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Contract

HMRC Vaping Duty Stamps Scheme

HM Revenue & Customs

UK7: Contract details notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2026/S 000-011663

Procurement identifier (OCID): ocds-h6vhtk-0545bc ([view related notices](#))

Published 10 February 2026, 10:04am

Scope

Description

At Autumn Budget 2024, the Government confirmed Vaping Products Duty (VPD) would be introduced from 1 October 2026. Following further technical consultation, the Government announced a Vaping Duty Stamps Scheme (VDS) to be implemented alongside the VPD.

The response to the consultation is available on GOV.UK.

HM Revenue & Customs (HMRC) has conducted a competitive flexible procurement exercise to appoint a Vaping Duty Stamp supplier via a concession contract.

The duration of the contract will be 5 years with an optional one (1) year extension period at the sole discretion of the Authority. The estimated total contract value (inclusive of any options) is £32 million (excluding VAT). This value has been calculated based on the indicative volumes provided within the Specification and using existing information on stamp duty costs, including engagement with International Tax Stamp Association (ITSA). The Authority anticipates that a third of the contract value is associated with delivery charges, which are a non-profitable element of the contract. This assumption is based on average delivery costs of UK postal providers, for National, European and International mail.

The Supplier will support the implementation of the Vaping Duty Stamp (VDS) Scheme. Under the scheme, businesses will purchase duty stamps directly from the appointed Supplier.

The stamp will be a physical product incorporating digital features for traceability and authentication and will also capture data; including information about the manufacturer or business who affixes the stamp, product details and product journey through the supply chain.

The scheme will be managed by the appointed Supplier, who will be responsible for production and supply, as well as providing the system for businesses to order, make payment, manage their stamps and collect data for HMRC relating to vaping products and the journey through the supply chain.

The stamp must be applied before the product is released for consumption, and associated data will be recorded in the Supplier's system.

Contract 1

Supplier

- CARTOR SECURITY PRINTERS LIMITED

Contract value

- £32,000,000 excluding VAT
- £38,400,000 including VAT

Above the relevant threshold

Date signed

4 February 2026

Contract dates

- 4 February 2026 to 3 February 2031
- Possible extension to 3 February 2032
- 6 years

Description of possible extension:

The duration of the contract will be 5-years with an optional 1-year extension period at the sole discretion of the Authority.

Main procurement category

Services

Options

The right to additional purchases while the contract is valid.

The following optional services have been identified, allowing HMRC to adapt the system as policy or operational needs evolve, anticipating future developments in compliance, enforcement or technology;

- Decoupling Digital Elements from the Physical Stamp; To support innovation in digital compliance.
- Expansion of Scanning Events; To enhance traceability, support enforcement and improve data across the supply chain.
- Reporting; New or modified reports accessible via the graphical interface.

- Alerts; New or modified alerts triggered by changes to HMRC defined 'events of interest'.

Optional services are defined as services that are not part of the core deliverables and will only be implemented at HMRC's discretion, subject to the appropriate contract modification process, and in-line with Procurement Act 2023.

CPV classifications

- 22400000 - Stamps, cheque forms, banknotes, stock certificates, trade advertising material, catalogues and manuals
- 79823000 - Printing and delivery services

Contract locations

- UK - United Kingdom

Key performance indicators

| Name | Reporting frequency |
|---|---------------------|
| KPI 3 (Loss/ Theft of VDS in Transit) | 1 months |
| KPI6 (Complaints - Acknowledgment) | 1 months |
| KPI7 (Complaints - Resolution); | 1 months |
| KPI9 (Graphical Interface Availability) | 1 months |

Submission

Submission type

Requests to participate

Other information

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Competitive flexible procedure

Special regime

Concession

Supplier

CARTOR SECURITY PRINTERS LIMITED

- Companies House: 00870128
- Public Procurement Organisation Number: PRLX-7242-NNMQ

Unit G3

Wolverhampton

WV9 5GB

United Kingdom

Email: andrew.brigham@cartor.com

Website: <http://www.cartor.com>

Region: UKG24 - Staffordshire CC

Small or medium-sized enterprise (SME): Yes

Voluntary, community or social enterprise (VCSE): No

Supported employment provider: No

Public service mutual: No

Contract 1

Contracting authority

HM Revenue & Customs

- Public Procurement Organisation Number: PVMW-8599-JZNJ

100 Parliament Street

London

SW1A 2BQ

United Kingdom

Email: hmrcsupportsapariba@hmrc.gov.uk

Region: UKI32 - Westminster

Organisation type: Public authority - central government