



19 October 2005

SWA and Customs sign landmark agreement to beat spirits fraud

Scotch Whisky distillers and Government will send a strong signal today (15.00) that spirits fraud will not be tolerated as a landmark co-operation agreement is signed by The Scotch Whisky Association (SWA) and HM Revenue & Customs (HMRC).

Spirits fraud damages the interests of legitimate distillers and undermines government revenue. The 'Memorandum of Understanding' (MOU) sets out a framework for developing co-operation between the Scotch Whisky industry and HMRC and builds on the areas where the partners are already working together to tackle spirits duty evasion.

Under the MOU, SWA members and HMRC have formally undertaken to co-operate in a number of areas, such as:

- Identifying and 'fast tracking' enquiries on suspect supply routes;
- Sharing information and intelligence on irregular trends in the spirits supply chain;
- Notifying unusual or suspicious orders and putting in place precautionary measures to help prevent fraud in the supply chain;
- Swiftly imposing appropriate sanctions against those involved in spirits fraud.

Emphasising the importance of the agreement, the MOU will be signed by David Varney (HMRC Chief Executive) and Gavin Hewitt (SWA Chief Executive), in the presence of the Financial Secretary, John Healey MP, at HM Treasury in London.

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Welcoming the MOU, Gavin Hewitt, SWA Chief Executive, said:

“Excellent co-operation between SWA members and HMRC is long-established and we are delighted to formalise our joint work to tackle spirits fraud through today’s agreement. Targeted action on the areas of highest risk, with industry and government working in partnership, is already having an impact. All the figures show that spirits fraud is on a downward trend. Today’s agreement will cement action to maintain that trend.

“The legitimate industry has a unique understanding of the supply chain and we want to share our expertise with HMRC to better target efforts to tackle spirits fraud. We are committed to continuing to work with the Government to help beat the fraudster.”

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Issued by David Williamson

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