



# Finance (No. 2) Act 2023

## 2023 CHAPTER 30

### PART 2 **U.K.**

#### ALCOHOL DUTY

### CHAPTER 6 **U.K.**

#### DENATURED ALCOHOL

#### 90 Denatured alcohol **U.K.**

- (1) Alcohol duty is not charged on denatured alcohol.
- (2) “Denatured alcohol” means an alcoholic product which has been mixed with a substance, and in a manner, specified by or under regulations made by the Commissioners (and references, however expressed, to “denaturing” alcoholic products are to be construed accordingly).
- (3) Provision made under [subsection \(2\)](#) may include provision specifying a substance, or a manner of mixing, by reference to particular circumstances or other factors, or to the approval or opinion of specified persons.
- (4) Where—
  - (a) alcohol duty is chargeable on alcoholic products, and
  - (b) the Commissioners are satisfied that the alcoholic products are to be converted into denatured alcohol before the duty is required to be paid,the duty is to be remitted.

#### Commencement Information

- 11** S. 90 in force at Royal Assent for specified purposes, see [s. 120\(1\)\(b\)](#)
- 12** S. 90 in force at 1.8.2023 in so far as not already in force by [S.I. 2023/884](#), [reg. 2\(1\)\(e\)](#) (with [reg. 10](#))

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## 91 Licence to manufacture and deal wholesale in denatured alcohol **U.K.**

- (1) A person may not denature any alcoholic products, or deal wholesale in denatured alcohol, unless the person holds an excise licence as a denaturer under [this section](#).
- (2) For the purposes of [this section](#), a person deals wholesale in denatured alcohol if the person sells, at any one time to any one person—
  - (a) a quantity of at least 20 litres of denatured alcohol, or
  - (b) a smaller quantity, specified by or under regulations made by the Commissioners, of denatured alcohol.
- (3) The Commissioners may, at any time, revoke or suspend an excise licence under [this section](#).
- (4) An application for an excise licence as a denaturer must be in the form and manner, and contain the information, specified by the Commissioners in a notice published by them.

### Commencement Information

- I3** S. 91 in force at Royal Assent for specified purposes, see [s. 120\(1\)\(b\)](#)
- I4** S. 91 in force at 1.8.2023 in so far as not already in force by [S.I. 2023/884](#), [reg. 2\(1\)\(e\)](#) (with [reg. 10](#))

## 92 Regulations relating to denatured alcohol **U.K.**

- (1) The Commissioners may, with a view to the protection of the revenue, by regulations make provision—
  - (a) regulating the denaturing of alcoholic products;
  - (b) regulating the supply, storage, removal, sale, delivery, receipt, use, export or shipment as stores of denatured alcohol;
  - (c) permitting alcoholic products to be denatured in a warehouse;
  - (d) permitting dealing wholesale (within the meaning of [section 91](#)) in denatured alcohol of a specified description, in specified circumstances, without an excise licence;
  - (e) regulating the import, receipt, removal, storage and use of alcoholic products for denaturing;
  - (f) regulating the storage and removal of substances to be used in denaturing alcoholic products;
  - (g) about the manner in which account is to be kept of stocks of denatured alcohol in the possession of persons licensed as denaturers under [section 91](#) and of retailers of denatured alcohol.
- (2) Regulations under [this section](#) may, in particular, include provision—
  - (a) for applications and other communications with the Commissioners to be made electronically;
  - (b) requiring persons licensed as denaturers under [section 91](#) and retailers of denatured alcohol to keep, and make available for inspection, specified records relating to denaturing;
  - (c) conferring powers on an officer of Revenue and Customs to inspect, copy or remove for a reasonable period those records;

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(d) for the imposition under the regulations of conditions and restrictions (which may include a requirement to give a guarantee or other security).

(3) In this section, “specified” means specified by or under regulations under this section.

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**Commencement Information**

**I5** S. 92 in force at Royal Assent for specified purposes, see s. 120(1)(b)

**I6** S. 92 in force at 1.8.2023 in so far as not already in force by S.I. 2023/884, reg. 2(1)(e) (with reg. 10)

### 93 Penalties and forfeiture **U.K.**

(1) This section applies if a person—

- (a) fails to comply with section 91(1) (denaturing alcoholic products, or dealing wholesale in denatured alcohol, otherwise than in accordance with an excise licence), or
- (b) contravenes or fails to comply with any provision made by or under regulations under section 92.

(2) Conduct mentioned in subsection (1)(a) or (b) attracts a penalty under section 9 of FA 1994.

(3) Any alcoholic product or denatured alcohol, article (including packaging or equipment) or substance in the person’s possession, used (or which may be used) for or in connection with an action to which the contravention or failure relates is liable to forfeiture.

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**Commencement Information**

**I7** S. 93 not in force at Royal Assent, see s. 120(2)

**I8** S. 93 in force at 1.8.2023 by S.I. 2023/884, reg. 2(1)(e) (with reg. 10)

### 94 Defaults in respect of denatured alcohol: possession of excess alcoholic products **U.K.**

(1) This section applies if, in relation to a person who holds an excise licence under section 91 (the “denaturer”), at a time when an account is taken of the quantity of denatured alcohol in the denaturer’s possession—

- (a) there is a difference between the actual amount and the proper amount, and
- (b) either—
  - (i) where the actual amount exceeds the proper amount, the amount of the excess is more than 1% of the permitted amount, or
  - (ii) where the proper amount exceeds the actual amount, the amount of the excess is more than 2% of the permitted amount.

(2) For the purposes of subsection (1)—

- (a) the “actual amount” is the quantity of alcoholic products of any description in the denatured alcohol in the denaturer’s possession;
- (b) the “proper amount” is the quantity of alcoholic products of the same description which, according to any accounts that are required to be kept by or

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under any regulations under [section 92](#), ought to be in the denatured alcohol in the denaturer’s possession.

- (3) Where there is a difference between the actual amount and the proper amount, in relation to alcoholic products of a particular description, the “permitted amount” is the aggregate of—
  - (a) the quantity of alcoholic products of that description when an account was last taken, and
  - (b) the quantity of alcoholic products of that description that have since been lawfully added to the denaturer’s stock.
- (4) In a case within [subsection \(1\)\(b\)\(i\)](#), the relevant amount of any alcoholic products of the description to which the difference relates in the denaturer’s possession is liable to forfeiture.
- (5) The “relevant amount” for the purposes of [subsection \(4\)](#) is the amount corresponding to the amount of the excess mentioned in [subsection \(1\)\(b\)\(i\)](#), or such smaller amount as the Commissioners consider appropriate.
- (6) In a case within [subsection \(1\)\(b\)\(ii\)](#), the denaturer must, on demand by the Commissioners, pay alcohol duty—
  - (a) on the amount of alcoholic products (of the same description) equal to the amount of the difference, or
  - (b) if the Commissioners specify a smaller amount of alcoholic products (of the same description) in the demand, on that amount.
- (7) A demand made for the purposes of [this section](#) is to be combined, as if there had been a default of a kind mentioned in section 12 of FA 1994 (assessments to excise duty) with an assessment and notification under that section of the amount of duty due in consequence of the demand.

**Commencement Information**

**I9** S. 94 not in force at Royal Assent, see [s. 120\(2\)](#)

**I10** S. 94 in force at 1.8.2023 by [S.I. 2023/884](#), [reg. 2\(1\)\(e\)](#) (with [reg. 10](#))

**95 Defaults in respect of denatured alcohol: supply and use of denatured alcohol U.K.**

- (1) [This section](#) applies if a person, in contravention of regulations under [section 92](#), uses or supplies denatured alcohol containing alcoholic products of any description.
- (2) The person must, on demand by the Commissioners, pay alcohol duty—
  - (a) on the amount of alcoholic products contained, at the time of supply or use, in the denatured alcohol, or
  - (b) if the Commissioners specify a smaller amount of alcoholic products (of the same description) in the demand, on that amount.
- (3) For the purposes of [this section](#), a supply of denatured alcohol to a person who—
  - (a) by reason of regulations under [section 92](#) is prohibited from receiving it unless authorised to do so by or under the regulations, but
  - (b) is not so authorised,
 is treated as being a supply in contravention of those regulations.

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- (4) A demand made for the purposes of [this section](#) is to be combined, as if there had been a default of a kind mentioned in section 12 of FA 1994 (assessments to excise duty) with an assessment and notification under that section of the amount of duty due in consequence of the demand.

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**Commencement Information**

- I11** S. 95 not in force at Royal Assent, see [s. 120\(2\)](#)  
**I12** S. 95 in force at 1.8.2023 by [S.I. 2023/884](#), [reg. 2\(1\)\(e\)](#) (with [reg. 10](#))

**96 Inspection of premises etc** **U.K.**

- (1) An officer of Revenue and Customs may, at any reasonable time—
- (a) enter and inspect the premises of a person authorised by regulations under [section 92](#) to receive denatured alcohol,
  - (b) inspect and examine any denatured alcohol on the premises, and
  - (c) take samples of any denatured alcohol or of any goods containing denatured alcohol (paying a reasonable price for each sample).
- (2) [Subsection \(1\)](#) does not affect any other power conferred by the customs and excise Acts.

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**Commencement Information**

- I13** S. 96 not in force at Royal Assent, see [s. 120\(2\)](#)  
**I14** S. 96 in force at 1.8.2023 by [S.I. 2023/884](#), [reg. 2\(1\)\(e\)](#) (with [reg. 10](#))

**97 Prohibition of use of denatured alcohol etc as beverage or medicine** **U.K.**

- (1) It is an offence for a person—
- (a) to prepare, or attempt to prepare, denatured alcohol for use as a beverage or as a mixture with a beverage;
  - (b) to sell denatured alcohol (whether or not prepared as described in [paragraph \(a\)](#)) as a beverage or mixed with a beverage;
  - (c) to use any denatured alcohol or a derivative of it in the preparation of any article capable of being used as a beverage;
  - (d) to sell or possess any article capable of being used as described in [paragraph \(c\)](#), in the preparation of which denatured alcohol or any derivative of it has been used;
  - (e) except as permitted by the Commissioners and in accordance with any conditions imposed by them—
    - (i) to purify, or attempt to purify, denatured alcohol, or
    - (ii) after denatured alcohol has once been used, to attempt to recover the spirit or alcohol contained in it by distillation, condensation or in any other manner.
- (2) [Subsection \(1\)](#) is subject to [subsections \(5\)](#) and [\(6\)](#).

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- (3) A person who commits an offence under [this section](#) is liable on summary conviction to a penalty not exceeding level 3 on the standard scale.
- (4) Any denatured alcohol, or any article (including packaging or equipment), in respect of which an offence under [this section](#) is committed is liable to forfeiture.
- (5) No offence is committed under [this section](#) where a person uses denatured alcohol or any derivative of it—
- (a) in the preparation for use as a medical article (as defined in [section 76](#)),
  - (b) in the making of anything sold or supplied in accordance with regulations made by the Commissioners under [section 92](#), or
  - (c) in art or manufacture.
- (6) No offence is committed under [this section](#) where a person sells or possesses anything that—
- (a) is permitted to be prepared or made, by reference to [paragraph \(a\)](#) or [\(b\)](#) of [subsection \(5\)](#), for a use described in that paragraph, and
  - (b) is sold or possessed for that use.
- (7) In [this section](#), references to denatured alcohol include references to—
- (a) methanol, and
  - (b) any mixture containing denatured alcohol or methanol.

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**Commencement Information**

**I15** S. 97 not in force at Royal Assent, see [s. 120\(2\)](#)

**I16** S. 97 in force at 1.8.2023 by [S.I. 2023/884](#), [reg. 2\(1\)\(e\)](#) (with [reg. 10](#))

**Changes to legislation:**

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