

## **VAT treatment of food supplement products and certain other products**

This document should be read in conjunction with section 55 of Finance Bill 2019 which will introduce a new paragraph 3A to Schedule 3 of the Value-Added Tax Consolidation Act, 2010.

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## 1. Introduction

The [reduced rate](#) of VAT applies to all food supplement products for human oral consumption effective from 1 January 2020, following the enactment of Finance Bill 2019.

This guidance sets out the VAT treatment of these food supplement products. It also sets out the VAT treatment of certain other products for human consumption (certain products classified as medicines, and foods for specific groups) and liniments, ointments and rubs made from food ingredients.

## 2. Food supplements products

Food supplement products are not conventional food for VAT purposes. They are understood as a food supplement, rather than ordinary food, by the average consumer. They are composed of nutrients or other substances with a nutritional or physiological effect.

They are typically presented as:

- tablets
- pills
- gels
- liquids
- drops
- lozenges
- capsules
- powders
- products for the preparation of beverages.

Food supplement products are generally identifiable from the labelling rules set out under [food supplement regulations](#) and the form they take (pills, tablets, etc.). Under food supplement regulations, food supplement products sold in the State must be presented and labelled as food supplements.

They must carry some or all of the following statements on their labelling:

- Details of the nutrients or substances (i.e. the ingredients).
- Usage or dosage instructions.
- A warning not to exceed the stated recommended daily dose.
- A statement to the effect that food supplements should not be used as a substitute for a varied diet.
- A statement to the effect that the products should be stored out of the reach of young children.

The labels may also carry other warnings or other statements. There are also rules on the types of nutritional and health claims they can make.

Under [food supplement regulations](#), food supplement products must be sold in pre-packed forms under the name **“Food Supplements”**. This phrase is always visible on the product labelling / packaging.

However, if a food supplement product has not been correctly labelled under food supplement regulations it will still be considered a food supplement for VAT purposes.

## 2.1. Types of food supplements products

There is an extensive range of food supplement products that are marketed for many different purposes. Food supplement products are composed of many different substances / ingredients such as vitamins, minerals, fish oils, botanicals and other substances. ([Appendix I](#) contains several examples of substances found in food supplement products.)

Food supplement products are normally taken to supplement a person’s diet. They may imply achievement of a particular aim beyond supplementing a normal diet and can be taken for many different reasons such as for ‘sports nutrition’, as ‘slimming aids’ or for other reasons (e.g. improving hair and nails or eye health).

### 2.1.1. Sports food supplement products

Sports nutrition supplements can be labelled, advertised or marketed as designed to optimise bulk, performance, recovery or other efficiencies associated with physical or sporting performance. They are typically presented in several forms including tablets, powders, lozenges, liquids, pills, capsules, gels, other products for the preparation of beverages or similar. They must follow the same labelling requirements as other food supplement products. ([Appendix II](#) provides a non-exhaustive list of examples of how they are described / marketed.)

### 2.1.2. Slimming food supplement products

Slimming supplements can be labelled, advertised or marketed as designed for the purposes of bodily sculpture or weight reduction (e.g. slimming aids). They are typically presented in several forms including tablets, powders, lozenges, liquids, pills, capsules, gels or similar products. They must follow the same labelling requirements as other food supplement products. ([Appendix III](#) provides a non-exhaustive list of examples of how they are described / marketed.)

### 3. Food supplement product examples

Some examples of food supplement products for human oral consumption that are liable to the reduced rate of VAT are listed below:

- Liquid vitamin B12 supplement sold in a dropper
- Whey protein powder supplement sold in a tub
- Muscle building supplement sold in a pack of tablets
- Carb blocking supplement sold in a packet of pills
- Green lipped mussel supplement sold in a pack of capsules
- Multivitamin supplement sold in a carton of pastilles
- Ginger lozenge supplements sold in a packet
- Calcium supplement with vitamin D3 sold in a container of coated capsules
- Charcoal supplement sold in a container of capsules
- Garlic supplement sold in a packet of softgel capsules
- Apple cider vinegar supplements sold in a pack of tablets
- CoEnzyme Q-10 supplement sold in a package of capsules
- CBD oil supplement sold in a dropper
- Vitamin C supplement sold in a packet of tablets
- Magnesium supplement sold in pack of tablets
- Aloe Vera juice drink supplement sold in a bottle
- Hair growth supplement sold in a packet of tablets
- Inulin powder supplement sold in a bag
- Omega 3 fish oil supplement sold in a container of softgel capsules
- Raspberry ketone supplement sold in a packet of capsules
- Collagen and silica supplement sold in a jar of capsules
- Eye care supplement made from carotenoids, vitamins and minerals sold in a packet of tablets
- Kids multivitamin and fish oil supplement sold in a pack of softies
- Oregano oil supplement sold in a jar of softgels.

All these products will normally carry on their label or packaging the following information:

- details of the ingredients
- dosage / usage instructions
- a warning not to exceed the recommended daily dose
- a statement that food supplements should not be used as a substitute for a varied diet
- a statement that the product should be kept out of reach of children
- a statement that they are a food supplement.

The presence of this information with a product indicates it is a food supplement product liable at the reduced rate of VAT. However, simply dropping or varying the presentation or failing to comply with [food supplement regulations](#), does not alter the VAT treatment and they remain liable at the reduced rate of VAT.

## 4. Medicines

Human oral medicines and food supplement products are separate categories of products. Food supplement products are not medicines and do not fall within the provision for human oral medicine. Only when a human oral product is licenced or authorised by the Health Products Regulatory Authority as a medicine will it be considered a medicine for VAT purposes.

### 4.1. Products licenced / authorised by the Health Products Regulatory Association ('HPRA')

Human oral medicines that are licenced / authorised by the HPRA are zero rated as per paragraph 11(1) of the Second Schedule to the VAT Consolidation ACT 2010 (VATCA 2010). These products are listed on the [HPRA website](#) and carry a product number, such as a Product Authorisation (PA) number on the label.

Certain folic acid and other vitamin and mineral products for oral human consumption are licenced / authorised by the HPRA and are therefore zero rated as human oral medicines.

## 5. Foods for specific groups

Three categories of foods for specific vulnerable groups in the population, regulated by the Food Safety Authority of Ireland (FSAI), are zero rated. Further information can be found on the [FSAI website](#).

### 5.1. Infant and follow-on formulae and infant foods

Infant and follow-on formulae and infant foods are food and qualify for the zero rate of VAT. Further information on these types of products is available on the [FSAI website](#).

### 5.2. Foods for special medical purposes

Foods for special medical purposes are typically foods to be used under medical supervision to manage specific medical conditions, diseases or disorders. They are intended for the exclusive or partial feeding of patients with a limited, impaired or disturbed capacity to take, digest, absorb, metabolise or excrete ordinary food. They are clearly labelled for use under medical supervision. Further information on these types of products is available on the [FSAI website](#).

These products are food and qualify for the zero rate of VAT.

### 5.3. Specially formulated foods

Specially formulated foods which when used as instructed by the manufacturer replace the total daily diet (total diet replacement for weight control) are food and qualify for the zero rate of VAT. Further information on these types of products is available on the [FSAI website](#).

### 6. Liniments, ointments and rubs made from food ingredients

Substances, which consist in whole or in part of ingredients regarded as food, which are marketed for use other than for human consumption, such as liniments, ointments and rubs are not considered food for VAT purposes. They are subject to the standard rate of VAT.

### 7. Staff instruction

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

## Appendix I

### List of substances found in food supplement products (Non-exhaustive)

#### **Vitamins**

- Vitamin A
- Vitamin B
- Vitamin C
- Vitamin D
- Vitamin E
- Alpha-Tocopherol (Vitamin E)
- Ascorbic Acid (Vitamin C)
- Biotin
- Calciferol (Vitamin D)
- Carotene (Vitamin A)
- Choline
- Cobalamin (Vitamin B12)
- Folic Acid (Vitamin B9)
- Pantothenic Acid (Vitamin B5)
- Phylloquinone (Vitamin K)
- Pyridoxine (Vitamin B6)
- Retinoids
- Riboflavin (Vitamin B12)

#### **Minerals**

- Calcium
- Iodine
- Iron
- Magnesium
- Potassium
- Selenium
- Sodium
- Zinc

#### **Botanicals**

- Apple Cider
- Aloe Vera
- Charcoal
- Cranberry fruit extract
- Evening Primrose Oil
- Garlic
- Ginger root
- Ginseng
- Green tea
- Horsetail



- Thyme
- Turmeric
- Oregano
- Plant fibre
- Sage

**Other substances**

- Amino acids
- CBD Oil
- Cod liver oil
- Co Enzyme Q10
- Collagen
- Enzymes
- Flaxseed oil
- Glucosamine
- Green lippid mussel extract
- L-argine
- Lipids
- Lutein
- Plant Sterols
- Probiotics
- Royal jelly
- Whey powder

## Appendix II

### Descriptions associated with sports food supplement products (Non-exhaustive)

- Increasing recovery
- Improving exercise
- Improving fitness levels
- Improving performance
- Improved preparation for exercise
- Achieving a performance goal more quickly
- Greater tolerance of heavier training schedules
- Greater tolerance of endurance events
- Improving recovery times before next training / exercise event
- Reducing risk of injury
- Maintaining health during intense training
- Aiding sleep and / or wellness, helping the participant perform optimally
- Aiding psychological processes that motivate the participant to perform optimally (Nootropics)
- Achieving a competitive edge

## Appendix III

### Descriptions associated with slimming food supplement products (Non-exhaustive)

- Weight loss
- Energy Augmentation
- Providing a metabolic advantage for weight loss
- Stimulating the metabolism
- Facilitating weight loss
- Weight management
- Ergogenic and aesthetic purposes
- Aiding with appetite reduction