

OCTOBER

01

PREPARING FOR THE UPCOMING VAPING PRODUCTS DUTY (VPD) AND VAPING DUTY STAMPS (VDS)

**A PRACTICAL GUIDE FOR
MANUFACTURERS, IMPORTERS,
CUSTOMS AND EXCISE WAREHOUSE
KEEPERS, RETAILERS AND
WHOLESALEERS**



UNDERSTAND WHAT'S CHANGING AND WHAT IT MEANS FOR YOUR OPERATIONS

If you manufacture vaping liquid, import it, store it under duty suspension, distribute it or sell it, the UK's new regime will change how you run your day-to-day operations (not just how you account for tax).

From **1 October 2026**, the UK will introduce **Vaping Products Duty (VPD)**, a new excise duty charged on vaping liquid, and a mandatory **Vaping Duty Stamps (VDS)** scheme that requires individual retail products to carry a secure stamp.

Registrations and approvals are now open (as of **1 April 2026**), and the rules are set to tighten further from 1 April 2027.

This guide explains what's changing, what it means operationally for your business and how each part of the supply chain can prepare without creating unnecessary cost, delays or exposure.





A LOOK AT THE TWO KEY CHANGES

Vaping Products Duty (VPD) is a flat-rate excise duty on vaping liquid. It applies whether or not the liquid contains nicotine. HMRC's scope is deliberately broad, covering substances intended for vaping, including liquids mixed 'at home' from ingredients such as propylene glycol, vegetable glycerine and flavourings.

Vaping Duty Stamps (VDS) are highly secure labels that must be applied to each individual retail product, sealing the packaging so that it cannot be opened without damaging the packaging or stamp. Stamps cannot be reused, and stamped products should not be released onto the market before 1 October 2026.

For most businesses, the biggest change isn't the calculation. It's the controls that sit around it, including:

- Where goods can be made.
- Where they can be stored if duty hasn't been paid.
- How many times they can move in duty suspension once retail packed.
- How stamps are purchased, secured, applied, reconciled and evidenced.





THE DATES TO HAVE ON YOUR RADAR

1st April 2026

APPROVALS AND REGISTRATIONS OPEN

UK manufacturers who make or intend to make vaping products in the UK must apply for approval for VPD and, as part of that process, can apply for the VDS scheme.

You should apply at least **45 working days** in advance to allow time for checks and follow-up questions. Applications will be put on hold until the requested information is provided.

Beware of two points that will catch businesses out:



1

Applications must be made as a single legal entity; joint applications will be rejected.

2

Approvals can cover more than one premises (for example, a factory and a duty-suspended store), but HMRC expects clear physical separation even if they are in the same building. Only one manufacturer will be permitted to operate in a building.

1st October 2026

THE REGIME GOES LIVE

Duty becomes payable when products become liable, and duty stamps must be attached to all retail packaging for vaping products sold or supplied in the UK.

If you're not approved by 1 October 2026 and you're manufacturing in the UK, you cannot lawfully produce and may be subject to civil and criminal sanctions.

1st April 2027

A HARD LINE FOR UNSTAMPED STOCK OUTSIDE DUTY SUSPENSION

All vaping products outside duty suspension in the UK must have a vaping duty stamp attached, regardless of when they were produced.



WHAT'S IN SCOPE (AND WHAT'S NOT)?

In short, the duty applies to vaping liquid.

HMRC is explicit that all substances intended for vaping are covered, including those made from common base ingredients and flavourings. The duty applies whether or not nicotine is present.

If your catalogue includes nicotine-free shortfills, flavour-led products or zero-nicotine variants designed to be vaped, you should treat them as in scope unless you have a clearly evidenced exclusion.

NOTE:

If you make vaping liquid by mixing ingredients that have not had VPD paid on them, HMRC treats you as a manufacturer. That means the work must happen in HMRC-approved premises, and you need the right approvals. If you only mix together products that are already duty-paid, HMRC is less likely to treat that step as manufacturing.





HOW IS DUTY CALCULATED, AND WHERE DOES IT BECOME PAYABLE?

The rate is simple; the duty point is not.

HMRC sets a single flat rate of **£2.20 per 10 ml of vaping liquid**, which is equivalent to **22 pence per ml**:



**A 2 ml pod =
44 pence duty liability**



**A 10 ml bottle =
£2.20 duty liability**

Where businesses often get into trouble is the timing. The duty point depends on how you handle goods.

- If you make or bring vaping products into the UK, you must pay the duty as soon as the products become liable.
- If the goods are held in duty suspension, the duty must be paid when goods leave duty suspension arrangements.

Even if you never pay duty directly, the duty point shapes your pricing, availability and returns process. It affects:

- How suppliers price into you, and when they seek to recover duty cost.
- Whether your supplier insists on tighter order minimums or new lead times.
- How quickly a distributor can replenish you from duty-suspended stock, especially if stamping or release processes create a bottleneck.

EXAMPLE:

If your core line is a 10 ml bottle, the duty component alone is £2.20 per unit. If you also sell 2 ml pods, the duty per pod is 44 pence. Duty is volume-driven, so pack format and liquid volume are now commercial levers.





WHAT DOES DUTY SUSPENSION MEAN IN PRACTICE?

Duty suspension allows you to delay paying duty while products are stored in HMRC-approved places, such as a customs warehouse, excise warehouse or an approved store. Duty becomes payable when goods are taken out of those places to be sold or supplied in the UK.

If you're not a UK manufacturer, you must either become an approved excise or customs warehouse keeper or arrange for another business to store goods in their approved place.

If you're a UK manufacturer, in most cases, you'll be able to register an approved store to use duty suspension.

Once vaping products are in packaging for retail sale, in most circumstances, they can only be moved in duty suspension once.

This can either be from one approved place to another (only once), or from the place of import to a single place of duty suspension. If they're moved again, duty must be paid before the goods leave.

As such, you'll need to decide early which site is your 'last' duty-suspended node. Additional relocations under suspension can bring duty forward and increase complexity.

ONCE VAPING PRODUCTS ARE IN PACKAGING FOR RETAIL SALE, IN MOST CIRCUMSTANCES, THEY CAN ONLY BE MOVED IN DUTY SUSPENSION ONCE.



HOW DO THE STAMPS WORK?

VDS are highly secure labels showing the product is legal.

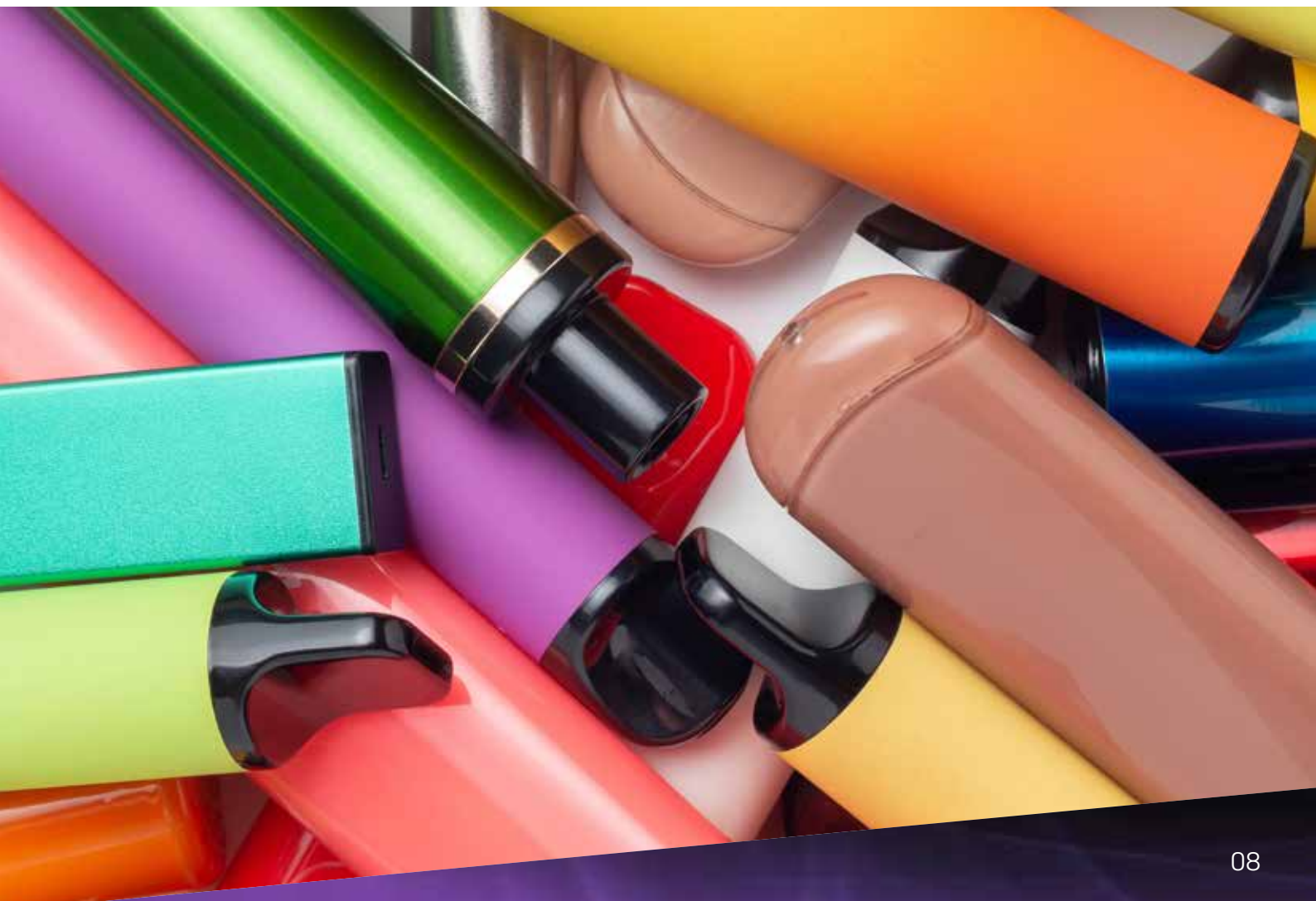
They must seal the packaging so that the product cannot be opened without damaging the packaging or the stamp. Stamps cannot be reused.

Stamps must be attached to the outermost part of the final retail packaging. If the product is sold without an outer box, the stamp must be applied to the bottle.

WHO CAN APPLY STAMPS, AND WHERE?

If you're a UK manufacturer or a customs or excise warehouse keeper, you must be approved to attach these stamps to retail packaging in your premises. Overseas manufacturers who want to attach stamps as part of manufacturing must appoint a UK representative who will buy stamps on their behalf.

VAPING PRODUCTS WITH DUTY STAMPS AFFIXED SHOULD NOT BE RELEASED ONTO THE MARKET BEFORE 1 OCTOBER 2026.





HOW WILL THESE CHANGES IMPACT YOUR BUSINESS?

If you manufacture in the UK, supply the UK from overseas, import, store under duty suspension or sell/stock vaping products, these rules will change how you plan production, packaging, movements and release for sale (and how you manage declarations and your duty liability across the chain).

UK MANUFACTURERS OF VAPING PRODUCTS

You must apply for approval for VPD (and select the stamps option) from 1 April 2026. If you're not approved by 1 October 2026, you cannot lawfully produce (with potential civil and criminal sanctions for non-compliance).

OVERSEAS MANUFACTURERS SUPPLYING THE UK MARKET

You must appoint a UK representative to apply for the VDS scheme. This is another area where the VPD becomes a supply-chain design issue: the 'where' and 'when' of stamping can drive lead times, storage choices and commercial terms.

IMPORTERS (INCLUDING IMPORTING YOUR OWN GOODS)

You'll need to pay VPD via customs declarations on arrival (unless using an approved duty suspension route) and manage stamping requirements based on whether goods enter duty suspension.

CUSTOMS & EXCISE WAREHOUSE KEEPERS HOLDING VAPING PRODUCTS UNDER DUTY SUSPENSION

Even if you're already approved by HMRC, you may need amendments to store vaping products (and separate amendments if you plan to attach duty stamps to goods you're storing).

RETAILERS & WHOLESALEERS RECEIVING OR STOCKING VAPING PRODUCTS

You don't need permission from HMRC just to sell vaping products. However, from 1 April 2027, it will be an offence to sell vaping products without a duty stamp unless they're in duty suspension, with strong enforcement powers.





WHAT TO DO NEXT

If you want to keep stock moving and protect margin as VPD goes live, you need to start preparing now. **Here's how...**

- 1** Start with your supply chain model.
- 2** Decide where duty will be paid and where stamping will happen. That decision drives everything else: your warehousing approvals, whether you need duty suspension, whether you can keep your existing 3PL network and how you plan lead times approaching October 2026.
- 3** Lock down your product master data. You need accurate liquid volumes, pack formats and clear identification of what counts as a retail unit for stamping. Without that, duty calculation and stock control will fragment quickly.
- 4** Build controls around the three points that will be tested hardest: your duty point, your stamp security and reconciliation, and your ability to demonstrate compliant movement and storage (especially under duty suspension).

The difference between a smooth transition and disruption is almost always control, including consistent product data, auditable processes and clear visibility of duty status and stamping at every step.



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CALL AND GET APPROVAL-READY BEFORE THE RUSH.**

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Langdon supports manufacturers, logistics providers and retailers with customs and excise duty management systems and managed services designed to keep excise processes consistent, reduce manual rework and maintain audit-ready reporting as new regimes like VPD and VDS come into force.

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