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**From:**  
**Sent:** 23 May 2019 17:19  
**To:** Finance Foodsuppl  
**Subject:** response to the Department of Finance Consultation on VAT Treatment of Health Supplements

To whom it concerns,

We welcome the opportunity to contribute to the consultation process regarding the future VAT treatment of food supplements.

opposes the proposed VAT treatment of food supplements at the standard rate (23%) for the following reasons:

- As you are aware, people use food supplements to help promote and maintain their health, both physical and mental. In Ireland, food supplements are particularly important to certain segments of the population such as the older and the younger age-groups, who in turn are frequently the most vulnerable of our fellow citizens. Given the wide-spread acknowledgement that Ireland is experiencing an obesity epidemic, which has significant negative implications for the future funding of our health-care system, we question the proposed higher VAT rate on health-promoting food supplements compared to, for example, fast foods that are part of the problem associated with an obesogenic environment such as that as we now have in Ireland in 2019.
- The proposed VAT change will have a significant negative economic impact on our industry – ourselves and health store owners included. We built our business model around the long-standing VAT derogation from revenue that VAT for food supplements will be at 0%. As a start-up food supplements company based in West Cork, we are already facing into a significant head-wind because of Brexit. If this short-sighted VAT increase comes into existence, it will mean a significant loss in revenue to us and will inevitably negatively affect our plans to grow the business and add local employment. In addition, our local health store retailers will also be negatively impacted leading to loss of jobs and revenue to reinvest in their business thus jeopardising their sustainability and by extension our sustainability as a business.
- It is clear that food supplements are literally and legally food. They are regulated in Ireland by the Food Safety Authority of Ireland (FSAI) and within the broader European regulatory system, by the European Food Safety Authority (EFSA).

Our request is that the Minister for Finance clearly classify food supplements as ‘food’ items, thus removing any future confusion and that the Minister legislates for the retention of 0% VAT on food supplements in Budget 2020.

Yours Sincerely,

