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# 2026 VAPE DUTY

Clear guidance for  
UK Vape Retailers

Everything you need to know about the upcoming Vape Duty – what's changing, which products are affected, how much duty will apply, and how to prepare your business ahead of the new legislation.

# INTRODUCING THE 2026 VAPE DUTY

From **1st October 2026**, the UK Government will introduce a new excise duty on all vape products, including both nicotine containing and nicotine free products.

The legislation will apply across the UK vaping industry and is expected to impact product pricing, supply chains, stock planning, and retail operations.

This guide from Vapestation outlines the key details of the upcoming changes, what they mean for retailers, and the steps businesses should consider ahead of implementation.

Our aim is to help you stay informed, prepared, and ready to adapt with confidence before the new duty comes into effect.

In this booklet, we will cover:



A clear overview of the new Vape Duty and reasons behind its introduction.



Which vape products and liquid categories will be affected.



Key dates and a full timeline leading up to implementation.



Answers to common industry and trade questions.



Guidance on how the changes may impact retailers and consumers.

# THE VAPE DUTY AT A **GLANCE**

A brief overview of what it is, why it's happening, and when.

## WHY IS THE VAPE DUTY BEING INTRODUCED?

The UK Government has stated that the new Vape Duty is being introduced to:

- ◆ Align vaping products with other regulated nicotine and tobacco products.
- ◆ Discourage youth vaping and casual uptake, particularly among nonsmokers.
- ◆ Generate additional revenue to support public health initiatives and healthcare spending.

## WHAT IS THE VAPE DUTY?

Vape Duty is a new UK Government excise tax that will apply to all vape products, including nicotine & nicotine free products. The duty will be charged based on liquid volume at a rate of **£0.22 per ml.**

## WHEN IS IT BEING IMPLEMENTED?



1<sup>st</sup> October,  
2026

## WHO DOES IT AFFECT?



### Manufacturers & Importers

Responsible for paying the Vape Duty at source and applying the correct HMRC duty stamps before products enter the retail market.



### Distributors & Wholesalers

Must ensure all supplied stock is duty paid, compliant with HMRC regulations, and correctly labelled.



### Retailers

Will see increased product pricing and must ensure they only sell Vape products carrying approved HMRC duty stamps. \*(subject to sell through)

# WHICH PRODUCTS WILL BE AFFECTED AND BY HOW MUCH?

The Vaping Products Duty will apply to all vape products, including starter kits, replacement pods, and e-liquids. This includes both nicotine containing and nicotine free (0mg) products.

Use the examples below to estimate how the new vape duty may affect product pricing from **1st October 2026**

- Duty Rate: £0.22 per ml
- VAT: Added after duty is applied

600 Puffs Starter Kit		Pack of 2x2ml Pods		10ml E-Liquids	
	2 ml	Current RRP.	4 ml	Current RRP.	10 ml
		£5.99		£5.99	Current RRP.
		Vape Duty		£0.88	Vape Duty
		£0.44		+VAT on Duty	£2.20
		+VAT on Duty		£0.18	+VAT on Duty
	£0.09		New RRP.	£6.63	
	New RRP.		£7.05		
	£6.52				
2ml + 10 ml Kit		2ml + 10 ml Pods		Nicotine Pouches & Hardware	
	12 ml	Current RRP.	12 ml	Current RRP.	
		£12.99		£8.99	
		Vape Duty		£2.64	
		£2.64		+VAT on Duty	
		+VAT on Duty		£0.53	
	£0.53		New RRP.		
	New RRP.		£12.16		
	£16.16				

Ingredients used to manufacture e-liquids will also fall under the Vaping Products Duty, including concentrates, VG (vegetable glycerine), PG (propylene glycol), and nicotine shots.

Figures are estimates based on the proposed Vape Duty rate and standard UK vat rate.

# TIMELINE



## ANNOUNCEMENT OF THE VAPE DUTY

March 2024

The new duty on vaping products was officially announced by the UK Government in the Spring Budget 2024 .



## APPLICATIONS OPEN FOR MANUFACTURERS & IMPORTERS

April 2026

Manufacturers and importers can begin applying to HMRC for approval to operate under the new Vaping Products Duty and Vaping Duty Stamps Scheme. This will also include applications for bonded warehouses used to store duty-suspended stock.



## VAPE DUTY IMPLEMENTATION

1st October 2026

The new excise duty on vaping products will come into effect. From this date, all vaping products manufactured or imported into the UK will be subject to the new Vape Duty tax rate.



## SELL THROUGH PERIOD ENDS

1st April 2027

Retailers may continue selling non duty stamped stock manufactured or imported into, the UK before 1 October 2026 until 1 April 2027. After this date, all vaping products sold in the UK must be fully compliant with the new Vaping Products Duty regulations.



## FULL COMPLIANCE REQUIRED

After 1st April 2027

From this date, retailers must only sell and store vaping products that are duty-paid and carry the correct HMRC duty stamps.

Failure to comply may result in HMRC or Trading Standards seizing all vaping products, regardless of whether duty stamps are present, and may also lead to severe penalties.

# KEY QUESTIONS & ANSWERS

## What is Vape Duty in the UK?

Vape Duty is a new UK excise tax that will apply to all vaping products, including nicotine free. The new duty will come into effect from 1 October 2026.

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## Will all products be affected?

Yes. The Vaping Products Duty will apply to all vape products, including starter kits, replacement pods, and e-liquids. This includes both nicotine containing and nicotine free (0mg) products.

## Does nicotine strength change the amount of duty?

No. The duty is charged per millilitre of liquid contained in the product and applies at the same rate regardless of nicotine strength, including nicotine-free (0mg) e-liquids.

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## Who collects the Duty?

HMRC will collect the Vape Duty. Manufacturers and importers are responsible for paying the tax, with the cost ultimately reflected in the final retail price.

## Will prices go up immediately?

Customers are expected to see price increases from 1st October 2026 or, as any new stock entering the UK market from that date will be subject to the new Vape Duty.

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# KEY QUESTIONS & ANSWERS

## Can we buy before it happens?

Yes. Many customers are expected to buy or restock products ahead of 1 October 2026 in order to avoid the price increases associated with the new Vape Duty.

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## Will flavours & packaging be affected?

Yes and no. The duty itself does not affect vape flavours or formulations, but product packaging will need to include an HMRC duty stamp to confirm the duty has been paid.

## Who decided to introduce the Vape Duty?

The Vape Duty is a UK Government policy introduced as part of the Spring Budget 2024. It applies across the entire vaping industry, meaning all UK vape businesses will be affected equally.

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## How will we know what the new pricing will look like?

We will keep you informed of any relevant pricing changes as they are confirmed and introduced ahead of the Vape Duty implementation.

## Have a question?



Please contact your account manager with any questions. Alternatively, you can call us on **0121 782 6400** or email [sales@realtrading.co.uk](mailto:sales@realtrading.co.uk) for further support.

# RETAILER CONCERNS ADDRESSED

RETAILER CONCERN	OUR GUIDANCE
<b>Risk of black-market trading or non-compliant pricing after Oct 2026</b>	HMRC will enforce the duty, and all legal products must carry duty stamps. Anyone selling non-compliant stock risks fines and seizures, so undercutting won't last. Retailers who stick to the rules will benefit long-term.
<b>What if retailers sell old stock at pre-tax prices?</b>	The duty will be enforced at the wholesale level. There may be a short transitional phase, but any deliberate underpricing could risk fines or reputational damage. We encourage retailers to manage stock responsibly ahead of time.
<b>Shortfills may be priced out of the market</b>	Shortfills are likely to come under pricing pressure due to the higher upfront cost, but they're not necessarily priced out, as the duty applies equally per ml and some consumers will still see value in larger formats.
<b>Growth in DIY e-liquid mixing (VG/PG bought from convenience stores)</b>	This may rise slightly, but it tends to be niche and temporary. Many customers prefer the reliability, safety, and flavour range of professionally produced e-liquids.
<b>Will there definitely be a six-month "sell-through" period?</b>	It has now been confirmed that the sell-through period will be from 1st October, 2026, until 1st April, 2027.
<b>Type of Products</b>	Different formats will be impacted differently, but customers often move between product types based on habit and convenience. We encourage retailers to educate customers about refillable options for long-term value.
<b>Less risk-taking and slower product innovation</b>	Innovation may slow briefly while the market adjusts, but once pricing settles, product development usually picks back up.
<b>Retailers seeking alternative income streams (e.g. non-vape products)</b>	Some diversification is natural, but our focus remains on supporting the vape category through education, compliance, and brand trust.
<b>Possible over-taxation or misrepresentation of the vape industry</b>	Duty is applied consistently across the industry and based on declared volumes. Staying compliant and reporting accurately protects retailers.
<b>Smaller retailers may struggle while national chains gain market share</b>	The change may feel tougher for independents, so we'll continue supporting them with reliable supply, category advice, and strong customer loyalty products.

## SUMMARY



The Vape Duty comes into force on **1st October 2026**.



The duty applies to all vape products, including starter kits, replacement pods, and e-liquids. This includes both nicotine containing and nicotine-free (0mg) products. (Nicotine pouches and vape hardware are not included.)



The duty rate has been confirmed at **£0.22 per ml**. This means a 2ml pod device will increase by **£0.44 + VAT**, while a 10ml bottle of e-liquid will increase by **£2.20 + VAT**.



The sell-through period for non-duty paid stock ends on **1st April 2027**. Ensure you have cleared down all unstamped stock well before this date to ensure you remain compliant.



Ensure you buy from a reputable supplier to ensure you remain compliant at all times.



Start educating your customers on the upcoming changes, with a focus on how pricing may impact weekly spend and purchasing habits. Vapestation will provide consumer leaflets closer to the implementation date to help support these conversations.



The Vape Duty is a UK Government initiative and will apply across the entire UK vaping industry.