



Finance Act 1970

1970 CHAPTER 24

PART I

CUSTOMS AND EXCISE

4 Tobacco substitutes

- (1) Notwithstanding anything in Part V of the Customs and Excise Act 1952 (which relates to tobacco and, in particular, imposes prohibitions on the manufacture, use, sale and possession of substances resembling tobacco), the Commissioners may make regulations authorising the manufacture of tobacco substitutes and their use in the production of cigarettes, pipe tobacco, cigars and other products intended for smoking or, though not so intended, customarily made from tobacco (all of which products are in the following provisions of this section referred to as "products for smoking").
- (2) Subject to the provisions of regulations under this section—
 - (a) the duties of excise on tobacco shall be charged on tobacco substitutes manufactured in the United Kingdom as if the substitutes were unmanufactured tobacco;
 - (b) the duties of customs on tobacco shall be charged on the importation of tobacco substitutes as if the substitutes were tobacco; and
 - (c) for the purpose of any enactment relating to drawback on tobacco, tobacco substitutes shall be deemed to be tobacco.
- (3) Regulations under this section may provide that, subject to such exceptions as may be specified in the regulations, no person shall manufacture tobacco substitutes unless he holds a licence for the purpose expiring on such day in each year as may be so specified; and there shall be charged on any such licence a duty of excise of £10.
- (4) Without prejudice to the generality of subsection (1) above, regulations under this section may—
 - (a) apply in relation to tobacco substitutes, subject to such modifications as may be specified in the regulations but otherwise as they apply in relation to

Status: This is the original version (as it was originally enacted).

- tobacco, any provisions contained in Part V of the Customs and Excise Act 1952 ;
- (b) regulate the manufacture of tobacco substitutes and prohibit the importation of tobacco substitutes (whether or not forming part of products for smoking) containing any ingredient the use of which in the manufacture of tobacco substitutes is prohibited by the regulations ;
 - (c) contain provisions for the protection of the revenue, including provisions corresponding to those which, by virtue of section 177 or section 179 of the said Act of 1952, may be contained in regulations under those sections relating to the manufacture and growing of tobacco;
 - (d) require the deposit of tobacco substitutes in a warehouse in such cases as may be specified in the regulations ;
 - (e) in order to secure a comparable treatment of tobacco and tobacco substitutes for the purposes of duties of customs and excise, provide in such cases as may be so specified for reductions in the amount of duty which would otherwise be payable on tobacco substitutes by virtue of subsection (2) above ; and
 - (f) contain provisions for the exemption, remission or repayment of duty in respect of tobacco substitutes in such cases as may be so specified.
- (5) The Commissioners may by regulations provide that—
- (a) in order to secure that tobacco does not bear a double duty of customs or excise by virtue of any provision made by or under this section, the amount of duty which would otherwise be payable in respect of tobacco shall be reduced in accordance with, and in such cases as may be specified in, the regulations; and
 - (b) where any tobacco refuse or tobacco stalks is or are delivered to a manufacturer of tobacco substitutes, the amount of any drawback payable shall be reduced in accordance with, and in such cases as may be specified in, the regulations.
- (6) Any person contravening or failing to comply with any provision of regulations under this section shall be liable to a penalty of £200, and any article in respect of which, or found on premises in respect of which, the offence was committed shall be liable to forfeiture.
- (7) Subject to subsection (8) below, in this section " tobacco substitutes " means substances (including substances containing or manufactured from tobacco) of a kind which are, or in the opinion of the Commissioners may be, used in substitution wholly or partly for tobacco in the manufacture of products for smoking.
- (8) Notwithstanding anything in subsection (7) above, the following substances are not " tobacco substitutes" for the purposes of this section, namely—
- (a) substances which by virtue of paragraphs (a) to (e) of section 176(1) of the Customs and Excise Act 1952 may be used in manufacturing tobacco ;
 - (b) any substance which, by virtue of the said section 176(1), is permitted by the Commissioners to be used in manufacturing tobacco and which is used in accordance with such conditions and restrictions applicable to that use as may have been imposed under that section; and
 - (c) substances which in the opinion of the Commissioners are intended solely for use in the manufacture of products commonly known as herbal smoking mixtures or herbal cigarettes.