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Notice

Excise Notice 206: revenue traders' records

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Foreword

This notice cancels and replaces Notice 206 March 1998. Details of any changes to the previous version can be found in paragraph 1.1 of this notice.

Other notices on this or related subjects

550 Air Passenger Duty
989 Visits by Customs and Excise Officers

1. Introduction

1.1 What is this notice about?

This notice explains what records you need to keep if you are revenue trader, that is a trader involved in any way with goods or services liable to Excise Duty, whether or not the duty has been paid.

It also provides information on:

- who qualifies as a revenue trader
- what information we can call for when we inspect your records

This notice does not apply to Air Passenger Duty.

Maintenance and production of records under The Aircraft Operators (Accounts and Records) Regulations 1994 are covered in Notice 550 Air Passenger Duty.

This notice has been restructured to improve readability, but the technical content has not changed from the March 1998 edition.

1.2 Further information

This notice and others mentioned are available both on paper from our HMRC helpline and on our website at www.hmrc.gov.uk.

1.3 Law

You can find the main legislation relating to revenue traders' records in:

- Customs and Excise Management Act 1979 (CEMA), Section 1 and sections 118A to 118G; and
- Revenue Traders (Accounts and Records) (RTR) Regulations 1992 Regulations 1 to 8

2. Revenue traders

2.1 How do I know if I am a revenue trader?

You are a revenue trader if you are involved in any way with goods or services liable to Excise Duty, whether or not the duty has been paid.

The following list gives the most common types of revenue trader but it is not exhaustive:

- producers of wine, made-wine, cider, perry
- manufacturers of tobacco products
- hydrocarbon oil refiners, bonded users and distributors and oil launderers
- hydrocarbon oil relief and reimbursement claimants
- distillers, methylators, compounders, duty free spirits users
- brewers
- excise warehousekeepers
- alcohol ingredients relief and drawback claimants
- importers and exporters of revenue goods
- registered excise dealers and shippers (REDS)
- bookmakers, pools promoters, bingo promoters, casino operators, amusement machine operators
- wholesalers, retailers and distributors of excisable goods including "cash and carry" or supermarket operators, carriers, petrol stations, off-licences, tobacconists, catering contractors, vending machine operators/leasers, licensed premises such as hotels, pubs, clubs, restaurants, holiday camps
- anyone else producing, handling, processing, packaging, transporting or dealing in goods chargeable with Excise Duty

- other service industries financing or facilitating revenue traders activities such as guarantors, sureties, agents, insurers, brokers, financiers and financial institutions, analysts, makers of scientific instruments, gaugers, computer consultants

3. Record keeping requirements

3.1 What records must I keep?

As a revenue trader you must keep all your business records.

These include:

- annual accounts, including profit and loss accounts
- bank statements and remittance advice slips
- cash books and other account books
- credit or debit notes you issue or receive
- import and export documents
- orders and delivery notes
- purchase and sales daybooks
- purchase invoices and copy sales invoices
- records of daily takings such as till rolls
- relevant business correspondence

Normally additional records aren't required for excise audit purposes. However, if you do have additional business records, we have the right to see them.

If you are in any doubt about the records you need to keep please contact our National Advice Service.

3.2 Are there other records I need to keep?

If you are...	you...
a wholesaler, retailer or distributor of excise goods	should ensure that dutiable goods in your possession have come from a bona fide source. You should be able to provide us, on request, with commercial documentation such as a supply or purchase invoice to demonstrate this. If we are not satisfied that duty has been paid on goods in your possession, we may seize the goods.

3.3 How long must I keep my records?

You must keep all your business records for at least 6 years.

If the 6 year rule causes you serious storage problems or undue expense, you should contact our helpline. We may be able to allow you to keep some of the records for a shorter period.

Remember: if you fail to comply with record keeping requirements, you may be liable to a civil penalty

(<https://www.gov.uk/government/publications/excise-notice-209-civil-penalties-fixed-geared-and-daily>).

4. The Excise Duty account

4.1 What is an Excise Duty account?

This is a permanent record, in summary form, of all the Excise Duty payable in each duty accounting period.

4.2 What must an Excise Duty account show?

The Excise Duty account must show:	for:
every figure that goes on a return the total duty due to us the total duty due from us the net duty due from, or to, us payment details or a payment reference.	each kind of duty and/or duty suspension regime; and each duty accounting period.

The account must have an audit trail. This means that each entry in the account must be traceable back to the relevant source document. Similarly it must be possible to trace any source document to the relevant entry in the duty account.

The account should be audited by an independent accountant.

Amendments to standing data on a computer system also require an audit trail. This will involve a log of any amendments to the tables (e.g. product and duty) in the system.

5. Records

5.1 Will my records be examined?

From time to time we will come and see you at your principal place of business. We will give you any help you may need and inspect your business records. You must have your records easily available when we visit. You can find further information in Notice 989 Visits by Customs and Excise Officers.

5.2 What if I wish to keep my records on microfilm?

You may seek our permission to maintain your records on microfilm or microfiche, provided that legible copies can readily be produced and that there are adequate facilities for enabling us to view them when required.

5.3 What if I keep my records on computer?

If you keep all or part of your records and accounts on a computer, you must make sure that you can account for duty properly and that we can carry out full inspections when we visit. If your system does not meet our requirements we can ask you to change it.

Examples of computer documentation include:

- user guide
- system specification
- file layouts
- system flowcharts
- database management documentation
- data dictionary
- program specifications
- schemas and sub-schemas

If you have any queries on the computer records you hold, please contact our helpline.

6. Glossary

CEMA: Customs and Excise Management Act 1979.

DAN: Deferment Approval Number.

Duty suspended goods: Goods held or moved without payment of Excise Duty under officially authorised arrangements.

REDS: A Registered Excise Dealer and Shipper is a trader who has been approved and registered by us to obtain Excise Duty suspended goods from authorised warehousekeepers in other EC countries. A REDS must account for the duty when the goods are received in the UK.

RTR: The Revenue Traders (Accounts and Records) Regulations 1992 - Statutory Instrument No 3150.

Your rights and obligations

Your Charter explains what you can expect from us and what we expect from you. For more information, go to Your Charter (<https://www.gov.uk/government/publications/your-charter>).

Do you have any comments?

We would be pleased to receive any comments or suggestions you may have about this notice. Please write to:

HM Revenue and Customs
Accounting and Records Team
Region House
James Street
Liverpool
L75 1AD