

2015 No. 2050

EXCISE

**The Alcoholic Liquor Duties (Alcoholic Ingredients Relief)
Regulations 2015**

<i>Made</i>	- - - -	<i>16th December 2015</i>
<i>Laid before Parliament</i>		<i>17th December 2015</i>
<i>Coming into force</i>	- -	<i>1st February 2016</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 2(2) of the European Communities Act 1972(a) having been designated(b) for the purposes of that section in relation to excise matters of the EU and payment of excise duty(c).

Citation, commencement and application

1.—(1) These Regulations may be cited as the Alcoholic Liquor Duties (Alcoholic Ingredients Relief) Regulations 2015.

(2) These Regulations come into force on 1st February 2016.

(3) These Regulations apply where dutiable alcoholic liquor is used as an ingredient in the production or manufacture of a product or converted into vinegar on or after the date on which these Regulations come into force.

(4) In paragraph (3)—

(a) “a product” refers to a product falling within section 4(2) of the Finance Act 1995(d),

(b) “dutiable alcoholic liquor” has the meaning given in section 1(1) of the Alcoholic Liquor Duties Act 1979(e).

Amendment of section 4 of the Finance Act 1995

2.—(1) Section 4 of the Finance Act 1995 is amended as follows.

(a) 1972 c. 68; section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c. 51) and Part 1 of the Schedule to the European Union (Amendment) Act 2008 (c. 7).

(b) S.I. 1980/865 (excise matters of the European Union) and S.I. 1982/529 (payment of excise duty). These instruments designate the Commissioners of Customs and Excise for the purposes of section 2(2) of the European Communities Act 1972. The functions of the Commissioners of Customs and Excise have been transferred to the Commissioners for Her Majesty's Revenue and Customs. Section 50(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11) provides that a reference in an instrument to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(c) Article 4(1) of S.I. 2011/1043 substitutes “European Union” for references to “European Communities” in S.I. 1980/865 and section 3(6) of the European Union (Amendment) Act 2008 provides that a reference in an instrument to all or any of the Communities shall, in the application of the instrument after the coming into force of the Act, be treated as being a reference to the EU.

(d) 1995 c. 4.

(e) 1979 c. 4.

- (2) In subsection (3)—
- (a) omit paragraphs (a) to (c), and
 - (b) in paragraph (e) omit the words “as to the matters mentioned in paragraphs (a) to (c) above and”.
- (3) In subsection (5)—
- (a) in paragraph (a) for “one month” substitute “three years”, and
 - (b) omit paragraph (b) and the preceding “and”.
- (4) Omit subsection (6).

Edward Troup
Jim Harra

16th December 2015

Two of the Commissioners for Her Majesty’s Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend section 4 of the Finance Act 1995 (alcoholic ingredients relief). That section sets out conditions that need to be met in order to claim the repayment of duty on alcoholic liquor that has been incorporated into certain beverages or food products or has been converted into vinegar.

Regulation 1 provides for commencement and application; the Regulations apply where alcoholic liquor is used as an ingredient in the production or manufacture of certain products or converted into vinegar on or after 1st February 2016.

Regulation 2 amends section 4 so that claimants are no longer restricted to wholesaler manufacturers, there is no minimum amount for a repayment claim and except as the Commissioners may otherwise allow, the time limit for making a claim is no later than 3 years after the end of the period of 3 months during which the liquor was used.

These Regulations implement Article 27(1)(c) and (f) of Directive 92/83/EEC of 19th October 1992 on the harmonisation of the structures of excise duties on alcohol and alcoholic beverages(a).

A Tax Information and Impact Note covering this instrument is available on the gov.uk website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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