

*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 1995, SCHEDULE 2. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 2

Section 5.

#### DENATURED ALCOHOL

##### *The Alcoholic Liquor Duties Act 1979*

- 1 In section 4(1) of the <sup>M1</sup>Alcoholic Liquor Duties Act 1979 (interpretation)—
- (a) for the definition of “authorised methylator” there shall be substituted the following definition—
- ““authorised denaturer” means a person authorised under section 75(1) below to denature dutiable alcoholic liquor;”
- (b) in the definition of “British compounded spirits”, for “methylated spirits” there shall be substituted “denatured alcohol”;
- (c) after the definition of “compounder” there shall be inserted the following definition—
- ““denatured alcohol” means denatured alcohol within the meaning of section 5 of the Finance Act 1995, and references to denaturing a liquor are references to subjecting it to any process by which it becomes denatured alcohol;”
- (d) for the definition of “licensed methylator” there shall be substituted the following definition—
- ““licensed denaturer” means a person holding a licence under section 75(2) below;”.

#### **Commencement Information**

**II** Sch. 2 para. 1 in force at 1.7.2005 by [S.I. 2005/1523](#), **art. 2(a)** (with **art. 3**)

#### **Marginal Citations**

**M1** 1979 c. 4.

- 2 Section 9 of that Act (remission of duty on spirits for methylation) shall cease to have effect.

#### **Commencement Information**

**I2** Sch. 2 para. 2 in force at 1.7.2005 by [S.I. 2005/1523](#), **art. 2(a)** (with **art. 3**)

- 3 In section 10 of that Act (remission of duty on spirits), for “methylated spirits” there shall be substituted “denatured alcohol”.

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**Commencement Information**

**I3** Sch. 2 para. 3 in force at 1.7.2005 by [S.I. 2005/1523](#), [art. 2\(a\)](#) (with [art. 3](#))

<sup>F14</sup> .....

**Textual Amendments**

**F1** Sch. 2 para. 4 repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 1\(1\)](#)

5 In sections 75, 77, 79 and 80 of that Act (which contain provisions regulating methylation)—

- (a) for the words “methylate”, “methylates”, “methylator” and “methylators”, wherever they occur, and for the word “methylated”, where it occurs outside the expression “methylated spirits”, there shall be substituted, respectively, “denature”, “denatures”, “denaturer”, “denaturers” and “denatured”;
- (b) for the words “methylation” and “methylating”, wherever they occur, there shall be substituted, in each case, “denaturing”;
- (c) for the word “spirits”, wherever it occurs outside the expression “methylated spirits”, there shall be substituted “dutable alcoholic liquor”;
- (d) for the words “methylated spirits”, wherever they occur, there shall be substituted “denatured alcohol”.

**Commencement Information**

**I4** Sch. 2 para. 5 in force at 1.7.2005 by [S.I. 2005/1523](#), [art. 2\(a\)](#) (with [art. 3](#))

6 In section 77(2) of that Act (provisions supplemental to powers to make regulations), after paragraph (a) there shall be inserted the following paragraph—

“(aa) frame any provision of the regulations with respect to the supply, receipt or use of denatured alcohol by reference to matters to be contained from time to time in a notice published in accordance with the regulations by the Commissioners and having effect until withdrawn in accordance with the regulations; and”.

**Commencement Information**

**I5** Sch. 2 para. 6 in force at 1.7.2005 by [S.I. 2005/1523](#), [art. 2\(a\)](#) (with [art. 3](#))

7 For section 78 of that Act (additional provisions relating to methylated spirits) there shall be substituted the following section—

**“78 Defaults in respect of denatured alcohol.**

(1) This subsection applies if, at any time when an account is taken and a balance struck of the quantity of any kind of denatured alcohol in the possession of an authorised or licensed denaturer, there is a difference between—

- (a) the quantity (“the actual amount”) of the dutable alcoholic liquor of any description in the denatured alcohol in his possession; and

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- (b) the quantity (“the proper amount”) of dutiable alcoholic liquor of that description which, according to any such accounts as are required to be kept by virtue of any regulations under section 77 above, ought to be in the denatured alcohol in his possession.
- (2) Subsection (1) above shall not apply if the difference constitutes—
- (a) an excess of the actual amount over the proper amount of not more than 1 per cent. of the aggregate of—
    - (i) the quantity of dutiable alcoholic liquor of the description in question in the balance of dutiable alcoholic liquor struck when an account was last taken; and
    - (ii) the quantity of dutiable alcoholic liquor of that description which has since been lawfully added to the denaturer’s stock;
  - or
  - (b) a deficiency such that the actual amount is less than the proper amount by not more than 2 per cent. of that aggregate.
- (3) If, where subsection (1) above applies, the actual amount exceeds the proper amount, the relevant amount of any dutiable alcoholic liquor of the description in question which is in the possession of the denaturer shall be liable to forfeiture; and for this purpose the relevant amount is the amount corresponding to the amount of the excess or such part of that amount as the Commissioners consider appropriate.
- (4) If, where subsection (1) above applies, the actual amount is less than the proper amount, the denaturer shall, on demand by the Commissioners, pay on the amount of the deficiency, or on such part of it as the Commissioners may specify in the demand, the duty payable on dutiable alcoholic liquor of the description comprised in the deficiency.
- (5) If any person—
- (a) supplies to another, in contravention of any regulations under section 77 above, any denatured alcohol containing dutiable alcoholic liquor of any description, or
  - (b) uses any such denatured alcohol in contravention of any such regulations,
- that person shall, on demand by the Commissioners, pay on the amount of dutiable alcoholic liquor of that description comprised, at the time of its supply or use, in the denatured alcohol that is so supplied or used, or on such part of it as the Commissioners may specify, the duty payable on dutiable alcoholic liquor of that description.
- (6) Any supply of denatured alcohol to a person who—
- (a) by virtue of any regulations under section 77 above is prohibited from receiving it unless authorised to do so by or under the regulations, and
  - (b) is not so authorised in the case of the denatured alcohol supplied to him,
- shall be taken for the purposes of subsection (5) above to be a supply in contravention of those regulations.

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- (7) A demand made for the purposes of subsection (4) or (5) above shall be combined, as if there had been a default such as is mentioned in that section, with an assessment and notification under section 12 of the <sup>M2</sup>Finance Act 1994 (assessments to excise duty) of the amount of duty due in consequence of the making of the demand.”

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**Commencement Information**

**I6** Sch. 2 para. 7 in force at 1.7.2005 by [S.I. 2005/1523](#), **art. 2(a)** (with **art. 3**)

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**Marginal Citations**

**M2** 1994 c. 9.

*The Finance Act 1994*

- 8 In paragraph 3(1)(d) of Schedule 5 to the Finance Act 1994 (decisions under or for the purposes of section 9 or 10 of the <sup>M3</sup>Alcoholic Liquor Duties Act 1979 to be subject to review and appeal), for “section 9 or 10 (remission of duty on spirits for methylation or” there shall be substituted “ section 10 (remission of duty on spirits”.

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**Commencement Information**

**I7** Sch. 2 para. 8 in force at 1.7.2005 by [S.I. 2005/1523](#), **art. 2(a)** (with **art. 3**)

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**Marginal Citations**

**M3** 1979 c. 4.

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