



Alcoholic Liquor Duties Act 1979

1979 CHAPTER 4

PART II

SPIRITS

Charge of excise duty

5 Spirits: charge of excise duty

There shall be charged on spirits—

- (a) imported into the United Kingdom; or
- (b) distilled, or manufactured by any other process whatsoever, in the United Kingdom,

a duty of excise at the rates shown in the following Table—

TABLE

<i>Description of spirits</i>	<i>Rates of duty (per proof gallon)</i>
	£
1. Spirits warehoused for 3 years or more	27.0900
2. Spirits not warehoused or warehoused for less than 3 years	27.1650

Reliefs from excise duty

6 Power to exempt angostura bitters from duty

On the importation of the aromatic flavouring essence commonly known as angostura bitters, the Commissioners may, subject to such conditions as they see fit to impose,

direct the bitters to be treated for the purposes of the charge of duty on spirits as not being spirits.

7 Exemption from duty of spirits in articles used for medical purposes

Duty shall not be payable on any spirits contained in an article imported or delivered from warehouse which is recognised by the Commissioners as being used for medical purposes.

8 Repayment of duty in respect of spirits used for medical or scientific purposes

(1) If any person proves to the satisfaction of the Commissioners that any spirits on which duty has been paid have been delivered to him and have been used—

- (a) solely in the manufacture or preparation of any article recognised by the Commissioners as being used for medical purposes; or
- (b) for scientific purposes,

he shall, subject to such conditions as the Commissioners may by regulations impose, be entitled to obtain from the Commissioners the repayment of the duty paid thereon.

(2) If any person contravenes or fails to comply with any regulation made under this section he shall be liable on summary conviction to a penalty of £100.

9 Remission of duty on spirits for methylation

The Commissioners may, subject to such conditions as they see fit to impose, permit spirits to be delivered from warehouse for methylation without payment of the duty chargeable thereon.

10 Remission of duty on spirits for use in art or manufacture

(1) Where, in the case of any art or manufacture carried on by any person in which the use of spirits is required, it is proved to the satisfaction of the Commissioners that the use of methylated spirits is unsuitable or detrimental, the Commissioners may, if they think fit and subject to such conditions as they see fit to impose, authorise that person to receive, and permit the delivery from warehouse to that person of, spirits for use in that art or manufacture without payment of the duty chargeable thereon.

(2) If any person contravenes or fails to comply with any condition imposed under this section then, in addition to any other penalty he may have incurred, he shall be liable on summary conviction to a penalty of £50.

11 Relief from duty on imported goods not for human consumption containing spirits

On the importation of goods not for human consumption containing spirits as a part or ingredient thereof, the Commissioners may, subject to such conditions as they may think fit to impose, direct the goods to be treated for the purposes of the charge of duty on spirits (and in particular the charge under section 126 of the Management Act) as not containing spirits.

Manufacture of spirits

12 Licence to manufacture spirits

- (1) No person shall manufacture spirits, whether by distillation of a fermented liquor or by any other process, unless he holds an excise licence for that purpose under this section (referred to in this Act as a "distiller's licence").
- (2) A licence granted under this section shall expire on the 30th September next after it is granted.
- (3) On any licence granted under this section there shall be charged an excise licence duty of £15.75.
- (4) The Commissioners may refuse to grant a distiller's licence in respect of any premises on which, from their situation with respect to premises used by a rectifier, brewer for sale or vinegar-maker, they think it inexpedient to allow the manufacture of spirits.
- (5) Where the largest still to be used on any premises in respect of which a distiller's licence is sought for the manufacture of spirits by distillation of a fermented liquor is of less than 400 gallons capacity, the Commissioners may refuse to grant the licence or may grant it only subject to such conditions as they see fit to impose.
- (6) The Commissioners may refuse to grant a distiller's licence in respect of any premises situated in an area where the Commissioners are not satisfied that convenient living accommodation for the officers to be placed in charge of the distillery can be found unless the distiller undertakes to provide to the satisfaction of the Commissioners lodgings for those officers which satisfy the conditions specified in subsections (7) and (8) below.
- (7) The lodgings must be conveniently situated with respect to the distillery but must not form part of the distillery or of the distiller's dwelling house.
- (8) The rent unfurnished of the lodgings must either be agreed between the distiller and the Commissioners or, in default of agreement, must be equal—
 - (a) if the lodgings are in England or Wales, to their gross value for the purposes of section 19 of the General Rate Act 1967;
 - (b) if the lodgings are in Scotland, to their gross annual value ascertained in accordance with the provisions of section 6(2) to (4) of the Valuation and Rating (Scotland) Act 1956 for the purpose of making up the valuation roll;
 - (c) if the lodgings are in Northern Ireland, to their annual value ascertained in accordance with section 531 of the Income and Corporation Taxes Act 1970.
- (9) If a distiller to whom a licence has been granted upon his giving the undertaking mentioned in subsection (6) above fails to provide lodgings in accordance with that undertaking or to keep those lodgings in repair, or if he in any way interferes with the use and enjoyment of those lodgings by the officer residing therein, the Commissioners may suspend or revoke the licence.

13 Power to make regulations relating to manufacture of spirits

- (1) The Commissioners may, with a view to the protection of the revenue, make regulations—

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

- (a) regulating the manufacture of spirits, whether by distillation of a fermented liquor or by any other process;
- (b) for securing and collecting the duty on spirits manufactured in the United Kingdom ; and
- (c) regulating the removal of spirits from a distillery ;

and different regulations may be made in respect of manufacture for different purposes or by different processes.

(2) Where—

- (a) the Commissioners are satisfied that any process of manufacture carried on by any person involving the manufacture of spirits is primarily directed to the production of some article other than spirits ; or
- (b) the Commissioners see fit in the case of any person manufacturing spirits by any process other than distillation of a fermented liquor,

they may direct that, subject to compliance with such conditions as they think proper to impose, such of the provisions of this Act relating to the manufacture of, or manufacturers of, spirits or such of any regulations made under this section as may be specified in the direction shall not apply in the case of that person.

- (3) If, save as provided in subsection (2) above, any person contravenes or fails to comply with any regulation made under subsection (1) above he shall, subject to subsection (4) below, be liable on summary conviction to a penalty of £1,000, and any spirits, and any vessels, utensils and materials used for distilling or otherwise manufacturing or for preparing spirits, in respect of which the offence was committed shall be liable to forfeiture.
- (4) The Commissioners may by any regulation under subsection (1) above provide a penalty of an amount less than that specified in subsection (3) above for any contravention of or failure to comply with that regulation.
- (5) If any person in whose case a direction is given by the Commissioners under subsection (2) above acts in contravention of or fails to comply with any condition imposed under that subsection which is applicable in his case, he shall be liable on summary conviction to a penalty of £100, and any spirits in respect of which the offence was committed shall be liable to forfeiture.

14 Duty on spirits-attenuation charge

- (1) In the case of a distillery where spirits are manufactured by distillation of a fermented liquor, the duty on spirits shall, in addition to being charged on the spirits distilled, be chargeable in respect of each distillation period in accordance with the following provisions of this section.
- (2) There shall be calculated the quantity of spirits at proof capable of being produced from any wort and wash made at the distillery on the assumption that from every 100 gallons of wort and wash 1 gallon of spirits at proof will be produced for every 5 degrees of attenuation, that is to say, for every 5 degrees of difference between the highest gravity of the wort and the lowest gravity of the wash before distillation, and so in proportion for any less number of gallons of wort and wash or any less number of degrees of attenuation.
- (3) The gravity of wort or wash for the purposes of subsection (2) above shall be taken as that declared by the distiller except that, if either gravity is found by the proper officer

before distillation and the gravity so found is, in the case of wort, higher or, in the case of wash, lower than that declared by the distiller, the gravity to be taken shall be that so found by the proper officer.

- (4) There shall be ascertained the quantity computed at proof of the spirits and feints produced at the distillery after deducting the feints remaining at the end of the last preceding distillation period.
- (5) If the quantity calculated under subsection (2) above exceeds the quantity ascertained under subsection (4) above the duty on spirits shall, subject to subsection (6) below, be charged and become payable immediately on that excess.
- (6) The Commissioners may make such allowance as in their opinion is reasonable from any charge under this section on proof to their satisfaction that the charge arises wholly or in part on account of the removal of wash for the separation of yeast or on account of the loss or destruction of wort or wash by unavoidable accident.
- (7) In this section, " distillation period " means the period prescribed by regulations under section 13(1) above for the purpose of taking account of feints and spirits produced.

15 Distiller's warehouse

- (1) A distiller may provide in association with his distillery a place of security for the deposit of spirits manufactured at that distillery and, if that place is approved by the Commissioners and entry is made thereof by the distiller, may deposit therein without payment of duty any spirits so manufactured.
- (2) If the place of security so provided is outside the distillery, the Commissioners may attach to their approval such conditions as they see fit, and if those conditions are not for the time being observed, that place shall be deemed not to have been approved by the Commissioners.
- (3) A place of security for the time being approved by the Commissioners under subsection (1) above is referred to in this Act as a " distiller's warehouse ".
- (4) A distiller who provides a distiller's warehouse shall, to the satisfaction of the Commissioners, provide accommodation at the warehouse for the officer in charge thereof, and if he fails so to do he shall be liable on summary conviction to a penalty of £50 ; but nothing in this subsection shall prejudice any power of the Commissioners to require the provision of accommodation as a condition of their approval of any other premises or place under the Customs and Excise Acts 1979.
- (5) A distiller who, after the approval of a distiller's warehouse provided by him, makes without the previous consent of the Commissioners any alteration therein or addition thereto shall be liable on summary conviction to a penalty of £200.
- (6) The Commissioners may make regulations—
 - (a) regulating the warehousing of spirits in a distiller's warehouse;
 - (b) permitting, in so far as it appears to them necessary in order to meet the circumstances of any special case and subject to such conditions as they see fit to impose, the deposit by a distiller in his distiller's warehouse without payment of duty of spirits other than spirits manufactured at the distillery associated with that warehouse;
 - (c) for securing the duties on spirits so warehoused ;

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and subject to any such regulations, the provisions of Parts VIII and X of the Management Act, except sections 92 and 96, shall apply in relation to a distiller's warehouse and spirits warehoused therein as they apply in relation to an excise warehouse approved under subsection (1) of section 92 of that Act and goods warehoused therein.

- (7) If any person contravenes or fails to comply with any regulation made under subsection (6) above he shall, subject to subsection (8) below, be liable on summary conviction to a penalty of £1,000, and any spirits in respect of which the offence was committed shall be liable to forfeiture.
- (8) The Commissioners may by any regulation under subsection (6) above provide a penalty of an amount less than that specified in subsection (7) above for any contravention of or failure to comply with that regulation.
- (9) The Commissioners may at any time for reasonable cause revoke or vary the terms of their approval of a distiller's warehouse.

16 Racking of duty-paid spirits at distillery

- (1) The Commissioners may, with a view to the protection of the revenue, make regulations regulating the racking at a distillery of duty-paid spirits.
- (2) If any person contravenes or fails to comply with any regulation made under this section, he shall be liable on summary conviction to a penalty of £50 and any spirits in respect of which the offence was committed shall be liable to forfeiture.
- (3) If on an officer's taking stock of duty-paid spirits racked at a distillery, a greater quantity of spirits computed at proof is found at the place of racking than ought to be there according to any accounts required by regulations made under this section to be kept thereof, then—
 - (a) duty shall be charged on the excess ; and
 - (b) except as provided in subsection (4) below, if the excess amounts to more than 1 per cent. of the quantity of spirits computed at proof lawfully brought into the place of racking since stock was last taken, that excess shall be liable to forfeiture, and the distiller shall be liable on summary conviction to a penalty of double the duty so charged.
- (4) Paragraph (b) of subsection (3) above shall not apply where the excess is less than 1 gallon at proof.

17 Offences in connection with removal of spirits from distillery, etc.

- (1) If any person—
 - (a) conceals in or without the consent of the proper officer removes from a distillery any wort, wash, low wines, feints or spirits ; or
 - (b) knowingly buys or receives any wort, wash, low wines, feints or spirits so concealed or removed; or
 - (c) knowingly buys or receives or has in his possession any spirits which have been removed from the place where they ought to have been charged with duty before the duty payable thereon has been charged and either paid or secured, not being spirits which have been condemned or are deemed to have been condemned as forfeited,

he shall be guilty of an offence under this section and may be detained, and the goods shall be liable to forfeiture.

- (2) A person guilty of an offence under this section shall be liable—
- (a) on summary conviction, to a penalty of the prescribed sum or three times the value of the goods, whichever is the greater, or to imprisonment for a term not exceeding 6 months, or to both ; or
 - (b) on conviction on indictment, to a penalty of any amount, or to imprisonment for a term not exceeding 2 years, or to both.

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) Any licence granted under this section shall expire on the 30th September next after it is granted.
- (4) On any licence granted under this section there shall be charged an excise licence duty of £15.75.
- (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, he shall be liable on summary conviction to a penalty of £500.

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.
- (2) If any person contravenes or fails to comply with any regulation made under this section, he shall, subject to subsection (3) below, be liable on summary conviction to a penalty of £500, and any spirits and any other article in respect of which the offence was committed shall be liable to forfeiture.

- (3) The Commissioners may by any regulation under this section provide a penalty of an amount less than that specified in subsection (2) above for any contravention of or failure to comply with that regulation.

20 Penalty for excess or deficiency in rectifier's stock

- (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 is found, that excess shall be liable to forfeiture, and the rectifier shall be liable on summary conviction to a penalty of double the duty on a like quantity of plain spirits at proof charged at the highest rate.
- (2) If at any time when an account is taken and a balance struck as mentioned in subsection (1) above any deficiency is found which cannot be accounted for to the satisfaction of the Commissioners and which when computed at proof exceeds 5 per cent. of the aggregate of—
- (a) the balance so computed struck when an account was last taken; and
 - (b) any quantity of spirits so computed since lawfully received by the rectifier,
- the rectifier shall be liable on summary conviction to a penalty of double the duty on a quantity of plain spirits at proof charged at the highest rate equal to the quantity by which the deficiency exceeds the said 5 per cent.
- (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.

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) any spirits for which he has not received a proper spirits advice note or spirits consignment note.
- (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, he shall be liable on summary conviction to a penalty of £500 or double the duty on a quantity of plain spirits at proof charged at the highest rate equal to the quantity of the materials or spirits in respect of which the offence was committed, whichever is the greater.
- (4) If a rectifier is convicted more than once under this section, his licence shall become void and he shall be disqualified from holding a licence as a rectifier for a period of 3 years from the date of his latest conviction.
- (5) Spirits used in warehouse in pursuance of warehousing regulations shall be treated for the purposes of this section as duty-paid spirits.

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, 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—
 - (a) for exportation, for use in any permitted operation in warehouse, or for use as stores; or
 - (b) if of a strength of not less than 50° over proof, for delivery for use in art or manufacture under section 10 above; or
 - (c) if of a strength of not less than 74° over proof, for home use.
- (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.
- (5) Subject to subsection (6) below, the amount of any drawback payable under this section shall be calculated by reference to the quantity of the British compounded spirits or spirits of wine computed at proof and shall be an amount equal to the duty at the appropriate rate chargeable on a like quantity of spirits at the date when duty was paid on the spirits from which the British compounded spirits or spirits of wine were rectified or compounded.
- (6) The Commissioners may, in the case of tinctures exported or shipped as stores by a rectifier or compounder direct from his premises, make such addition to the quantity of spirits as they see fit in respect of waste.
- (7) No drawback shall be payable under this section in the case of medicinal spirits in respect of which a repayment of duty has been obtained under section 8 above.
- (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 then, in addition to any other penalty he may have incurred under the Customs and Excise Acts 1979, he shall be liable on summary conviction to a penalty of £100, and any article in respect of which the offence was committed 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.

23 Allowance on British compounds

- (1) Where any British compounded spirits—

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- (a) having been warehoused, are on removal from warehouse exported or shipped as stores ; or
 - (b) are permitted under section 22 above to be exported or shipped as stores on drawback direct from the premises of a rectifier or compounder; or
 - (c) are used in warehouse for fortifying wine or for any other purpose for which spirits are permitted by or under this or any other Act to be used in warehouse, there shall, subject to the provisions of this section and to such conditions as the Commissioners see fit to impose, be paid in respect of each gallon of those spirits computed at proof an allowance of £0.02.
- (2) In the case of British compounded spirits of a strength exceeding 11° over proof which are deposited in a warehouse, the allowance mentioned in subsection (1) above may, subject as aforesaid, instead of being paid as provided in that subsection be paid on the warehousing of the spirits.
- (3) No allowance shall be payable on any British compounded spirits under this section if those spirits were compounded in warehouse in pursuance of warehousing regulations or, in any other case, unless it is proved to the satisfaction of the Commissioners that the spirits have been distinctly altered in character by redistillation with or by the addition of flavouring or other matter.
- (4) Any allowance on British compounded spirits under this section—
- (a) when paid on their exportation or shipment as stores, shall be paid to the person by whom security is given for that exportation or shipment;
 - (b) when paid on their use in warehouse, shall be paid to the person upon whose written request they are so used;
 - (c) when paid on their warehousing, shall be paid to the person in whose name they are warehoused.

General provisions relating to manufacture of spirits and British compounds

24 Restriction on carrying on of other trades by distiller or rectifier

- (1) A distiller or rectifier shall not—
- (a) carry on upon his premises the trade of a brewer for sale, producer of wine or of made-wine, maker of cider, vinegar-maker, refiner of sugar, wholesaler or retailer of wine, made-wine or beer, or retailer of methylated spirits or cider ; or
 - (b) carry on the trade of a distiller or, as the case may be, rectifier on any premises communicating otherwise than by a public roadway with other premises on which any such trade as is mentioned in paragraph (a) above or that of a wholesaler of spirits is carried on.
- (2) Save with the permission of the Commissioners and subject to compliance with such conditions as they see fit to impose, a distiller or rectifier shall not—
- (a) carry on upon his premises the trade of a retailer of spirits; or
 - (b) carry on the trade of a distiller or, as the case may be, rectifier on any premises communicating otherwise than by a public roadway with other premises on which the trade of retailer of spirits is carried on.
- (3) Save with the permission of the Commissioners and subject to compliance with such conditions as they see fit to impose, a distiller or rectifier shall not be concerned or

interested in the trade of a retailer of spirits carried on within 2 miles of his distillery or, as the case may be, rectifying house.

- (4) If any person contravenes any provision of this section or contravenes or fails to comply with any condition imposed thereunder, he shall be liable on summary conviction to a penalty of £200.

25 Penalty for unlawful manufacture of spirits, etc.

- (1) Save as provided by or under this Act, any person who, otherwise than under and in accordance with an excise licence under this Act so authorising him—

- (a) manufactures spirits, whether by distillation of a fermented liquor or by any other process ; or
- (b) has in his possession or uses a still for distilling, rectifying or compounding spirits ; or
- (c) distils or has in his possession any low wines or feints ; or
- (d) not being a vinegar-maker, brews or makes or has in his possession any wort or wash fit for distillation,

shall be liable on summary conviction to a penalty of £1,000.

- (2) Where there is insufficient evidence to convict a person of an offence under subsection (1) above, but it is proved that such an offence has been committed on some part of premises belonging to or occupied by that person in such circumstances that it could not have been committed without his knowledge, that person shall be liable on summary conviction to a penalty of £100.

- (3) Any person found on premises on which spirits are being unlawfully manufactured or on which a still is being unlawfully used for rectifying or compounding spirits may be detained.

- (4) All spirits and stills, vessels, utensils, wort, wash and other materials for manufacturing, distilling or preparing spirits—

- (a) found in the possession of any person who commits an offence under subsection (1) above; or
- (b) found on any premises on which such an offence has been committed,

shall be liable to forfeiture.

- (5) Notwithstanding any other provision of the Customs and Excise Acts 1979 relating to goods seized as liable to forfeiture, any officer by whom any thing is seized as liable to forfeiture under subsection (4) above may at his discretion forthwith spill, break up or destroy that thing.

- (6) Without prejudice to any other power conferred by the Customs and Excise Acts 1979, if any officer has reasonable grounds for suspecting that any thing liable to forfeiture under this section is in or upon any land or other premises in Northern Ireland, he may enter upon those premises, if need be by force, and search them and seize and remove any thing which he has reasonable grounds to believe to be so liable.

General provisions relating to spirits

26 Importation and exportation of spirits

- (1) Save as permitted by the Commissioners, spirits shall not be imported—
 - (a) in any ship of less than 40 tons register; or
 - (b) in containers of a capacity of less than 9 gallons each unless in bottles properly packed in cases.
- (2) Save as permitted by the Commissioners, spirits other than bottled spirits shall not be exported, or be removed to the Isle of Man, or be brought to any place or be waterborne for exportation or for removal to the Isle of Man, in containers holding less than 9 gallons each.
- (3) Any spirits imported, exported, removed, brought or water-borne contrary to this section shall be liable to forfeiture.
- (4) Where any ship is or has been, in the case of a British ship, within 12 or, in any other case, within 3 nautical miles of the coast of the United Kingdom while having on board or attached in any manner thereto any spirits in containers other than such as are permitted by or under subsection (1) of this section, the ship and any such spirits found therein shall be liable to forfeiture.
- (5) For the purposes of subsection (1) above, all hovercraft (of whatever size) shall be treated as ships of less than 40 tons register and subsection (4) above shall apply as if any reference to a ship included a reference to a hovercraft.

27 Spirits consignment and spirits advice notes

- (1) Where any spirits are sent out from the stock of a rectifier or compounder or, otherwise than in the circumstances' specified in subsection (2) below, are sent out from the stock of a wholesaler or retailer, the person sending them out shall, subject to any dispensation granted by the Commissioners, send to the person to whom they are sent a spirits consignment note, and shall send it either with the spirits or so that it is either delivered or posted on the day on which the spirits are sent out.
- (2) The circumstances referred to in subsection (1) above in relation to a wholesaler or retailer are that—
 - (a) in the case of spirits sent out from the stock of a wholesaler, the spirits are sent out in a quantity not exceeding 1 gallon at a time and are sold by him by retail to a person who is not a wholesaler or retailer of spirits; and
 - (b) in the case of spirits sent out from the stock of a retailer, the spirits are sent out in a quantity not exceeding 1 gallon of the same denomination at a time for one person.
- (3) The person by whom any spirits—
 - (a) are sent out from a distillery; or
 - (b) are removed from a warehouse ; or
 - (c) not being spirits to which the requirement imposed by subsection (1) above to send a spirits consignment note applies, are otherwise removed from any place in the United Kingdom to any other such place in a quantity exceeding 1 gallon of the same denomination at a time for any one person,

shall, subject to any dispensation granted by the Commissioners, send to the person to whom the spirits are to be delivered a spirits advice note, and shall send that note either with the spirits or so that it is either delivered or posted on the day on which the spirits are sent out or removed.

(4) A distiller shall not send out from his distillery, or, save as permitted by the Commissioners in the case of samples, remove from a distiller's warehouse associated with his distillery, any spirits in a quantity of less than 9 gallons.

(5) In this Act—

" spirits advice note " means a document containing such particulars as the Commissioners may direct;

" spirits consignment note " means a consignment note or similar document containing such particulars as the Commissioners may direct.

28 Regulations about the keeping and production of spirits advice and spirits consignment notes, etc.

(1) As respects spirits in the case of which a requirement is imposed by this Act that a spirits advice note or a spirits consignment note shall be sent in connection with their removal, the Commissioners may make regulations requiring the keeping and production of such notes and copies thereof, and of stock books.

(2) If any person contravenes or fails to comply with any regulation made under this section he shall, except in the circumstances specified in subsection (3) below, be liable on summary conviction to a penalty of £200.

(3) No liability shall be incurred under subsection (2) above for failure to keep or produce a spirits advice note, spirits consignment note or copy of such a note in accordance with any such regulation if it is proved that the note or, as the case may be, the note and any copy thereof was or were lost or destroyed by accident.

29 Offences in connection with spirits advice and spirits consignment notes

(1) Where a spirits advice note or a spirits consignment note is required by this Act in connection with the removal of any spirits, then if any person—

(a) sends out or causes to be sent out, any spirits without the proper spirits advice note or spirits consignment note being duly sent; or

(b) requests, obtains or uses, or causes or permits to be requested, obtained or used, a spirits advice note or a spirits consignment note for any purpose otherwise than in accordance with the terms thereof; or

(c) in any manner uses or causes or permits the use of any spirits advice note or spirits consignment note so that the taking or checking of any account or the making of any examination by an officer is or may be frustrated or evaded; or

(d) produces or causes or permits the production of any spirits advice note or spirits consignment note to an officer as having been received with or in connection with any spirits other than those to which it relates,

he shall, in addition to any other punishment to which he may have become liable, be liable on summary conviction to a penalty of three times the value of any spirits in respect of which the offence was committed or £100, whichever is the greater.

(2) Any spirits—

- (a) in connection with the removal of which a spirits advice note is required by this Act which are found in the course of being, or to have been, sent out, removed or received—
 - (i) without a proper spirits advice note having been duly sent, or
 - (ii) in contravention of section 27(4) above ; or
- (b) in the case of which an altered or untrue spirits advice note has been sent, shall be liable to forfeiture, and any person in whose possession any such spirits are found shall be liable on summary conviction to a penalty of three times the value of the goods or £100, whichever is the greater.

30 Special provisions as to spirits advice and spirits consignment notes

- (1) If in any proceedings under section 29 above, any question arises as to the accuracy of the description of any spirits in a spirits advice note or spirits consignment note—
 - (a) the burden of proof that the spirits correspond with the description shall lie on the person claiming that the spirits so correspond, who shall furnish that proof by the evidence of two persons competent to decide by examination of the spirits ;
 - (b) the description of spirits shall not be deemed to be inaccurate by reason only of the fact that they are of a strength differing from that specified in the spirits advice note or spirits consignment note where the actual strength is not more than 1° of proof above or 2° of proof below that so specified.
- (2) If a distiller, rectifier or compounder or a wholesaler or retailer of spirits is convicted of an offence in relation to spirits under section 29 above, the Commissioners may revoke his licence and refuse to re-grant him a licence during the remainder of the period for which the revoked licence would have been in force.

31 Restriction on delivery of immature spirits for home use

- (1) No spirits shall be delivered for home use unless they have been warehoused for a period of at least 3 years or, in the case of rum, at least 2 years. But this subsection shall not apply—
 - (a) to spirits delivered for any purpose for which they may for the time being be delivered without payment of duty; or
 - (b) to spirits delivered for methylation under section 9 above or for use in art or manufacture under section 10 above; or
 - (c) to spirits which have been warehoused on drawback ; or
 - (d) to mixtures, compounds or preparations charged with duty on importation in respect of the spirits contained in them or used in their preparation or manufacture; or
 - (e) subject to such conditions as the Commissioners may by regulations impose, to spirits delivered to a rectifier or compounder, a manufacturing chemist or a manufacturer of perfumes for use in his manufacture, or to such other persons for such purposes as the Commissioners see fit to authorise for the purposes of this paragraph; or
 - (f) subject to such conditions as aforesaid, to spirits delivered for scientific purposes under section 8 above; or
 - (g) subject to such conditions as aforesaid, to imported Geneva, perfumed spirits or liqueurs ; or

- (h) to imported compounded spirits of any kind specified for the purposes of this paragraph in regulations made by the Commissioners; or
 - (i) to the supply of spirits of wine for the purpose of making medicines to registered medical practitioners, hospitals and persons entitled to carry on the business of a chemist and druggist; or (f) to spirits compounded in warehouse in pursuance of warehousing regulations.
- (2) For the purposes of this section, in the case of imported spirits, any period which is shown to the satisfaction of the Commissioners to have elapsed between the dates of manufacture and importation shall be treated as a period during which the spirits have been warehoused.
- (3) If any person procures or attempts to procure the delivery of spirits in contravention of this section or contravenes or fails to comply with any regulation made thereunder, he shall be liable on summary conviction to a penalty of £100, and any spirits in respect of which the offence was committed shall be liable to forfeiture.

32 Restriction on transfer of British spirits in warehouse

- (1) No spirits in a distiller's warehouse may be transferred to a purchaser until the distiller has given such security for the payment of duty as the Commissioners may require, and any spirits so transferred shall not again be transferred while those spirits remain in that warehouse.
- (2) Spirits manufactured in the United Kingdom chargeable with duty which has not been paid which are in any warehouse other than a distiller's warehouse shall not be transferred into the name of a purchaser until the purchaser produces to the officer in charge of the warehouse a written order for the delivery of the spirits signed by the person in whose name they are warehoused and countersigned by the occupier of the warehouse or a servant of his acting for him at the warehouse.
- (3) Any spirits duly transferred in accordance with the provisions of this section shall be discharged from any liability under the Customs and Excise Acts 1979 in respect of the nonpayment of any duty or penalty by the transferor.

33 Restrictions on use of certain goods relieved from spirits duty

- (1) If any person uses otherwise than for a medical or scientific purpose—
- (a) any mixture which has on importation been relieved to any extent of the duty chargeable in respect of the spirits contained in it or used in its preparation or manufacture by reason of being a mixture which is recognised by the Commissioners as being used for medical purposes; or
 - (b) any article containing spirits which were exempted from duty under section 7 above ; or
 - (c) any article manufactured or prepared from spirits in respect of which repayment of duty has been obtained under section 8 above ; or
 - (d) any article in respect of which he has paid or agreed to pay a price fixed on the assumption that a repayment of duty will be obtained as mentioned in paragraph (c) above,

he shall, unless he has complied with the requirements specified in subsection (2) below, be liable on summary conviction to a penalty of three times the value of the mixture or article so used or £100, whichever is the greater, and any article in his

possession in the preparation or manufacture of which the mixture or article has been used shall be liable to forfeiture.

- (2) The requirements with which a person must comply to avoid incurring liability under subsection (1) above are that—
 - (a) he must obtain the consent of the Commissioners in writing to the use of the mixture or article otherwise than for a medical or scientific purpose; and
 - (b) he must pay to the Commissioners an amount equal to the difference between the duty charged on the mixture and the duty which would have been chargeable if it had not been a mixture recognised as mentioned in subsection (1)(a) above, or to the amount of the duty repaid or assumed to be repayable, as the case may be.
- (3) The Commissioners may make regulations for the purpose of enforcing the provisions of this section.
- (4) Regulations under subsection (3) above may in particular require any person carrying on any trade in which spirits, or mixtures or articles containing or prepared or manufactured with spirits, are in the opinion of the Commissioners likely to be or to have been used—
 - (a) to give and verify particulars of the materials which he is using or has used and of any such mixtures or articles which he has sold ; and
 - (b) to produce any books of account or other documents of whatever nature relating to any such materials, mixtures or articles.
- (5) If any person contravenes or fails to comply with any regulation made under subsection (3) above he shall be liable on summary conviction to a penalty of £100.
- (6) In this section "mixture" includes a preparation and a compound, and any reference to a mixture or article includes a reference to any part thereof.

34 Prohibition of grogging

- (1) No person shall—
 - (a) subject any cask to any process for the purpose of extracting any spirits absorbed in the wood thereof; or
 - (b) have on his premises any cask which is being subjected to any such process or any spirits extracted from the wood of any cask.
- (2) Any person contravening any provision of this section shall be liable on summary conviction to a penalty of £50.
- (3) All spirits extracted contrary to this section and every cask which is being subjected to any such process or which, being upon premises upon which spirits so extracted are found, has been subjected to any such process shall be liable to forfeiture.

35 Returns as to importation, manufacture, sale or use of alcohols

- (1) The Commissioners may, in so far as it seems to them expedient so to do for the purposes of protecting the revenue arising from the duties on spirits, make regulations requiring importers, manufacturers, sellers or users of—
 - (a) the following alcohols, that is to say, methyl, propyl, butyl or amyl alcohol, or
 - (b) any of the isomeric forms of such alcohols,

to furnish returns containing such particulars as may be prescribed by the regulations in respect of the importation, manufacture, sale or use by any such persons of any of the articles specified in paragraphs (a) and (b) above.

- (2) Provision may be made by any regulations under this section for requiring persons by whom and premises on which any such articles are manufactured to be registered.
- (3) If any person contravenes or fails to comply with any regulation made under this section he shall be liable on summary conviction to a penalty of £25.