



# Alcoholic Liquor Duties Act 1979

## 1979 CHAPTER 4

### PART II

#### SPIRITS

##### *Rectifying and compounding of spirits*

#### 18 Rectifier's and compounder's licences.

- (1) No person shall rectify or compound spirits and keep a still for that purpose unless he holds an excise licence under this section as a rectifier.
- (2) Except as permitted by the Commissioners and subject to such conditions as they see fit to impose, no other person shall compound spirits unless he holds an excise licence under this section as a compounder.
- (3) ..... F1
- (4) ..... F2
- (5) The Commissioners may refuse to grant any person a licence as a rectifier in respect of any premises on which, from their situation with respect to a distillery, they think it inexpedient to allow the keeping of a still for rectifying or compounding spirits.
- (6) Without prejudice to section 25 below and except as provided by this section, if any person rectifies or compounds spirits otherwise than under and in accordance with an excise licence under this Act so authorising him, [<sup>F3</sup>his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).]

#### Textual Amendments

- F1** S. 18(3) repealed by [Finance Act 1986 \(c. 41, SIF 40:1\)](#), ss. 8(2)(a), 114, Sch. 23 Pt. IV
- F2** S. 18(4) repealed by [Finance Act 1986 \(c. 41, SIF 40:1\)](#) s. 114, Sch. 23 Pt. IV

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*Changes to legislation: There are currently no known outstanding effects for the Alcoholic Liquor Duties Act 1979, Cross Heading: Rectifying and compounding of spirits. (See end of Document for details)*

**F3** Words in s. 18(6) substituted (1.1.1995) by 1994 c. 9, s. 9, **Sch. 4 Pt. II para. 20** (with s. 19(3)); S.I. 1994/2679, **art. 3**

**19 Regulation of rectifying and compounding.**

- (1) The Commissioners may, with a view to the protection of the revenue, make regulations—
  - (a) regulating the rectifying and compounding of spirits;
  - (b) regulating the receipt, storage, removal and delivery of spirits by rectifiers and compounders;

and different regulations may be made under this section for rectifiers and compounders.

[<sup>F4</sup>(1A) Without prejudice to the generality of subsection (1) above, regulations under that subsection may—

- (a) provide for the imposition under the regulations of conditions and restrictions relating to the matters mentioned in that subsection; and
- (b) impose or provide for the imposition under the regulations of requirements on rectifiers and compounders of spirits to keep and preserve records relating to their business as such and to produce them to an officer when required to do so for the purpose of allowing him to inspect them, to copy or take extracts from them or to remove them at a reasonable time and for a reasonable period.

(1B) Where any documents removed under the powers conferred by subsection (1A)(b) above are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.]

- (2) If any person contravenes or fails to comply with any regulation made under this section [<sup>F5</sup>or with any condition, restriction or requirement imposed under any such regulation], [<sup>F6</sup>his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any spirits and any other article in respect of which any person contravenes any such regulation, or fails to comply with any such regulation, condition, requirement or restriction, shall be liable to forfeiture.]

<sup>F7</sup>(3) .....

**Textual Amendments**

**F4** S. 19(1A)(1B) inserted by Finance Act 1981 (c. 35, SIF 40:1), s. 11(1), **Sch. 8 Pt. II para. 15(a)**

**F5** Words inserted by Finance Act 1981 (c. 35, SIF 40:1), s. 11(1), **Sch. 8 Pt. II para. 15(b)**

**F6** Words in s. 19(2) substituted (1.1.1995) by 1994 c. 9, s. 9, **Sch. 4 Pt. II para. 21(1)** (with s. 19(3)); S.I. 1994/2679, **art. 3**

**F7** S. 19(3) repealed (1.1.1995) by 1994 c. 9, ss. 9, 19, 258, Sch. 4 Pt. II para. 21(2), **Sch. 26 Pt. III** Note (with s. 19(3)); S.I. 1994/2679, **art. 3**

**20 Penalty for excess or deficiency in rectifier’s stock.**

[<sup>F8</sup>(1) If at any time when an account is taken by an officer and a balance struck of the spirits in the stock of a rectifier any excess of alcohol is found, such a quantity of spirits as contains an amount of alcohol equal to the excess shall be liable to forfeiture and

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[<sup>F9</sup>there shall be deemed to have been conduct by the rectifier attracting a penalty under section 9 of the Finance Act 1994 (civil penalties).]

(2) If at any time when an account is taken and a balance struck as aforesaid any deficiency of alcohol is found which cannot be accounted for to the satisfaction of the Commissioners and which exceeds 5 per cent. of the aggregate of—

- (a) the quantity of alcohol in the balance of spirits struck when an account was last taken; and
- (b) the quantity of alcohol contained in any spirits since lawfully received by the rectifier,

[<sup>F9</sup>there shall be deemed to have been conduct by the rectifier attracting a penalty under section 9 of the Finance Act 1994 (civil penalties).]

(3) For the purposes of any such account and of this section—

- (a) spirits used by a rectifier in warehouse in pursuance of warehousing regulations shall be deemed not to be spirits in his stock as a rectifier; and
- (b) where a rectifier also carries on the trade of a wholesaler of spirits on the same premises, all spirits in his possession (other than spirits so used) shall be deemed to be spirits in his stock as a rectifier.

#### Textual Amendments

**F8** S. 20(1)(2) substituted by S.I. 1979/241, art. 13

**F9** Words in s. 20(1)(2) substituted (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 Pt. II para. 22 (with s. 19(3)); S.I. 1994/2679, art. 3

## 21 Restrictions relating to rectifiers.

(1) A rectifier shall not distil or extract feints or spirits from any other material than spirits on which duty has been duly paid.

(2) A rectifier shall not have in his possession—

- (a) except for duty-paid spirits, any materials capable of being distilled into feints or spirits;
- (b) .....

<sup>F10</sup>

(3) If a rectifier contravenes subsection (1) or (2) above, or if his still is found to contain any materials capable of being distilled as aforesaid other than duty-paid spirits, whether or not mixed with spirits on which duty has been duly paid, [<sup>F11</sup>the contravention of that subsection shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) or, as the case may be, there shall be deemed to have been conduct by the rectifier attracting such a penalty.]

[<sup>F12</sup>(4) Where—

- (a) a rectifier becomes liable and is assessed to a penalty by virtue of subsection (3) above, and
- (b) the assessment is not more than three years after the making of a previous assessment to a previous penalty to which he became liable by virtue of that subsection,

then his licence shall become void and he shall be disqualified from holding a licence as a rectifier for a period of three years from the date on which the assessment to the penalty mentioned in paragraph (a) above is made.]

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- (5) Spirits used in warehouse in pursuance of warehousing regulations shall be treated for the purposes of this section as duty-paid spirits.

#### Textual Amendments

- F10** S. 21(2)(b) repealed by Finance Act 1981 (c. 35, SIF 40:1), s. 139(6), Sch. 19 Pt. III
- F11** Words in s. 21(3) substituted (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 Pt. II para. 23(1) (with s. 19(3)); S.I. 1994/2679, art. 3
- F12** S. 21(4) substituted (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 Pt. II para. 23(2) (with s. 19(3)); S.I. 1994/2679, art. 3

#### Modifications etc. (not altering text)

- C1** S. 21 modified by S.I. 1983/947, regs. 12, 13
- C2** Ss. 16, 21, 22(1)(3A)(5), 42, 43 modified (1.1.1993) by S.I. 1992/3152, Pt. VI, regs. 11(c), 12

## 22 Drawback on British compounds and spirits of wine.

- (1) Subject to the provisions of this section and to such conditions and restrictions as the Commissioners may by regulations impose, a rectifier or compounder may warehouse in an excise warehouse on drawback any British compounded spirits or spirits of wine rectified or compounded by him from duty-paid spirits and not containing any methyl alcohol or any wine, made-wine or other fermented liquor.
- (2) British compounded spirits may be warehoused under this section for exportation [<sup>F13</sup>or removal to the Isle of Man], for use in any permitted operation in warehouse, for use as stores or, except in the case of tinctures other than perfumed spirits, for home use.
- (3) Spirits of wine may be warehoused under this section—
- For exportation, for use in any permitted operation in warehouse, or for use as stores; or
  - if of a strength of not less than [<sup>F14</sup>85 per cent.], for delivery for use in art or manufacture under section 10 above; or
  - if of a strength of not less than [<sup>F15</sup>99 per cent.], for home use.
- [<sup>F16</sup>(3A) The Commissioners may, subject to such conditions and restrictions as they may by regulations impose, allow drawback to any person on any British compounded spirits or spirits of wine rectified or compounded by him from duty-paid spirits and not containing any methyl alcohol or any wine, made-wine or other fermented liquor if they are exported direct from his premises.]
- (4) The Commissioners may, subject to such conditions and restrictions as they may by regulations impose, allow drawback on tinctures or spirits of wine exported or, except in the case of spirits of wine, shipped as stores by a rectifier or compounder direct from his premises.
- [<sup>F17</sup>(5) Subject to subsection 6 below, the amount of any drawback payable under this section shall be calculated by reference to the quantity of alcohol contained in the British compounded spirits or spirits of wine and shall be an amount equal to the duty at the appropriate rate chargeable on spirits containing an equal quantity of alcohol and so chargeable at the date when duty was paid on the spirits from which the British compounded spirits or spirits of wine were rectified or compounded.]

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- <sup>F18</sup>(6) .....
- (7) ..... <sup>F19</sup>
- (8) British compounded spirits warehoused under this section for home use shall upon delivery from warehouse for that purpose be chargeable with the same rate of duty as spirits warehoused by a distiller.
- (9) If any person contravenes or fails to comply with any regulation made under this section [<sup>F20</sup>his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any article in respect of which any person contravenes or fails to comply with any such regulation shall be liable to forfeiture.]
- (10) In this section “tinctures” means medicinal spirits, flavouring essences, perfumed spirits and such other articles containing spirits as the Commissioners may by regulations specify as tinctures.

#### Textual Amendments

- F13** Words inserted by [Isle of Man Act 1979 \(c. 58\)](#), [Sch. 1 para. 29](#)
- F14** Words substituted by [S.I. 1979/241](#), [art. 15\(a\)](#)
- F15** Words substituted by [S.I. 1979/241](#), [art. 15\(b\)](#)
- F16** [S. 22\(3A\)](#) inserted by [Finance Act 1981 \(c. 35, SIF 40:1\)](#), s. 11(1), [Sch. 8 Pt. II para. 16](#)
- F17** [S. 22\(5\)](#) substituted by [S.I. 1979/241](#), [art. 15\(c\)](#)
- F18** [S. 22\(6\)](#) repealed (29.4.1996) by 1996 c. 8, ss. 24(b), 205, [Sch. 41 Pt. III](#)
- F19** [S. 22\(7\)](#) repealed by [Finance Act 1988 \(c. 39, SIF 40:1\)](#), ss. 6(2), 148, [Sch. 14 Pt. I](#)
- F20** Words in [s. 22\(9\)](#) substituted (1.1.1995) by 1994 c. 9, s. 9, [Sch. 4 Pt. II para. 24](#) (with s. 19(3)); [S.I. 1994/2679](#), [art. 3](#)

#### Modifications etc. (not altering text)

- C3** [S. 22\(1\)](#) modified by [S.I. 1983/947](#), [regs. 12, 13](#)
- C4** [Ss. 16, 21, 22\(1\)\(3A\)\(5\), 42, 43](#) modified (1.1.1993) by [S.I. 1992/3152](#), [Pt. VI](#), [regs. 11\(c\), 12](#)
- C5** [S. 22\(3A\)](#) modified by [S.I. 1983/947](#), [regs. 12, 13](#)
- C6** [S. 22\(4\)](#) excluded (20.10.1995) by [S.I. 1995/2518](#), [reg. 118\(a\)\(v\)](#)
- C7** [S. 22\(5\)](#) modified by [S.I. 1983/947](#), [regs. 12, 13](#)

### <sup>F21</sup>23 Allowance on British compounds.

#### Textual Amendments

- F21** [S. 23](#) repealed (29.4.1996) by 1996 c. 8, s. 24(c), 205, [Sch. 41 Pt. III](#)

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**Changes to legislation:**

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