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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order appoints 1st October 1998 as the day on which Schedule 2 to the Finance Act 1998 comes into force for the purposes described by the various paragraphs of Schedule 2, except paragraph 6, amending section 2 of the Finance (No. 2) Act 1992, and except paragraphs 8(3), 9(4) and 10(c) effecting related amendments concerning section 2.

The main purpose of Schedule 2 is to extend the power of the Commissioners of Customs and Excise to assess for amounts relating to excise duty, in the circumstances generally described at cases (i) to (vi) below, which have been brought into force by this Order. The person assessed has a right to seek a review by the Commissioners of the assessment and, following the decision by the Commissioners on such a review, a right to lodge an appeal against that decision with the VAT and duties tribunal.

The cases are as follows:

- (i) paragraph 1 of Schedule 2 amends section 8 of the Alcoholic Liquor Duties Act 1979 (c. 4) (remission of duty in respect of spirits used for medical or scientific purposes), and enables the Commissioners to assess for an amount equivalent to the excise duty where, subject to certain exceptions, the spirits on which the excise duty was remitted were not used for those medical or scientific purposes;
- (ii) paragraph 2 of Schedule 2 amends section 10 of the Alcoholic Liquor Duties Act 1979 (c. 4) (remission of duty on spirits for use in art or manufacture), and enables the Commissioners to assess for an amount equivalent to the excise duty where, subject to certain exceptions, the spirits on which the duty was remitted were not used in art or manufacture;
- (iii) paragraph 3 of Schedule 2 amends section 11 of the Alcoholic Liquor Duties Act 1979 (c. 4) (relief from duty on imported goods not for human consumption containing spirits), and enables the Commissioners to assess for an amount equivalent to the excise duty in respect of which those imported goods were relieved, where it turns out that the imported article was for human consumption;
- (iv) paragraph 4 amends section 13AB of the Hydrocarbon Oil Duties Act 1979 (c. 5) (misuse of kerosene) and enables the Commissioners, in various situations, to assess for amounts of excise duty as being due where there has been misuse of the kerosene as governed by section 13AB;
- (v) paragraph 5 amends section 8 of the Tobacco Products Duties Act 1979 (c. 7) (charge in cases of default), and enables the Commissioners to assess for an amount of excise duty due from the following person where—as governed by section 8, as amended—the manufacturer of tobacco products is unable to account for any products or materials in his possession;
- (vi) paragraph 7 amends section 12 of the Finance Act 1994 (c. 9) (assessment to excise duty), and enables the Commissioners to assess a person for an amount in respect of excise duty from whom it has become due, where that amount can be ascertained by the Commissioners.

The remaining paragraphs of Schedule 2 provide in the main for consequential amendments related to the above six cases of assessment.