
STATUTORY INSTRUMENTS

2023 No. 884

**The Finance (No. 2) Act 2023, Part 2 (Alcohol Duty)
(Appointed Day, Savings, Consequential Amendments
and Transitional Provisions) Regulations 2023**

Citation and interpretation

1.—(1) These Regulations may be cited as the Finance (No. 2) Act 2023, Part 2 (Alcohol Duty) (Appointed Day, Savings, Consequential Amendments and Transitional Provisions) Regulations 2023.

(2) In these Regulations—

“the Act” means the Finance (No. 2) Act 2023;

“ALDA” means the Alcoholic Liquor Duties Act 1979(1);

“AP(ED)R 2023” means the Alcoholic Products (Excise Duty) Regulations 2023(2);

“CEMA” means the Customs and Excise Management Act 1979(3).

Appointed day

2.—(1) The day appointed for the coming into force of the following provisions of Part 2 of the Act, so far as not already in force, is 1st August 2023—

- (a) Chapters 1 to 3 (charge to alcohol duty, draught relief and small producer relief) and Schedules 6 to 9 (categories of alcoholic products: interpretation, rates of alcohol duty, qualifying draught products: reduced rates and small producer alcoholic products: duty discount);
- (b) Chapter 4 (other reliefs and exemptions) excepting section 74 (spoilt alcoholic products);
- (c) sections 86 to 88 (mixing alcoholic products, post-duty point dilution of alcoholic products, and alcoholic products regulations);
- (d) section 89 (penalties and forfeiture) for the purposes of the provisions referred to in subsection (1)(b) to (d) of that section;
- (e) Chapters 6 and 7 (denatured alcohol and wholesaling of controlled alcoholic products) and Schedule 10 (penalties for contraventions of alcohol wholesaling provisions);
- (f) section 108 (reviews and appeals) and Schedule 11 (alcohol duty: reviews and appeals);
- (g) section 109 (forfeiture: supplementary provision);
- (h) section 112 (duty stamps) and Schedule 12 (alcohol duty: duty stamps);
- (i) section 113 (repeals);
- (j) section 114 (minor and consequential amendments) and Part 1 of Schedule 13 (alcohol duty: minor and consequential amendments);

(1) 1979 c. 4.

(2) S.I. 2023/806.

(3) 1979 c. 2.

- (k) sections 115 (temporary provision: wine) and 116 (temporary provision: cider).

Savings provisions

3.—(1) The following provisions of ALDA continue to have effect, notwithstanding section 113 (repeals) of the Act, subject to the modifications described in regulation 4—

- (a) section 4(1) to (3) (interpretation)(4);
- (b) section 12 (licence to manufacture spirits)(5);
- (c) section 13 (power to make regulations relating to manufacture of spirits)(6);
- (d) section 15 (distiller’s warehouse)(7);
- (e) section 25 (penalty for unlawful manufacture of spirits, etc.)(8);
- (f) section 41A (suspension of duty: registration of persons and premises)(9);
- (g) section 46 (remission or repayment of duty on spoilt beer)(10);
- (h) section 47 (registration of producers of beer)(11);
- (i) section 49 (beer regulations)(12);
- (j) section 49A (drawback allowable to registered brewer)(13);
- (k) section 54(2) and (5) (wine: charge of excise duty)(14);
- (l) section 55(2) and (6) (made-wine: charge of excise duty)(15);

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- (4) Section 4(1) to (3) was amended by section 154 of, and paragraph 180 of Schedule 7 to, the Magistrates’ Court Act 1980 (c. 43), sections 11(1) and 139(6) of, and paragraph 11 of Schedule 8 and Part III of Schedule 19 to, the Finance Act 1981 (c. 35), section 114 of, and Part IV of Schedule 23 to, the Finance Act 1986 (c. 41), section 3 of, and paragraph 5(1) of Schedule 1 and Schedule 2 to, the Territorial Sea Act 1987 (c. 49), paragraph 5(3) and (4) of Schedule 2 and paragraph 1 of Schedule 19 to the Finance Act 1991 (c. 31), paragraph 1(a) to (d) of Schedule 2 and paragraph 1 of Schedule 29 to the Finance Act 1995 (c. 4), paragraph 20 of Schedule 4 to the Criminal Procedure (Consequential Provisions) (Scotland) Act 1995 (c. 40), paragraph 1 of Schedule 7 to the Licensing Act 2003 (c. 17), paragraph 3 of Schedule 1 to the Finance Act 2011 (c. 11), paragraph 51(3) of Schedule 39 to the Finance Act 2012 (c. 14), section 54(2)(a) and (b) of the Finance Act 2015 (c. 11), S.I. 1979/241, S.I. 1987/1278 (N.I. 14) and S.S.I. 2009/248.
 - (5) Section 12 was amended by sections 8(2)(a) and (6) and 114 of, and paragraphs 3(3) of Schedule 5 and Part IV of Schedule 23 to, the Finance Act 1986 (c. 41), sections 9 and 132 of, and Part I of Schedule 19 to, the Finance Act 1990 (c. 29), paragraph 1 of Schedule 26 to the Finance Act 2006 (c. 25), and S.I. 1979/241.
 - (6) Section 13 was amended by section 11(1) of, and paragraph 12(a) and (b) of Schedule 8 to, the Finance Act 1981 (c. 35), paragraph 1 of Schedule 3 to the Finance Act 1985 (c. 54) and paragraph 17(1)(a), (1)(b) and (3) of Schedule 4 and paragraph 1 of Schedule 26 to the Finance Act 1994 (c. 9).
 - (7) Section 15 was amended by section 11(1) of, and paragraph 14(a) and (c) of Schedule 8 to, the Finance Act 1981 (c. 35), sections 5 and 114 of, and paragraph 8(b) of Schedule 3 and Part I of Schedule 23 to, the Finance Act 1986 (c. 41), paragraphs 18(2) and (3) of Schedule 4 and Part III of Schedule 26 to the Finance Act 1994 (c. 9) and paragraph 1 of Schedule 26 to the Finance Act 2006 (c. 25).
 - (8) Section 25 was amended by sections 289F and 289G of the Criminal Procedure (Scotland) Act 1975 (c. 21), section 114(1) of the Police and Criminal Evidence Act 1984 (c. 60), sections 38 and 46 of the Criminal Justice Act 1982 (c. 48) and section 114 of, and Part IV of Schedule 23 to, the Finance Act 1986 (c. 41) in Scotland and by S.I. 2015/664 in England and Wales.
 - (9) Section 41A was inserted by section 7(2) of the Finance Act 1991 (c. 31) and amended by Part I of Schedule 18 to the Finance (No. 2) Act 1992 (c. 48) and paragraph 29 of Schedule 4 to the Finance Act 1994 (c. 9).
 - (10) Section 46 was amended by paragraph 13 of Schedule 2 to the Finance Act 1991 (c. 31) and paragraph 31 of Schedule 4 to the Finance Act 1994 (c. 9).
 - (11) Section 47 was amended by section 7(3) of the Finance Act 1991 (c. 31), paragraphs 32(1) and (2) of Schedule 4 to the Finance Act 1994 (c. 9) and paragraph 25(c)(i) of Schedule 41 to the Finance Act 2008 (c. 9).
 - (12) Section 49 was amended by paragraph 14 of Schedule 2 to the Finance Act 1991 (c. 31), paragraph 11(1) of Schedule 1 to the Finance (No. 2) Act 1992 (c. 48), paragraph 33 of Schedule 4 to the Finance Act 1994 (c. 9), paragraph 3 of Schedule 1 to the Finance Act 2002 (c. 23) and paragraphs 11(a) and (b) of Schedule 1 to the Finance Act 2011 (c. 11).
 - (13) Section 49A was inserted by section 4(2) of the Finance Act 1986 (c. 41) and amended by paragraph 15 of Schedule 2 to the Finance Act 1991 (c. 31) and paragraph 12 of Schedule 1 to the Finance Act 2011 (c. 11).
 - (14) Section 54(5) was amended by paragraph 34 of Schedule 4 to the Finance Act 1994 (c. 9) and paragraph 25(c)(ii) of Schedule 41 to the Finance Act 2008 (c. 9).
 - (15) Section 55(6) was amended by paragraph 35 of Schedule 4 to the Finance Act 1994 (c. 9) and paragraph 25(c)(iii) of Schedule 41 to the Finance Act 2008 (c. 9).

- (m) section 56 (power to regulate making of wine and made-wine and provide for charging duty thereon)(**16**);
- (n) section 61 (remission or repayment of duty on spoilt wine or made-wine)(**17**);
- (o) section 62(2) to (7) (excise duty on cider)(**18**);
- (p) section 64 (remission or repayment of duty on spoilt cider)(**19**);
- (q) section 90(1) and (2) (regulations)(**20**);
- (r) section 91 (directions);
- (s) section 93(1) (citation and commencement);
- (t) paragraphs 1 to 3 (interpretation) of Schedule 1(**21**).

(2) Paragraph 3 of Schedule 5 (decisions subject to review and appeal) to the Finance Act 1994(**22**) continues to have effect in relation to the cases specified in paragraph (3) as if the amendments made by section 108 (reviews and appeals) of the Act were not made.

(3) The cases specified for the purpose of paragraph (2) are—

- (a) decisions made before 1st August 2023;
- (b) any decision specified in paragraph 3(1)(ka), (ma) or (mb) of Schedule 5 to the Finance Act 1994;
- (c) any decision specified in paragraph 3(1)(f) and (g), (2A) (2B), (3) and (3A) of that Schedule;
- (d) any decision specified in paragraph 3(2) of that Schedule insofar as it is made under or for the purposes of any regulations under section 13 (power to make regulations relating to manufacture of spirits) of ALDA.

(4) For the purposes of paragraph 3 of Schedule 5 to the Finance Act 1994, as saved by this regulation, references to “made-wine” are to be read as references to “other fermented product”.

Consequential modifications – ALDA

4.—(1) The provisions of ALDA that continue to have effect under regulation 3(1) do so with the following modifications.

(2) Section 4 (interpretation) has effect as if for subsection (1) there were substituted—

“(1) In this Act, unless the context otherwise requires,—

“beer” has the meaning given by paragraph 3 of Schedule 6 to F(No. 2)A 2023;

“cider” has the meaning given by paragraph 5 of Schedule 6 to F(No. 2)A 2023;

“distiller” means a person holding a distiller’s licence under section 12;

(16) Section 56 was amended by section 114 of, and Part IV of Schedule 23 to, the Finance Act 1986 (c. 41) and paragraph 37 of Schedule 4 to the Finance Act 1994 (c. 9). Words were inserted into section 56(1)(c) by section 5(4) of the Finance Act 1997 (c. 16).

(17) Section 61 was amended by paragraph 39 of Schedule 4 to the Finance Act 1994 (c. 9).

(18) Section 62 was relevantly amended by paragraph 40(1) and (2) of Schedule 4 to the Finance Act 1994 (c. 9), section 3(2) of the Finance Act 1997 (c. 16), section 5 of the Finance Act 2001 (c. 9) and paragraph 25(c)(iv) of Schedule 41 to the Finance Act 2008 (c. 9).

(19) Section 64 was amended by paragraph 41 of Schedule 4 to the Finance Act 1994 (c. 9) and section 3(4) of the Finance Act 1997 (c. 16).

(20) Section 90(2) was amended by section 54(5)(b) of the Finance Act 2015 (c. 11).

(21) Paragraphs 1 and 2 of Schedule 1 were amended by, and paragraph 3 was inserted by, section 7(1) of the Finance Act 1993 (c. 34).

(22) 1994 c. 9. Paragraph 3 was amended by paragraph 8 of Schedule 2 and paragraph 1 of Schedule 29 to the Finance Act 1995 (c. 4), paragraph 17(2) of Schedule 3 to the Finance Act 2001 (c. 9), paragraph 1 of Schedule 29 to the Finance Act 2005 (c. 4), paragraph 1 of Schedule 26 to the Finance Act 2006 (c. 25), paragraphs 2(3) and (4), 3, 4, 5 and 6 of Schedule 42 to the Finance Act 2008 (c. 9), section 187(2)(d) of, and paragraph 52(2) of Schedule 39 to, the Finance Act 2012 (c. 14) and section 54(7) of the Finance Act 2015 (c. 11).

- “distiller’s licence” has the meaning given by section 12(1);
- “distiller’s warehouse” means a place of security provided by a distiller and approved by the Commissioners under section 15(1);
- “distillery” means premises where spirits are manufactured, whether by distillation of a fermented liquor or by any other process;
- “duty”, in the case of alcoholic products on which excise duty has been charged, or was chargeable, under this Act before 1st August 2023, means that duty, and in all other cases means “alcohol duty” within the meaning given by section 47 (alcohol duty: charge) of the F(No. 2)A 2023, and references to drawback are to be construed accordingly;
- “F(No. 2)A 2023” means the Finance (No. 2) Act 2023;
- “licensed”, in relation to a producer of wine or of other fermented product, means a producer who holds a licence to produce wine or other fermented product respectively under subsection (2) of section 54 or 55;
- “the Management Act” means the Customs and Excise Management Act 1979;
- “packager”, in relation to beer, means a person carrying on the business of packaging beer;
- “packaging”, in relation to beer, means to put beer into tanks, casks, kegs, cans, bottles or any other receptacles of a kind in which beer is distributed for sale by another person;
- “producer of other fermented product” includes a person who renders other fermented product sparkling, and “produce”, in relation to other fermented product, is to be construed accordingly;
- “producer of wine” includes a person who renders wine sparkling, and “produce”, in relation to wine, is to be construed accordingly;
- “other fermented product” has the meaning given by paragraph 12 of Schedule 6 to the F(No. 2)A 2023;
- “registered brewer” has the meaning given by section 47(1);
- “strength” in relation to any alcoholic product has the meaning given to “alcoholic strength” by section 45 (alcoholic strength) of the F(No. 2)A 2023;
- “spirits” has the meaning given by paragraph 1 of Schedule 6 to the F(No. 2)A 2023;
- “wine” has the meaning given by paragraph 11 of Schedule 6 to the F(No. 2)A 2023.”

(3) Section 13(2A) (power to make regulations relating to manufacture of spirits) has effect as if for “section 5 above” there were substituted “section 47 (alcohol duty: charge) of the F(No. 2)A 2023”.

(4) Section 49 (beer regulations) has effect as if for “general beer duty or high strength beer duty” there were substituted “duty”.

(5) Section 54(2) (wine: charge of excise duty) has effect as if for “Subject to subsection (4) below, a” there were substituted “A”.

(6) Section 55(2) (made-wine: charge of excise duty) has effect as if for “Subject to subsections (4) and (5) below, a” there were substituted “A”.

(7) Sections—

- (a) 55 (made-wine: charge of excise duty), in the heading and subsections (2) and (6),
- (b) 56 (power to regulate making of wine and made-wine and provide for charging duty thereon), in the heading and subsection (1), and

(c) 61 (remission or repayment of duty on spoilt wine or made-wine), in the heading and subsection (1),
have effect as if for “made-wine”, in each place it occurs, there were substituted “other fermented product”.

(8) Paragraphs 2 and 3 of Schedule 1 (interpretation) have effect as if for “made-wine”, in each place it occurs, there were substituted “other fermented product”.

Consequential modifications – CEMA

5.—(1) CEMA has effect with the following modifications.

(2) Section 1(1) (interpretation) has effect as if the following definitions were inserted at the appropriate places—

““distiller” means a person holding a distiller’s licence under section 12 of the Alcoholic Liquor Duties Act 1979;”;

““distiller’s warehouse” means a place of security provided by a distiller and approved by the Commissioners under section 15(1) of the Alcoholic Liquor Duties Act 1979;”;

““licensed”, in relation to a producer of wine or other fermented product, means a producer who holds a licence to produce wine or other fermented product respectively under subsection (2) of section 54 or 55 of the Alcoholic Liquor Duties Act 1979;”;

““producer of other fermented product” includes a person who renders other fermented product sparkling, and “produce”, in relation to other fermented product, is to be construed accordingly;”;

““producer of wine” includes a person who renders wine sparkling, and “produce”, in relation to wine, is to be construed accordingly;”;

““registered brewer” has the meaning given by section 47(1) of the Alcoholic Liquor Duties Act 1979;”.

(3) Section 112(3) (power of entry upon premises, etc. of revenue traders)(**23**) has effect as if—

(a) “rectifier, compounder” were omitted, and

(b) for “producer of made-wine” there were substituted “producer of other fermented product”.

(4) Section 113(6) (power to search for concealed pipes, etc)(**24**) has effect as if—

(a) “rectifier, compounder” were omitted, and

(b) for “producer of made-wine” there were substituted “producer of other fermented product”.

(5) Section 160(2) (power to take samples)(**25**) has effect as if for “producer of made-wine” there were substituted “producer of other fermented product”.

Consequential modifications – the Act

6.—(1) References to an approval under section 82 (approval requirement: producers) of the Act, however expressed, in the following sections of the Act are to be read as a reference to an ALDA approval—

(a) section 51(2) (alcoholic products qualifying for draught relief);

(23) Section 112(3) was amended by paragraph 1(a) of Schedule 2 to the Finance Act 1991 (c. 31) and section 11 of, and paragraph 6 of Schedule 8 to, the Finance Act 1981 (c. 35).

(24) Section 113(6) was amended by paragraph 1(a) of Schedule 2 to the Finance Act 1991 (c. 31).

(25) Section 160(2) was amended by paragraph 1(a) of Schedule 2 to the Finance Act 1991 (c. 31).

- (b) section 52(3)(b) (repackaging qualifying draught products);
 - (c) section 58(b) (exclusions);
 - (d) section 78(4)(b) (authorised use for certain purposes);
 - (e) section 86(2)(a)(i) (mixing alcoholic products).
- (2) In this regulation “an ALDA approval” means, as the case may be—
- (a) a licence to manufacture spirits under section 12 of ALDA,
 - (b) a registration to hold beer on premises registered to a person without payment of duty under section 41A of ALDA,
 - (c) a registration of a producer of beer under section 47 of ALDA,
 - (d) an excise licence issued under section 54(2) of ALDA in respect of premises on which wine is produced,
 - (e) an excise licence issued under section 55(2) of ALDA in respect of premises on which other fermented product is produced, or
 - (f) a registration of a maker of cider under section 62(2) of ALDA.

Consequential modifications – the Beer Regulations 1993

7. Regulation 28(3)(b) (ascertainment of the amount of duty charged or paid) of the Beer Regulations 1993⁽²⁶⁾ has effect as if for “regulation 18 above” there were substituted “regulation 3 of the Alcoholic Products (Excise Duty) Regulations 2023”.

Consequential modifications – AP(ED)R 2023

8.—(1) The AP(ED)R 2023 have effect with the following modifications.

(2) In regulation 3(10) (the strength of alcoholic product) the reference to a person who is approved under section 82 of the Act is to be read as a reference to, as the case may be—

- (a) a producer of spirits who is or is required to be licensed under section 12 of ALDA,
- (b) a producer of beer who is or is required to be registered under section 47 of ALDA,
- (c) a producer of wine who is or is required to be licensed under section 54(2) of ALDA,
- (d) a producer of other fermented product who is or is required to be licensed under section 55(2) of ALDA, or
- (e) a maker of cider who is or is required to be registered under section 62(2) of ALDA.

(3) In regulation 6(4) (grower’s domestic consumption relief) the reference to a producer who is approved under section 82 of the Act is to be read as a reference to, as the case may be—

- (a) a producer of wine who is or is required to be licensed under section 54(2) of ALDA,
- (b) a producer of other fermented product who is or is required to be licensed under section 55(2) of ALDA, or
- (c) a maker of cider who is or is required to be registered under section 62(2) of ALDA.

Transitional provisions – approvals

9. Any excise licence granted under section 55(2) of ALDA for the purpose of the production of made-wine is to be treated as a licence granted for the purposes of the production of other fermented products within the meaning given by paragraph 12 of Schedule 6 to the Act.

(26) [S.I. 1993/1228](#), to which there are amendments not relevant to this Regulation.

Transitional provisions – alcohol duty

10.—(1) This regulation applies to an alcoholic product⁽²⁷⁾ —

- (a) which was charged or became chargeable to a relevant duty before 1st August 2023, and
- (b) for which the excise duty point⁽²⁸⁾, in relation to that product, occurs on or after 1st August 2023.

(2) Except in a case where paragraph (4) applies, alcohol duty⁽²⁹⁾ is to be paid on the alcoholic product as if it had become chargeable on the date the excise duty point occurs.

(3) Paragraph (4) applies in a case where alcohol duty would have been payable at the discounted rate⁽³⁰⁾ if an alcoholic product had become chargeable on 1st August 2023.

(4) Alcohol duty is to be paid on the alcoholic product as if it was produced and had become chargeable on 1st August 2023.

(5) For the purposes of this regulation—

“relevant duty” means, in the case of—

- spirits, excise duty chargeable under section 5 (spirits: charge of excise duty) of ALDA;
- beer, excise duty chargeable under section 36 (general beer duty) of ALDA;
- wine, excise duty chargeable under section 54 (wine: charge of excise duty) of ALDA;
- other fermented product, excise duty chargeable under section 55 (made-wine: charge of excise duty) of ALDA;
- cider, excise duty chargeable under section 62 (cider: charge of excise duty) of ALDA.

Revocations

11. The Alcoholic Liquor Duties (Beer-based Beverages) Order 1994⁽³¹⁾ is revoked.

Consequential amendments

12. The provisions mentioned in the Schedule are amended as described in the Schedule.

31st July 2023

Jim Harra
Jonathan Athow
Two of the Commissioners for His Majesty's
Revenue and Customs

⁽²⁷⁾ “Alcoholic product” is defined in section 44 (meaning of “alcoholic product”) of the Act.

⁽²⁸⁾ “Excise duty point” is defined in section 49(2) (excise duty point and payment) of the Act.

⁽²⁹⁾ “Alcohol duty” is defined in section 47 (alcohol duty: charge) of the Act.

⁽³⁰⁾ “Discounted rate” is defined in section 54(2) (small producer relief: discounted rates) of the Act.

⁽³¹⁾ [S.I. 1994/2904](#).