



# Finance (No. 2) Act 2023

## 2023 CHAPTER 30

### PART 2

#### ALCOHOL DUTY

#### CHAPTER 4

##### OTHER RELIEFS AND EXEMPTIONS

##### *General*

#### **72 Exemption: production for personal consumption**

Alcohol duty is not charged on alcoholic products which—

- (a) are produced, in the United Kingdom, by a person who produces alcoholic products only for the person's own domestic use, and
- (b) are not spirits.

#### **73 Research and experiments**

(1) [This section](#) applies where—

- (a) alcohol duty is chargeable on alcoholic products produced in the United Kingdom, and
- (b) the Commissioners are satisfied that the alcoholic products are to be used only for the purposes of research into, or experiments in, the production of alcoholic products.

(2) The Commissioners may remit or repay the alcohol duty.

#### **74 Spoilt alcoholic products**

(1) [This section](#) applies where—

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- (a) alcohol duty is chargeable on alcoholic products, and
  - (b) the Commissioners are satisfied that the alcoholic products have become spoilt or unfit for use.
- (2) The Commissioners may remit or repay the alcohol duty.

## 75 Alcoholic ingredients

- (1) [Subsection \(2\)](#) applies where a person proves to the satisfaction of the Commissioners that—
- (a) alcohol duty is chargeable, and has been paid, on alcoholic products, and
  - (b) the alcoholic products have been used as an ingredient in the production or manufacture of—
    - (i) a qualifying food product, or
    - (ii) a beverage of an alcoholic strength of 1.2% or less.
- (2) The person is entitled to repayment of the alcohol duty, on making a claim in accordance with [this section](#) (subject to [subsection \(7\)](#)).
- (3) In [this section](#) “qualifying food product” means—
- (a) vinegar,
  - (b) chocolates containing alcohol, where 100 kilograms of the chocolates would not contain more than 8.5 litres of alcohol, or
  - (c) any other food (for human consumption) which contains alcohol, where 100 kilograms of the food would not contain more than 5 litres of alcohol.
- (4) Alcoholic products that are converted into vinegar are treated, for the purposes of [this section](#), as being used as an ingredient in the production or manufacture of vinegar.
- (5) Neither of the following is a qualifying food product for the purposes of this section—
- (a) a beverage, including a beverage produced or intended for consumption in frozen form;
  - (b) a product that is intended for consumption as a substitute for a beverage.
- (6) A claim for repayment under [this section](#)—
- (a) must be in the form and manner, and contain the information, required by the Commissioners (either generally or in a particular case), and
  - (b) except so far as the Commissioners otherwise allow, relate to duty paid on alcoholic products used as an ingredient during a period of 3 months ending not more than 3 years before the claim is made.
- (7) No repayment of duty may be made unless the Commissioners are satisfied that the repayment claimed does not relate to any duty which has been repaid or drawn back prior to the making of the claim.
- (8) The Commissioners may remit any alcohol duty chargeable—
- (a) on alcoholic products imported into the United Kingdom at a time when they are contained as an ingredient in a qualifying food product within [subsection \(3\)\(b\)](#) or [\(c\)](#), or
  - (b) on alcoholic products used as an ingredient in the manufacture or production in an excise warehouse of a qualifying food product within [subsection \(3\)\(b\)](#) or [\(c\)](#).

## *Spirits*

### **76 Imported medical articles**

- (1) Alcohol duty is not charged on spirits contained in medical articles imported into the United Kingdom.
- (2) “Medical article” means an article recognised by the Commissioners as being an article used for medical purposes.

### **77 Flavourings**

- (1) Alcohol duty is not charged on spirits contained in food and drink flavourings.
- (2) In [this section](#)—
  - “food and drink flavourings” means any qualifying flavourings which are for use in—
    - (a) the preparation of food for human consumption, or
    - (b) the preparation of any beverage of an alcoholic strength not exceeding 1.2%;
  - “qualifying flavourings” means any products falling within commodity code 3302 of the customs tariff established by regulations made under section 8 of TCTA 2018.

### **78 Authorised use for certain purposes**

- (1) [This section](#) applies where a person proposes to use spirits, on which alcohol duty is chargeable, either—
  - (a) in the manufacture or preparation of medical articles, or
  - (b) for scientific purposes.
- (2) [This section](#) also applies where—
  - (a) a person proposes to use spirits, on which alcohol duty is chargeable, for the purposes of art or manufacture (other than the manufacture of medical articles), and
  - (b) the Commissioners are satisfied that denatured alcohol would not be suitable for that use.
- (3) The Commissioners may authorise the person to receive the spirits, and permit the delivery of the spirits from relevant premises to that person, without payment of the alcohol duty.
- (4) In [subsection \(3\)](#), “relevant premises” means—
  - (a) an excise warehouse, or
  - (b) premises in respect of which a person is approved (including premises on which a person is authorised to hold alcoholic products without payment of duty) under [section 82](#).
- (5) An authorisation under [this section](#) may be given subject to the conditions (if any)—
  - (a) specified by the Commissioners in a notice published by them;
  - (b) imposed by them in a particular case.

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- (6) If a person fails to comply with a condition in respect of an authorisation, the failure attracts a penalty under section 9 of FA 1994.
- (7) **Subsection (8)** applies if—
  - (a) the spirits are delivered to the person mentioned in **subsection (3)**, and
  - (b) the spirits are used otherwise than for the purpose in respect of which the authorisation was given.
- (8) The Commissioners—
  - (a) may assess as being alcohol duty due from the person an amount equal to the alcohol duty that would have been charged on the spirits if, at the time of delivery, no authorisation under **this section** had been given, and
  - (b) must notify that person or the person’s representative of the assessment.
- (9) In **this section** “medical article” has the same meaning as in **section 76**.

## **79 Imported goods not for human consumption**

- (1) The Commissioners may remit any alcohol duty chargeable on spirits imported into the United Kingdom at a time when the spirits are contained in goods that are not for human consumption.
- (2) If it turns out that the goods containing spirits are for human consumption, the Commissioners—
  - (a) may assess as being alcohol duty due from the relevant person an amount equal to the alcohol duty that would (apart from **subsection (1)**) have been charged on the goods, and
  - (b) must notify the relevant person or that person’s representative of the assessment.
- (3) For the purposes of **subsection (2)**, references to “the relevant person” are references to the importer.

## **80 Restrictions on use of certain articles**

- (1) If a person makes unauthorised use of an article to which **this section** applies—
  - (a) that conduct attracts a penalty under section 9 of FA 1994, and
  - (b) the article is liable to forfeiture.
- (2) **This section** applies to—
  - (a) an article containing spirits which are exempt under **section 76** from the charge to alcohol duty;
  - (b) an article in respect of which spirits were used in the manufacture or preparation, where remission of alcohol duty on the spirits was obtained under **section 78**.
- (3) A person makes “unauthorised use” of an article for the purposes of **this section** if—
  - (a) the person uses the article other than for medical or scientific purposes, and
  - (b) the person has not complied with the requirements under **subsection (4)**.
- (4) The requirements are that—

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- (a) the person must obtain the written consent of the Commissioners to the use of the article other than for medical or scientific purposes, and
  - (b) the person must pay to the Commissioners an amount equal to the duty shortfall.
- (5) In [this section](#), the “duty shortfall” means—
- (a) the difference between the duty charged on the spirits contained in, or used in the manufacture or preparation of, the article, and
  - (b) the duty which would have been chargeable had the article not been exempt under [section 76](#) or the duty had not been remitted under [section 78](#).
- (6) The Commissioners may make regulations for the purpose of enforcing [this section](#).
- (7) Regulations under [subsection \(6\)](#) may, in particular, require a person carrying on any trade in which spirits or articles containing, manufactured or prepared with spirits are, in the opinion of the Commissioners, likely to be or have been used—
- (a) to give and verify particulars of the materials which the person is using or has used, or the articles the person has sold;
  - (b) to produce any documents (of whatever nature) relating to such materials or articles.
- (8) If a person contravenes or fails to comply with any regulation made under [subsection \(6\)](#), the contravention or failure attracts a penalty under section 9 of FA 1994.
- (9) In [this section](#), a reference to an article includes a reference to any part of that article.

### *Remission and repayment*

## **81 Further provision about remission and repayment**

- (1) The remission or repayment of alcohol duty under any provision of [this Chapter](#) is subject to the conditions (if any)—
- (a) specified by the Commissioners in a notice published by them;
  - (b) specified by or under regulations made by them;
  - (c) imposed by them in a particular case.
- (2) If a person fails to comply with a condition in respect of the remission or repayment, the failure attracts a penalty under section 9 of FA 1994.