



Irish Whiskey

Cask Purchase Schemes

Irish Whiskey Association
Guidance Note



Irish Whiskey Association
Drinks Ireland

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The Irish Whiskey Association is the representative voice within Drinks Ireland working to promote, protect and represent the Irish Whiskey category globally.

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Introduction

The continued expansion of the Irish Whiskey sector has generated significant economic activity across the island of Ireland, stimulating the establishment of new distilleries and supporting broader supply chain, logistics, and hospitality networks. As the global footprint and premiumisation of the category have increased, so too has public interest in cask purchase scheme opportunities.

These opportunities are generally presented to the market through two primary channels:

- Distilleries themselves offer direct-purchase schemes.
- Third-party intermediaries such as wholesale brokers and investment clubs.

While purchasing a whiskey cask can be an engaging way to participate in the industry's success, it is important to bear in mind that casks, whether purchased directly from a producer or through a third-party broker, are alternative assets that generally sit outside of traditional financial regulation. As such, they carry their own specific profile of legal, financial, and operational considerations. The purpose of this guidance is to provide prospective purchasers with an objective framework to evaluate these schemes, ensuring that the practical realities and contractual details are thoroughly understood before making an investment choice.

The Role of the Irish Whiskey Association

The Irish Whiskey Association does not regulate or endorse individual cask investment schemes.

However, prospective investors are strongly advised to:

- Understand the structure of the scheme.
- Familiarise themselves with how the industry operates.
- Carefully assess the potential risks and rewards.

This guidance is not a substitute for seeking independent legal and financial advice.



About the Irish Whiskey Market

The general classification “Irish Whiskey/ Uisce Beatha Éireannach/ Irish Whisky” also contains three varieties, “Pot Still Irish Whiskey”, “Malt Irish Whiskey” and “Grain Irish Whiskey”. These varieties can also be called “Irish Pot Still Whiskey”, “Irish Malt Whiskey” and “Irish Grain Whiskey”. The above varieties can also be combined to form a “Blended Irish Whiskey/Irish Blended Whiskey”.

Irish Whiskey is protected under EU law as a Geographical Indication (GI), governed by Regulation (EU) 2019/787. Since January 2016, all production, labelling, and marketing must comply with the official Product Specification and be verified by either:

- Irish Revenue (Republic of Ireland).
- HMRC (Northern Ireland).

A key legal requirement is that Irish Whiskey must be distilled and matured for a minimum of three years on the island of Ireland. Accordingly, Irish Whiskey may only be shipped in bottles or if bulk quantities, in inert bulk containers and not in wooden casks in order to ensure that no further maturation occurs. If further maturation occurs off the island of Ireland it is no longer Irish Whiskey.



Understanding Cask Purchase Schemes

While some brand owners operate their own distilleries, others source whiskey from producers and sell it under their own brand.

Irish Whiskey casks are not actively traded on an open market. However, the growth in the number of distilleries has led to an increase in cask purchase offerings, both direct from producers and via third-party investment firms. These schemes typically represent a small portion of total production and may be marketed as investment opportunities or as membership to an exclusive club.

There are three common types of cask schemes:



1. Distillery Cask Schemes

Buying a cask directly from a distillery.

- These are frequently categorised as prestige assets due to the experiential nature of ownership and connection with the distillery. The direct involvement of a recognised distillery can provide brand provenance which can contribute to resale value.
- The purchaser may be supporting a new or fledgling business through investment in their cask programme.
- Alternatively, aged stock may be purchased from an existing established distillery for either personal or commercial use, at a higher price point.

In these types of distillery cask schemes, there are essentially two options to purchase:

- New make distillate.
- Mature Irish Whiskey.

2. Wholesale Cask Purchase (From the Distillery)

- A cask may be purchased as a financial investment at wholesale pricing.
- There is less focus on the involvement and experience; the primary objective is long-term potential value increase.
- The contract is with the distillery directly.

3. Brokered Cask Purchase

- A cask may be purchased through a third-party broker, not directly from the distillery.
- The broker may manage logistics, paperwork, and sometimes resale options.

IMPORTANT: Returns are not guaranteed. Investors should conduct thorough due diligence and seek independent advice.



Steps to Take When Purchasing a Cask

Define Your Objective

It is important to firstly define your objective when investing in a cask.

- Are you investing for profit, personal enjoyment, or club membership to support a new distillery?

Purchase/Investment Risk

- Be mindful that as with all commodities and most investments, values may rise or fall.
- One certainty that you need to make an allowance for is the expected annual evaporation loss of approximately 3% (the “Angel’s Share”).
- Treat projected returns with caution.
- Consult legal and financial professionals before committing so as to best understand legal, tax, and storage implications.

Verify the Product and Research the Seller

Ensure the seller can confirm:

- Whiskey type (e.g. Malt, Pot Still, Grain, or Blended).
- Distillery or brand name.
- Year of distillation.
- Type of cask e.g. American Oak barrel.

- Capacity of cask.
- Previous cask seasoning e.g. Bourbon.
- Cask reference number.

Research the Seller

It is advisable to check:

- Reputation, and past client reviews from independent sources.
- Are there annual inspections/samples available-if so, is payment of duty required?
- If the cask is available to view upon request.

Conduct a Price Check and Valuation

It is advisable to benchmark pricing where possible. This may be done by a number of means including price verification with the distillery, a trusted broker or an Irish Whiskey auction house.

Be cautious of speculative return projections.



Trademark and Branding Restrictions

It is very important to understand ownership rights, trademark restrictions and bottling limitations. Make sure to confirm all limitations in advance of purchase. For example:

- Distillery names and brand names are often trademarked and there may be restrictions in relation to using these.
- Some contracts may limit your ability to use the brand name or the distillery of origin on labels or bottle for resale.
- Purchasers should verify that the seller has the authority to use the brands it is presenting.
- Some schemes may specify that bottles from the cask are for personal use only and not for resale.



Warehousing and Maturation

Maturation of Irish Whiskey must occur on the island of Ireland within an approved Tax Warehouse (commonly referred to as a bonded warehouse). A bonded warehouse is a highly secure, government-regulated facility designed to store excisable goods without the need to immediately pay excise duties. In the Republic of Ireland, these premises must be approved by Revenue, and in Northern Ireland by HMRC.

It is advisable to confirm the following in advance of purchasing a cask:

- Storage fees.
- Any additional cask management fees.
- Insurance coverage.
- Bond information - approved bonded warehouse.
- Warehouse keeper number.
- Whether the cask will be moved (only authorised operators may do so)
- Additional costs.
- If the cask can be inspected or viewed if so, are there any limitations or restrictions in this regard.
- A certificate or proof of cask with all relevant details is provided.
- Proper recording/verification systems.
- GI confirmation - The Distillery should be GI verified and hold a GI Certificate.

Bottling

There are a number of issues to be aware of in relation to the bottling of Irish Whiskey. This is the fifth stage of production, and like all other stages of production, it must be verified by either Revenue or HMRC. Specific issues to be aware of include:

- Bottling costs vary and may be significant for single casks. It is important to be aware of these and get an indication or confirmation of costing.
- Bottling must comply with excise regulations:
 - ◊ Republic of Ireland: €42.57 per LPA (litre of pure alcohol) + 23% VAT duty payment applies when removed from bond.
 - ◊ Northern Ireland: £33.99 per LPA + 20% VAT duty payment applies when removed from bond.
- Additional taxes may apply if bottles are exported.
- All labels are subject to GI verification and in the Republic of Ireland you must get label approval by the Department of Agriculture in advance of bottling. Please see the following link for further information and application form. If bottled for resale as a commercial product all labels are subject to GI verification. If bottled for personal consumption all labels must accurately state ABV, capacity of container, distillery of origin and Irish Whiskey type.
- The requirements regarding duty payment should be verified - if this is required at the time of purchase/upfront (i.e. before bottling), etc.



Cask Movement and Sale/Disposal

Sale of casks

The sale of alcohol in both the Republic of Ireland and Northern Ireland is subject to stringent licensing requirements, which can be both complex and costly to obtain.

- Distillery buyback options may be an attractive feature for whiskey cask investors; however, the terms and conditions attaching to such arrangements can vary significantly from one distillery to another. It is therefore essential that purchasers undertake thorough due diligence to understand the specific conditions applicable in each case. Obtaining independent legal advice in relation to any proposed buyback arrangement is strongly recommended.
- **Seller Support:** The purchaser should determine what assistance, if any, is provided by the seller as regards cask resale or disposal. The purchaser should also look out for any conditions such as brand restrictions, white-labelling requirements, or commissions that may limit resale options or affect value.
- **Exit Limitations:** If resale under an established brand is restricted, this may reduce market appeal and impact projected returns.
- **Target Market:** If selling via a third-party, the end buyer should be taken into consideration. Smaller volumes, higher per-unit costs, and limited brand recognition may make it harder to compete with wholesale or retail offerings.



Movement of casks

- The movement of bonded stock (such as alcohol held under duty suspension) is subject to strict regulatory control in both the Republic of Ireland and Northern Ireland.

In the Republic of Ireland:

- **Movement is regulated by:**
Irish Revenue under EU Excise Law.
- **System Used:**
Excise Movement Control System (EMCS) for tracking.
- **Who Can Move Goods:**
Only authorised warehouse-keepers, consignors, or consignees.
- **Documentation:**
Requires an electronic administrative document (e-AD) with a unique ARC.
- **Guarantees:**
Financial bonds must cover potential duty liabilities during transit.

In Northern Ireland:

- **Movement is regulated by:**
HMRC under national excise legislation.
- **System Used:**
EMCS for all duty-suspended movements.
- **Conditions:**
 - Goods must move between HMRC-approved premises.
 - A valid movement guarantee is mandatory.

Northern Ireland: Follows EU rules for movements to/ from the EU.

Documentation and Proof of Ownership

It is advisable that the purchaser insists upon a receipt for the purchase price of the cask and a contract of sale which should include the following:

- o Whiskey description (type, distillery, year)
 - o Cask details (number, type, volume)
- Identify the warehouse in which the casks are stored and the warehouse-keeper’s registration details
- The costs associated with the storage of your cask and the insurance terms
- Clarity on when the title in the whiskey transfers, and whether the purchaser owns the physical wooden cask in addition to the liquid
- An explicit clause stating that full legal title to both the liquid and the physical wooden cask transfers to you immediately upon payment.
- This contract serves as legal proof of ownership. Clear confirmation of legal title is strongly advised to avoid ambiguity in the future.
- A seller’s self-issued “certificate” is not sufficient as sole proof of ownership.

- This contract serves as the foundational proof, but if the warehouse is not owned by the seller, it must be backed by independent warehouse registration to secure the asset if the selling company experiences financial difficulty (such as insolvency or liquidation).

It is advisable to establish clear, legally documented ownership based on the storage facility. For independent warehouses, best practice involves securing a Delivery Order and written acknowledgement from the keeper, while for seller-owned warehouses, it is recommended that ownership is explicitly recorded in official internal logs, outlined in the contract, and marked directly on the cask so it is maintained as separated inventory. Additionally, independent legal advice should be sought to ensure the interests of the purchaser are fully protected.



Insurance and Risk Management

As with every asset it is important to ensure that there is adequate insurance cover.

- Confirm insurance coverage for risks such as leakage, fire, or theft.
- Monitor the cask’s ABV - if it drops below 40%, it can no longer be bottled as Irish Whiskey.

Regulatory Changes

As of March 2025, the UK abolished the WOWGR registration requirement (Warehousekeepers and Owners of Warehoused Goods Regulations). While this affects Northern Ireland:

- Private individuals do not need WOWGR registration.
- Ensure the warehouse and warehouse-keeper still hold appropriate excise approvals.

INDEPENDENT LEGAL AND FINANCIAL ADVICE

The cask purchase market operates through a variety of commercial schemes and ownership structures, each carrying a different legal risk profile. Because the security of your asset depends entirely on how a specific seller’s scheme is structured, it is the sole responsibility of the purchaser to conduct thorough due diligence. Purchasers are strongly advised to seek independent legal, tax, and financial advice tailored specifically to the scheme they are entering into. This advice should verify that the proposed contract, storage arrangements, and transfer of title adequately protect the purchaser’s individual interests before any funds are committed.



Final Checklist Before Purchasing a Cask

- Verify Ownership: Confirm title is in the name of the purchaser.
- Verify distillate details – (e.g. Pot Still, Grain or Malt)
- Verify all cask details as outlined on Pg 4
- Understand the Contract: Review terms for resale rights, bottling options, and exit clauses.
- Research the Seller: Check for regulatory registration, reputation, and past client reviews.
- Compare Pricing: Benchmark against similar casks to avoid inflated valuations.
- Ask about exit strategy/cask sale: Who will assist in sale of your cask? Are there commissions or restrictions?
- Understand legal, tax, and storage implications.
- Audit the Storage: Confirm where and how the cask is stored, and who insures it.
- Ensure distillery of production and maturation site are GI verified.



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