



# Finance Act 2017

## 2017 CHAPTER 10

### PART 2

#### SOFT DRINKS INDUSTRY LEVY

##### *Charging of the soft drinks industry levy*

#### **31 Charge to soft drinks industry levy**

- (1) The charge to soft drinks industry levy arises on a chargeable event which occurs on or after 6 April 2018.
- (2) Subsection (1) is subject to section 37 (small producer exemption).

#### **32 Chargeable events: soft drinks packaged in the UK**

- (1) This section applies where chargeable soft drinks are packaged by a person on premises in the United Kingdom (the “packaging premises”).
- (2) A chargeable event occurs on the removal of the chargeable soft drinks from the packaging premises.
- (3) But—
  - (a) if, on removal from the packaging premises, the secondary warehousing condition is met in relation to the chargeable soft drinks, a chargeable event occurs at the time that the secondary warehousing condition ceases to be met in relation to those soft drinks (and not at the time mentioned in subsection (2));
  - (b) if the chargeable soft drinks are made available for sale or free of charge before a chargeable event in relation to the soft drinks occurs under subsection (2) or paragraph (a), a chargeable event occurs at the time the soft drinks are made available (and not at the time mentioned in subsection (2) or paragraph (a)).

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*Status: This is the original version (as it was originally enacted).*

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- (4) For the purposes of this section and section 33, the secondary warehousing condition is met, at any time, in relation to chargeable soft drinks if the chargeable soft drinks are, at that time—
- (a) in storage in a compliant warehouse, or
  - (b) being transported—
    - (i) from the packaging premises to a compliant warehouse, or
    - (ii) between compliant warehouses,
- in compliance with such conditions and requirements as may be imposed by regulations under section 34.
- (5) References in this section and in section 33 to a “compliant warehouse” are references to premises—
- (a) that are, or are to be, used for the storage of chargeable soft drinks, and
  - (b) in respect of which the conditions and requirements specified in regulations under section 34(a) are met.

### **33 Chargeable events: soft drinks imported into the UK**

- (1) This section applies where chargeable soft drinks are imported into the United Kingdom.
- (2) A chargeable event occurs, in relation to imported chargeable soft drinks, on first receipt of the soft drinks by a relevant person (the “first recipient”).
- (3) But subsection (2) is subject to subsections (7) to (9).
- (4) The “first receipt” of imported chargeable soft drinks is the first occasion on which the soft drinks are delivered to a place in the United Kingdom which is a relevant person’s place of business (including where the chargeable soft drinks are delivered from a place outside the United Kingdom which is another place of business of the relevant person).
- (5) “Relevant person” means a person who carries on a business involving the sale of chargeable soft drinks.
- (6) The reference in subsection (5) to the sale of chargeable soft drinks includes a reference to—
- (a) sale by wholesale,
  - (b) sale by retail, and
  - (c) sale for consumption on or in the vicinity of premises on which the drinks are sold.
- (7) Subsection (8) applies if, on first receipt of the imported chargeable soft drinks, the place of business to which the soft drinks are delivered is a compliant warehouse.
- (8) Subject to subsection (9), a chargeable event occurs at the time that the secondary warehousing condition ceases to be met in relation to the imported chargeable soft drinks (and not at the time mentioned in subsection (2)).
- (9) If the chargeable soft drinks are made available for sale or free of charge by a relevant person (the “first seller”) before a chargeable event in relation to the soft drinks occurs under subsection (2) or (8), a chargeable event occurs at the time the chargeable soft drinks are made available (and not at the time mentioned in subsection (2) or (8)).

### **34 Secondary warehousing regulations**

The Commissioners may by regulations make provision, for the purposes of sections 32 and 33—

- (a) specifying conditions and requirements in respect of premises on which chargeable soft drinks may be stored before the occurrence of a chargeable event (see section 32(5)(b));
- (b) specifying other conditions and requirements as to the storage of chargeable soft drinks for the purposes of the secondary warehousing condition (see section 32(4));
- (c) specifying conditions and requirements as to the transportation of chargeable soft drinks for the purposes of the secondary warehousing condition;
- (d) imposing obligations on specified persons to provide information in connection with the storage or transportation of chargeable soft drinks.

### **35 Liability to pay the levy**

- (1) Where the charge to soft drinks industry levy arises on a chargeable event within section 32(2) or (3), the person who packages the chargeable soft drinks is liable to pay the amount charged.
- (2) Where the charge to soft drinks industry levy arises on a chargeable event within section 33(2) or (8), the relevant person who is the first recipient is liable to pay the amount charged.
- (3) Where the charge to soft drinks industry levy arises on a chargeable event within section 33(9), the relevant person who is the first seller is liable to pay the amount charged.

### **36 Levy rates**

- (1) Soft drinks industry levy is charged—
  - (a) in the case of chargeable soft drinks that meet the higher sugar threshold, at the rate of £0.24 per litre of prepared drink;
  - (b) in the case of chargeable soft drinks that do not meet the higher sugar threshold, at the rate of £0.18 per litre of prepared drink.
- (2) A chargeable soft drink meets the higher sugar threshold if it contains at least 8 grams of sugars (whether or not as a result of containing added sugar ingredients) per 100 millilitres of prepared drink.