying duty stamps is a controlled activity so, again, we recommend discussing this with HMRC if this is what you want to do.

