



Memorandum of Understanding between the **Scottish Craft Distillers Association** and the **Scotch Whisky Association**

Parties

The parties to this Memorandum of Understanding (MoU) are:

The Scotch Whisky Association, a company limited by guarantee, and having its registered office at Quatermile Two, 2 Lister Square, Edinburgh EH3 4GL, hereinafter referred to as “the SWA”.

and

The Scottish Craft Distillers Association, an unincorporated association of producers, and having its office at 234 West George Street, Glasgow G2 4QY, hereinafter referred to as “the SCDA”.

Definitions

The commitments apply only to those members of the SCDA engaged in Scotch Whisky production.

The terms “SWA” and “SCDA”, unless otherwise stated, mean office-holders and/or the Executives of the Associations, not their members.

Preamble

The Scotch Whisky Association and the Scottish Craft Distillers Association agree that:

- Scotch Whisky has developed a reputation around the world for its provenance and quality. It is a significant Scottish and British cultural asset based on authentic and unvarying local methods of production, with distilleries and brands supporting the communities with which they work; creating jobs and boosting growth. It has taken investment, time and the skill of dedicated and knowledgeable people to build that reputation. Strong supply chains have been built through fostering understanding of the industry’s needs and good support from suppliers;
- The fundamental legal framework in EU and UK law around Scotch Whisky production, and its status as a Geographical Indication, is important to the success of our product;
- Successful Scotch Whisky companies with established high-quality brands and overseas markets have experience to offer new entrants into the industry, good practice and lessons learned. Equally, new entrants to the industry will bring fresh approaches and new ideas, driving continued vitality in our well-established sector;
- Accordingly, much is to be gained through partnership working, to the benefit of all of our members and of the Scottish and UK economies;
- Through the mutual support set out in this agreement, we aim to boost the whole of the Scotch Whisky industry and associated supply chains, while continuing to offer our own distinct propositions to our Members;
- Memberships of the SCDA and of the SWA are not alternatives and are fully compatible with each other; but this MOU can function as a stepping stone towards full SWA membership for any SCDA members that wish it and meet the conditions of membership.



Our shared commitments are as follows:

1. To work together to grow understanding of the rules surrounding Scotch Whisky, its production, handling and marketing within the industry and through the supply chain, recognising our shared interest in the public good of the Scotch Whisky industry:

- The SWA will notify the SCDA of any changes to EU or UK rules impacting on the manufacture of Scotch Whisky, its labelling or its protection, at the same time as it informs its own Members;
- The SCDA agrees to communicate these rules to its members on a systematic basis and to help its members work within them;
- The SWA and SCDA will discuss with each other any initiatives they propose to seek in the regulatory environment which might affect whisky or Scotch Whisky;
- The SWA and SCDA will work together to establish common understandings on issues arising from existing rules surrounding Scotch Whisky, for example on the Verification Scheme for Scotch Whisky;
- The SCDA may nominate a member representative on the SWA's Customs & Excise, Health & Safety, and Environment Committees and the latter's working groups, as an observer. That representative must be from an SCDA member which would be eligible for SWA membership;
- The SWA will issue its H&S and Environmental Bulletins to the SCDA.

2. To encourage shared approaches to stakeholder engagement:

- We will encourage each other to be involved in the Westminster All Party Parliamentary Group and the Scottish Parliament Cross Party Group on Scotch Whisky;
- We will agree to consult and to align positions on public policy issues as far as possible, without prejudice to established policy;
- We will in particular work together towards a fairer excise regime and as far as possible align positions with this aim in mind;
- We will work together to deepen understanding of the economic impact of the Scotch Whisky industry and the benefits it brings to wealth and prosperity;
- The SCDA will encourage its members to live up to best practice on the social aspects agenda, including observance of the SWA Code of Practice for the Responsible Marketing and Promotion of Scotch Whisky. The SWA will make available information as necessary.

3. To work together to ensure our workforce is appropriately skilled:

- We will collaborate to raise awareness of the Spirits Industry Vocational Qualification amongst members and third parties;
- We will facilitate an annual distillery managers event open to all distillery managers – SWA members, SCDA members and non-members - to improve opportunities to network and to share ideas and best practice.

4. To improve industry information

- SCDA whisky distilling members will provide samples for the industry Distillery Survey to underpin the protection of Scotch Whisky;
- SCDA whisky distilling members will offer stock and production figures and environmental Data/H&S data to the SWA. The SWA will share aggregated industry data on the same basis as with other members.

5. To collaborate amongst our existing memberships:

- We will invite each other's members to annual conferences and similar set-piece events at the price each charges its own Members;
- We will meet at least once per year to discuss the full agenda of issues affecting the Scotch Whisky industry;
- SCDA will keep the SWA up to date with developments amongst small distillers.

6. Legal Obligations and Review

- This MOU does not impose any legal obligations on either party, beyond those already existing, and both parties acknowledge the need to comply with all relevant laws, including competition law;
- The SWA and SCDA agree to review this MOU one year and four years after signature, to consider its ongoing relevance and any future arrangements.

7 Communications

- Communications regarding this MOU or for actions taken under it shall, in default of any other arrangements, be sent to the address of the parties given above, or to the following respective e-mail addresses:

SWA: chiefexecutive@swa.org.uk

SCDA: info@scottishcraftdistillers.org



Signed  [SWA] Date: 9 February 2017

Signed  [SCDA] Date: 9 February 2017