



# Finance Act 1993

## 1993 CHAPTER 34

### PART I

#### CUSTOMS AND EXCISE AND VALUE ADDED TAX

### CHAPTER I

#### GENERAL

#### *Alcoholic liquor duties*

#### **1 Rates of duty**

- (1) In section 36 of the Alcoholic Liquor Duties Act 1979 (beer), as that section has effect apart from section 7(1) of the Finance Act 1991, for “£1.108” there shall be substituted “£1.163”.
- (2) For the Table of rates of duty in Schedule 1 to that Act (wine and made-wine) there shall be substituted the Table in Schedule 1 to this Act.
- (3) In section 62(1) of that Act (cider) for “£21.32” there shall be substituted “£22.39”.
- (4) This section shall be deemed to have come into force at 6 o'clock in the evening of 16th March 1993.

#### **2 Beer duty: rate for new regime**

- (1) In section 36(1) of the Alcoholic Liquor Duties Act 1979 (beer duty), as substituted by section 7(1) of the Finance Act 1991, for “£10.60” there shall be substituted “£10.45”.
- (2) This section shall be deemed to have come into force on 1st June 1993.

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### **3 Low strength beer**

- (1) In section 1 of the Alcoholic Liquor Duties Act 1979 (alcoholic liquors dutiable under that Act) in subsection (3) (beer) for “1.2 per cent.” there shall be substituted “0.5 per cent.”.
- (2) In section 36 of that Act (beer duty), as substituted by section 7(1) of the Finance Act 1991, after subsection (1) there shall be inserted the following subsection—
 

“(1A) No duty shall be chargeable under subsection (1) above on beer which is of a strength of 1.2 per cent. or less; but any such beer shall in all other respects be treated as if it were chargeable with a duty of excise.”
- (3) This section shall apply in relation to liquor which is produced in or imported into the United Kingdom, or removed into the United Kingdom from the Isle of Man, on or after the day on which this Act is passed.

### **4 Beer duty: abolition of certain reliefs, etc**

- (1) The Alcoholic Liquor Duties Act 1979 shall be amended as follows.
- (2) In subsection (2) of section 42 (drawback on exportation etc. of beer)—
  - (a) paragraph (a) (drawback on removal to excise warehouse) shall be omitted,
  - (b) in paragraph (b) the words “or removal to the Isle of Man” shall be omitted,
  - (c) also in paragraph (b) for “any such beer” there shall be substituted “any beer to which this section applies”, and
  - (d) for “exported, removed or shipped” there shall be substituted “exported or shipped”.
- (3) In subsections (3) and (4) of that section the word “remove,”, in each place where it occurs, shall be omitted.
- (4) Section 43 (warehousing of beer for exportation, etc.) shall cease to have effect.
- (5) In section 45(1) (repayment of duty on beer used in the production or manufacture of other beverages etc.)—
  - (a) at the end of paragraph (a) there shall be inserted “or”, and
  - (b) paragraph (b) shall be omitted.
- (6) Section 51 (power to require production of books by brewers for sale) shall cease to have effect.
- (7) Subsections (2)(a) and (c) and (4) to (6) above shall come into force on 1st September 1993.
- (8) Subsections (2)(b) and (d) and (3) above shall come into force on such day as the Commissioners of Customs and Excise may by order made by statutory instrument appoint.

### **5 Blending of alcoholic liquors**

- (1) In Part VI of the Alcoholic Liquor Duties Act 1979 the following section shall be inserted before section 67—

### **“66A Blending of alcoholic liquors**

- (1) Subject to subsections (4) to (6) below, a person shall not blend two or more alcoholic liquors—
  - (a) each of which is of a kind mentioned in paragraphs (a) to (e) of section 1(1) above, but
  - (b) not all of which fall within the same one of those paragraphs, except in an excise warehouse or on premises which, in relation to the liquors blended, are for the time being permitted premises.
- (2) Subject to subsections (4) to (6) below, a person shall not blend two or more alcoholic liquors which—
  - (a) fall within the same paragraph of section 1(1) above, but
  - (b) are not all of the same alcoholic strength, except in an excise warehouse or on premises which, in relation to the liquors blended, are for the time being permitted premises.
- (3) In relation to the blending of particular alcoholic liquors—
  - (a) if the liquor which is the product of the blending is beer, permitted premises are premises which are registered under section 41A above and premises in respect of which a person is registered under section 47 above;
  - (b) if the liquor which is the product of the blending is wine, permitted premises are premises in respect of which a licence under section 54(2) above is held;
  - (c) if the liquor which is the product of the blending is made-wine, permitted premises are premises in respect of which a licence under section 55(2) above is held;
  - (d) if the liquor which is the product of the blending is cider, permitted premises are premises in respect of which a person is registered under section 62 above.
- (4) Subsections (1) and (2) above do not apply unless the blending is done with a view to offering for sale the liquor which is the product of the blending.
- (5) Subsections (1) and (2) above do not apply where the liquor which is the product of the blending is intended for consumption on the premises on which the blending takes place.
- (6) The Commissioners may direct that subsections (1) and (2) above shall not apply to the blending of alcoholic liquors in such circumstances as are specified in the direction.
- (7) Where a person contravenes subsection (1) or (2) above, the following shall be liable to forfeiture—
  - (a) the liquor which is the product of the blending;
  - (b) all such vessels, utensils and materials for the blending of alcoholic liquors as are found in his possession.
- (8) In this section any reference to blending liquors includes a reference to otherwise mixing them.”

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- (2) In subsection (5) of section 55 of that Act (exemption for certain producers of made-wine from requirement to hold excise licence) before paragraph (a) there shall be inserted the following paragraph—
- “(aa) he does not blend or otherwise mix two or more alcoholic liquors to which paragraphs (a) and (b) of section 66A(1) below or paragraphs (a) and (b) of section 66A(2) below apply;”.
- (3) In that section—
- (a) paragraph (e) of subsection (5) and the word “and” immediately preceding that paragraph shall be omitted, and
- (b) subsection (5A) shall be omitted.
- (4) This section shall apply in relation to the blending or other mixing of alcoholic liquors on or after the day on which this Act is passed.

## **6 Mixing of wine and spirits in excise warehouse**

- (1) In subsection (1) of section 58 of the Alcoholic Liquor Duties Act 1979 (mixing of wine and spirits in excise warehouse)—
- (a) for “6 litres” there shall be substituted “12 litres”,
- (b) for “except as provided by subsection (2) below” there shall be substituted “by virtue of this section”, and
- (c) for “23 per cent.” there shall be substituted “22 per cent.”.
- (2) Subsection (2) of that section shall be omitted.
- (3) This section shall apply in relation to mixing done on or after the day on which this Act is passed.

## **7 Sparkling wine or made-wine**

- (1) In Schedule 1 to the Alcoholic Liquor Duties Act 1979 (rates of duty on wine and made-wine), for paragraphs 1 and 2 there shall be substituted the following paragraphs—
- “1 Paragraphs 2 and 3 below apply for the purposes of this Act.
- 2 (1) Wine or made-wine which is for the time being in a closed container is sparkling if, due to the presence of carbon dioxide or any other gas, the pressure in the container, measured at a temperature of 20°C, is not less than 3 bars in excess of atmospheric pressure.
- (2) Wine or made-wine which is for the time being in a closed container is sparkling regardless of the pressure in the container if the container has a mushroom-shaped stopper (whether solid or hollow) held in place by a tie or fastening.
- (3) Wine or made-wine which is not for the time being in a closed container is sparkling if it has characteristics similar to those of wine or made-wine which has been removed from a closed container and which, before removal, fell within sub-paragraph (1) above.
- 3 (1) Wine or made-wine shall be regarded as having been rendered sparkling if, as a result of aeration, fermentation or any other process, it either

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falls within paragraph 2(1) above or takes on such characteristics as are referred to in paragraph 2(3) above.

- (2) Wine or made-wine which has not previously been rendered sparkling by virtue of sub-paragraph (1) above shall be regarded as having been rendered sparkling if it is transferred into a closed container which has a mushroom-shaped stopper (whether solid or hollow) held in place by a tie or fastening.
  - (3) Wine or made-wine which is in a closed container and has not previously been rendered sparkling by virtue of sub-paragraph (1) or (2) above shall be regarded as having been rendered sparkling if the stopper of its container is exchanged for a stopper of a kind mentioned in sub-paragraph (2) above.”
- (2) This section shall apply in relation to wine and made-wine which is produced in or imported into the United Kingdom, or removed into the United Kingdom from the Isle of Man, on or after the day on which this Act is passed.

## **8 Denatured alcohol**

- (1) Denatured alcohol of such a description as may be specified in regulations made by the Commissioners of Customs and Excise shall not, if it would otherwise be so charged, be charged with any duty of excise under section 5 of the Alcoholic Liquor Duties Act 1979 (charge on spirits) on its importation into the United Kingdom from another member State.
- (2) The following references, namely—
  - (a) the references in sections 75, 77, 79 and 80 of that Act (regulation of methylated spirits) to methylated spirits;
  - (b) the reference in section 77(1)(e) of that Act to spirits for methylation; and
  - (c) the references in section 78 of that Act to methylated spirits or spirits (other than in the expression “duty payable on spirits”),shall each be construed as including a reference to denatured alcohol of any description from time to time specified in regulations made for the purposes of subsection (1) above.
- (3) In this section “denatured alcohol” means any substance appearing to the Commissioners of Customs and Excise to fall within Article 27.1.(a) of the Directive of the Council of the European Communities dated 19th October 1992 No. [92/83/EEC](#) (directive on the harmonisation of the structures of excise duties on alcohol and alcoholic beverages).
- (4) Any description of denatured alcohol specified in regulations under this section may be framed by reference to such circumstances or other factors, or to the approval or opinion of such persons (including the authorities in any member State), as may be so specified.
- (5) The power of the Commissioners of Customs and Excise to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons; and any such regulations may contain such transitional, supplemental and incidental provision as those Commissioners think fit.