



Finance Act 2017

2017 CHAPTER 10

PART 1

DIRECT AND INDIRECT TAXES

Income tax charge and rates

1 Income tax charge for tax year 2017-18

Income tax is charged for the tax year 2017-18.

2 Main rates of income tax for tax year 2017-18

For the tax year 2017-18 the main rates of income tax are as follows—

- (a) the basic rate is 20%;
- (b) the higher rate is 40%;
- (c) the additional rate is 45%.

3 Default and savings rates of income tax for tax year 2017-18

(1) For the tax year 2017-18 the default rates of income tax are as follows—

- (a) the default basic rate is 20%;
- (b) the default higher rate is 40%;
- (c) the default additional rate is 45%.

(2) For the tax year 2017-18 the savings rates of income tax are as follows—

- (a) the savings basic rate is 20%;
- (b) the savings higher rate is 40%;
- (c) the savings additional rate is 45%.

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4 Starting rate limit for savings for tax year 2017-18

- (1) For the amount specified in section 12(3) of ITA 2007 (starting rate for savings) substitute “ £5000 ”.
- (2) The amendment made by subsection (1) has effect in relation to the tax year 2017-18 and subsequent tax years.
- (3) Section 21 of ITA 2007 (indexation), so far as relating to the starting rate limit for savings, does not apply in relation to the tax year 2017-18 (but this section does not override that section for subsequent tax years).

Corporation tax charge

5 Corporation tax charge for financial year 2018

Corporation tax is charged for the financial year 2018.

Income tax: general

6 Workers' services provided to public sector through intermediaries

Schedule 1 makes provision about workers' services provided to the public sector through intermediaries.

7 Optional remuneration arrangements

Schedule 2 makes provision about optional remuneration arrangements.

8 Taxable benefits: asset made available without transfer

- (1) ITEPA 2003 is amended as follows.
- (2) In section 205 (cost of taxable benefit subject to the residual charge: asset made available without transfer)—
 - (a) in subsection (1), for paragraph (a) substitute—

“(a) the benefit consists in an asset being made available for private use, and”
 - (b) after subsection (1) insert—

“(1A) In this section and section 205A, “private use” means private use by the employee or a member of the employee's family or household.

(1B) For the purposes of subsection (1) and sections 205A and 205B, an asset made available in a tax year for use by the employee or a member of the employee's family or household is to be treated as made available throughout the year for private use unless—

 - (a) at all times in the year when it is available for use by the employee or a member of the employee's family or household, the terms under which it is made available prohibit private use, and
 - (b) no private use is made of it in the year.

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- (1C) The cost of the taxable benefit is—
- (a) the annual cost of the benefit determined in accordance with subsection (2), less
 - (b) any amount required to be deducted by section 205A (deduction for periods when asset unavailable for private use).

(1D) In certain cases, the cost of the taxable benefit is calculated under this section in accordance with section 205B (reduction of cost of taxable benefit where asset is shared).”, and

- (c) in subsection (2), in the words before paragraph (a), for “cost of the taxable” substitute “ annual cost of the ”.

(3) After section 205 insert—

“205A Deduction for periods when asset unavailable for private use

- (1) A deduction is to be made under section 205(1C)(b) if the asset mentioned in section 205(1) has been unavailable for private use on any day during the tax year concerned.
- (2) For the purposes of this section an asset is “unavailable” for private use on any day if—
 - (a) that day falls before the day on which the asset is first available to the employee,
 - (b) that day falls after the day on which the asset is last available to the employee,
 - (c) for more than 12 hours during that day the asset—
 - (i) is not in a condition fit for use,
 - (ii) is undergoing repair or maintenance,
 - (iii) could not lawfully be used,
 - (iv) is in the possession of a person who has a lien over it and who is not the employer, not a person connected with the employer, not the employee, not a member of the employee's family and not a member of the employee's household, or
 - (v) is used in a way that is neither use by, nor use at the direction of, the employee or a member of the employee's family or household, or
 - (d) on that day the employee—
 - (i) uses the asset in the performance of the duties of the employment, and
 - (ii) does not use the asset otherwise than in the performance of the duties of the employment.

(3) The amount of the deduction is given by—

$$\frac{U}{Y} \times A$$

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where—

U is the number of days, in the tax year concerned, on which the asset is unavailable for private use,

Y is the number of days in that year, and

A is the annual cost of the benefit of the asset determined under section 205(2).

- (4) The reference in subsection (2)(a) to the time when the asset is first available to the employee is to the earliest time when the asset is made available, by reason of the employment and without any transfer of the property in it, for private use.
- (5) The reference in subsection (2)(b) to the time when the asset is last available to the employee is to the last time when the asset is made available, by reason of the employment and without any transfer of the property in it, for private use.

205B Reduction of cost of taxable benefit where asset is shared

- (1) This section applies where the cost of an employment-related benefit (“the taxable benefit”) is to be determined under section 205.
 - (2) If, for the whole or part of the tax year concerned, the same asset is available for more than one employee's private use at the same time, the total of the amounts which are the cost of the taxable benefit for each of those employees is to be limited to the annual cost of the benefit of the asset determined in accordance with section 205(2).
 - (3) The cost of the taxable benefit for each employee is determined by taking the amount given by section 205(1C) and then reducing that amount on a just and reasonable basis.
 - (4) For the purposes of this section, an asset is available for an employee's private use if it is available for private use by the employee or a member of the employee's family or household.”
- (4) In section 365 (deductions where employment-related benefit provided)—
- (a) in subsection (1)—
 - (i) omit the “and” at the end of paragraph (a), and
 - (ii) after that paragraph insert—
 - “(aa) the cost of the benefit was determined under section 204 or 206, and”,
 - (b) in subsection (3), for “sections 204 to 206” substitute “ section 204 or 206 ”, and
 - (c) in the heading, for “employment-related benefit” substitute “ certain employment-related benefits ”.
- (5) The amendments made by this section have effect for the tax year 2017-18 and subsequent tax years.

9 Overseas pensions

Schedule 3 makes provision about—

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- (a) registered pension schemes established outside the United Kingdom, and
- (b) payments made in respect of overseas pension entitlement.

10 Pensions: offshore transfers

Schedule 4 contains provision about charging income tax—

- (a) where payments are made in respect of overseas pensions, and
- (b) on transfers to qualifying recognised overseas pension schemes.

11 Deduction of income tax at source

Schedule 5 makes provision about deduction of income tax at source.

Employee shareholder shares

12 Employee shareholder shares: amount treated as earnings

- (1) In section 226A of ITEPA 2003 (amount treated as earnings)—
 - (a) in subsection (2), for “calculated in accordance with subsection (3)” substitute “equal to the market value of the shares”;
 - (b) omit subsection (3);
 - (c) in subsection (6), omit “and sections 226B to 226D”;
 - (d) in subsection (7), after “subsection (1)” insert “(but not subsection (2))”.
- (2) Omit sections 226B to 226D of ITEPA 2003 (deemed payment).
- (3) In consequence of subsection (2), in ITEPA 2003 omit the following—
 - (a) section 479(3A);
 - (b) section 531(3A);
 - (c) section 532(4A).
- (4) In consequence of subsection (2), in CTA 2009 omit the following—
 - (a) in section 1005, the definition of “employee shareholder share”;
 - (b) section 1009(6);
 - (c) in section 1010(1), “and, in the case of employee shareholder shares, section 1038B”;
 - (d) in section 1011(4)(b), “(but see also section 1038B of this Act)“;
 - (e) in sections 1018(1) and 1019(1), “and, in the case of employee shareholder shares, section 1038B”;
 - (f) sections 1022(5), 1026(5), 1027(5), 1033(5) and 1034(5);
 - (g) section 1038B;
 - (h) sections 1292(6ZA) and 1293(5A);
 - (i) in Schedule 4, the entry relating to “employee shareholder share”.
- (5) The amendments made by this section have effect in relation to shares acquired in consideration of an employee shareholder agreement entered into on or after the relevant day.
- (6) The relevant day is 1 December 2016, subject to subsection (7).

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- (7) Where the individual entering into an employee shareholder agreement receives the advice referred to in section 205A(6)(a) of the Employment Rights Act 1996—
- (a) on 23 November 2016, but
 - (b) before 1.30 pm on that day,
- the relevant day is 2 December 2016.

13 Employee shareholder shares: abolition of CGT exemption

- (1) TCGA 1992 is amended as follows.
- (2) In section 58 (spouses and civil partners)—
- (a) in subsection (2)—
 - (i) at the end of paragraph (a) insert “ or ”;
 - (ii) omit paragraph (c) and the preceding “or”;
 - (b) omit subsections (3) to (5).
- (3) In section 149AA (restricted and convertible employment-related securities and employee shareholder shares), for subsection (6A) substitute—
- “(6A) For the purposes of this section—
- shares are “acquired” by an employee if the employee becomes beneficially entitled to them (and they are acquired at the time when the employee becomes so entitled);
- “employee shareholder share” means a share acquired in consideration of an employee shareholder agreement and held by the employee;
- “employee shareholder agreement” means an agreement by virtue of which an employee is an employee shareholder (see section 205A(1)(a) to (d) of the Employment Rights Act 1996);
- “employee” and “employer company”, in relation to an employee shareholder agreement, mean the individual and the company which enter into the agreement.”
- (4) Omit sections 236B to 236F (exemption for employee shareholder shares).
- (5) In section 236G (relinquishment of employment rights is not disposal of an asset), in subsection (1), for “employee shareholder agreement” substitute “ agreement by virtue of which the individual is an employee shareholder (see section 205A(1)(a) to (d) of the Employment Rights Act 1996) ”.
- (6) The amendments made by this section have effect in relation to shares acquired in consideration of an employee shareholder agreement entered into on or after the relevant day.
- (7) The relevant day is 1 December 2016, subject to subsection (8).
- (8) Where the individual entering into an employee shareholder agreement receives the advice referred to in section 205A(6)(a) of the Employment Rights Act 1996—
- (a) on 23 November 2016, but
 - (b) before 1.30 pm on that day,
- the relevant day is 2 December 2016.

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14 Employee shareholder shares: purchase by company

- (1) In ITTOIA 2005, omit section 385A (no charge to income tax on purchase by company of exempt employee shareholder shares).
- (2) The amendment made by this section has effect in relation to the purchase from an individual of shares which were acquired in consideration of an employee shareholder agreement entered into on or after the relevant day.
- (3) The relevant day is 1 December 2016, subject to subsection (4).
- (4) Where the individual entering into an employee shareholder agreement receives the advice referred to in section 205A(6)(a) of the Employment Rights Act 1996—
 - (a) on 23 November 2016, but
 - (b) before 1.30 pm on that day,the relevant day is 2 December 2016.

Disguised remuneration

15 Employment income provided through third parties

Schedule 6 makes provision about employment income provided through third parties.

Indirect taxes

16 VAT: zero-rating of adapted motor vehicles etc

Schedule 7 contains amendments of Schedule 8 to VATA 1994 (zero-rating).

17 Insurance premium tax: standard rate

- (1) In section 51(2)(b) of FA 1994 (standard rate of insurance premium tax), for “10 per cent” substitute “ 12 per cent ”.
- (2) Subject to subsection (3), the amendment made by subsection (1) has effect in relation to a premium falling to be regarded for the purposes of Part 3 of FA 1994 as received under a taxable insurance contract by an insurer on or after 1 June 2017.
- (3) That amendment does not have effect in relation to a premium falling within subsection (4), unless the premium falls to be regarded for the purposes of Part 3 of FA 1994 as received under a taxable insurance contract by an insurer on or after 1 June 2018.
- (4) A premium falls within this subsection if it is in respect of a risk for which the period of cover begins before 1 June 2017.
- (5) In the application of sections 66A and 66B of FA 1994 (anti-forestalling provision) in relation to the increase in insurance premium tax made by this section, the announcement relating to that increase is to be taken to have been made on 8 March 2017 (and “the change date” is to be taken to be 1 June 2017).
- (6) This section is to be read with section 66C of FA 1994 (premiums relating to more than one period of cover).

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18 Insurance premium tax: anti-forestalling provision

- (1) FA 1994 is amended as follows.
- (2) After section 66 insert—

“66A Rate increases: deemed date of receipt of certain premiums

- (1) This section applies where a Minister of the Crown announces a proposed increase in the rate at which tax is to be charged on a premium if it is received by the insurer on or after a date specified in the announcement (“the change date”).
- (2) This section applies whether or not the announcement includes an announcement of a proposed exception from the increase (for example, for premiums in respect of risks for which the period of cover begins before the change date).
- (3) Subsection (4) applies where—
- (a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date, and
 - (b) the period of cover for the risk begins on or after the change date.
- (4) For the purposes of this Part the premium is to be taken to be received on the change date.
- (5) Subsection (6) applies where—
- (a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date,
 - (b) the period of cover for the risk—
 - (i) begins before the change date, and
 - (ii) ends on or after the first anniversary of the change date (“the first anniversary”), and
 - (c) the premium, or any part of it, is attributable to such of the period of cover as falls on or after the first anniversary.
- (6) For the purposes of this Part—
- (a) so much of the premium as is attributable to such of the period of cover as falls on or after the first anniversary is to be taken to be received on the change date, and
 - (b) so much as is so attributable is to be taken to be a separate premium.
- (7) In determining whether the condition in subsection (3)(a) or (5)(a) is met, regulations under section 68(3) or (7) apply as they would apart from this section.
- (8) But where subsection (4) or (6) applies—
- (a) that subsection has effect despite anything in section 68 or regulations under that section, and
 - (b) any regulations under section 68 have effect as if the entry made in the accounts of the insurer showing the premium as due to the insurer had been made as at the change date.

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- (9) A premium treated by subsection (6) as received on the change date is not to be taken to fall within any exception, from an increase announced by the announcement, for premiums in respect of risks for which the period of cover begins before the change date.
- (10) Any attribution under this section is to be made on such basis as is just and reasonable.
- (11) In this section—
- “increase”, in relation to the rate of tax, includes the imposition of a charge to tax by adding to the descriptions of contract which are taxable insurance contracts;
- “Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975.

66B Section 66A: exceptions and apportionments

- (1) Section 66A(3) and (4) do not apply in relation to a premium if the risk to which that premium relates belongs to a class of risk as regards which the normal practice is for a premium to be received by or on behalf of the insurer before the date when cover begins.
- (2) Section 66A(5) and (6) do not apply in relation to a premium if the risk to which that premium relates belongs to a class of risk as regards which the normal practice is for cover to be provided for a period of more than twelve months.
- (3) If a contract relates to more than one risk, then in the application of section 66A(3) and (4) or 66A(5) and (6)—
- the reference in section 66A(3)(b) or (5)(b) to the risk is to be read as a reference to any given risk,
 - so much of the premium as is attributable to any given risk is to be taken for the purposes of section 66A(3) and (4) or 66A(5) and (6) to be a separate premium relating to that risk,
 - those provisions then apply separately in the case of each given risk and the separate premium relating to it, and
 - any further attribution required by section 66A(5) and (6) is to be made accordingly,
- and subsections (1) and (2) and section 66A(9) apply accordingly.
- (4) Any attribution under this section is to be made on such basis as is just and reasonable.

66C Rate changes: premiums relating to more than one period of cover

- (1) This section applies if any Act—
- makes an amendment of section 51(2)(a) or (b) which alters the higher rate or standard rate (“the relevant rate”),
 - provides for the amendment to have effect in relation to a premium falling to be regarded for the purposes of this Part as received under a taxable insurance contract by an insurer on or after a particular date (“the change date”), and

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- (c) makes provision that excepts from that amendment a premium which is in respect of a risk for which the period of cover begins before the change date.
- (2) Subsection (3) applies if a premium which is liable to tax at the relevant rate, and which falls to be regarded for the purposes of this Part as received under a taxable insurance contract by an insurer on or after the change date, is—
 - (a) partly in respect of a risk for which the period of cover begins before the change date, and
 - (b) partly in respect of a risk for which the period of cover begins on or after that date.
 - (3) So much of the premium as is attributable to the risk for which the period of cover begins on or after the change date is to be treated for the purposes of this Part and the provision mentioned in subsection (1)(c) as a separate premium.
 - (4) Where a premium is in respect of a relevant rate matter and also a matter that is not a relevant rate matter—
 - (a) for the purposes of the provision mentioned in subsection (1)(c), the premium is to be treated as in respect of a risk for which the period of cover begins before the change date if the part of it attributable to the relevant rate matter is in respect of such a risk, and
 - (b) the reference in subsection (2) to a premium which is liable to tax at the relevant rate is to be read as a reference to so much of the premium as is attributable to the relevant rate matter (and subsection (3) is to be read accordingly).
 - (5) If premiums of any description are excluded from the exception mentioned in subsection (1)(c), nothing in subsections (2) to (4) applies to a premium of that description.
 - (6) Nothing in subsection (4) applies to an excepted premium (within the meaning given by section 69A).
 - (7) Any attribution under this section is to be made on such basis as is just and reasonable.
 - (8) In this section a “relevant rate matter” means—
 - (a) where the relevant rate is the standard rate, a standard rate matter as defined by section 69(12)(c);
 - (b) where the relevant rate is the higher rate, a higher rate matter as defined by section 69(12)(d).
 - (9) In subsection (1) the reference to any Act includes a resolution which has statutory effect under the Provisional Collection of Taxes Act 1968.”
- (3) Omit—
 - (a) section 67 (spent transitional provision), and
 - (b) sections 67A to 67C (which are superseded by sections 66A and 66B inserted by subsection (2)).
 - (4) The amendments made by subsections (2) and (3)(b) have effect on and after 8 March 2017.

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- (5) Despite the repeal by subsection (3) of sections 67A and 67C of FA 1994, those sections continue to have effect so far as they apply to premiums received on or after 23 November 2016 and before 8 March 2017.

19 Air passenger duty: rates from 1 April 2017

- (1) In section 30 of FA 1994 (air passenger duty: rates of duty), in subsection (4A) (long haul rates of duty)—
- (a) in paragraph (a), for “£73” substitute “ £75 ”;
 - (b) in paragraph (b), for “£146” substitute “ £150 ”.
- (2) The amendments made by this section have effect in relation to the carriage of passengers beginning on or after 1 April 2017.

20 Vehicle excise duty: rates

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.
- (2) In paragraph 1 (general rate of duty)—
- (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1,549cc), for “£235” substitute “ £245 ”, and
 - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£145” substitute “ £150 ”.
- (3) In paragraph 1B (graduated rates of duty for light passenger vehicles)—
- (a) in the words before paragraph (a), for “tables” substitute “ table ”,
 - (b) in paragraph (a), at the end insert “ and ”,
 - (c) in paragraph (b), at the end omit “, and”,
 - (d) omit paragraph (c),
 - (e) for Tables 1 and 2 substitute—

<i>“CO₂ emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>
<i>g/km</i>	<i>g/km</i>	<i>£</i>	<i>£</i>
100	110	10	20
110	120	20	30
120	130	105	115
130	140	125	135
140	150	140	150
150	165	180	190
165	175	210	220
175	185	230	240
185	200	270	280

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200	225	295	305
225	255	510	520
255		525	535”, and

- (f) in the sentence immediately following Table 2—
- (i) at the beginning, for “Table 2” substitute “ The table ”, and
 - (ii) for paragraphs (a) and (b) substitute—
 - “(a) in column (3), in the last two rows, “295” were substituted for “510” and “ 525 ”, and
 - (b) in column (4), in the last two rows, “305” were substituted for “520” and “ 535 ”.”
- (4) In paragraph 1J (VED rates for light goods vehicles), in paragraph (a), for “£230” substitute “ £240 ”.
- (5) In paragraph 2(1) (VED rates for motorcycles)—
- (a) in paragraph (a), for “£17” substitute “ £18 ”,
 - (b) in paragraph (b), for “£39” substitute “ £41 ”,
 - (c) in paragraph (c), for “£60” substitute “ £62 ”, and
 - (d) in paragraph (d), for “£82” substitute “ £85 ”.
- (6) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2017.

21 Alcoholic liquor duties: rates

- (1) ALDA 1979 is amended as follows.
- (2) In section 5 (rate of duty on spirits), for “£27.66” substitute “ £28.74 ”.
- (3) In section 36(1AA) (rates of general beer duty)—
 - (a) in paragraph (za) (rate of duty on lower strength beer), for “£8.10” substitute “ £8.42 ”, and
 - (b) in paragraph (a) (standard rate of duty on beer), for “£18.37” substitute “ £19.08 ”.
- (4) In section 37(4) (rate of high strength beer duty), for “£5.48” substitute “ £5.69 ”.
- (5) In section 62(1A) (rates of duty on cider)—
 - (a) in paragraph (a) (rate of duty per hectolitre on sparkling cider of a strength exceeding 5.5%), for “£268.99” substitute “ £279.46 ”,
 - (b) in paragraph (b) (rate of duty per hectolitre on cider of a strength exceeding 7.5% which is not sparkling cider), for “£58.75” substitute “ £61.04 ”, and
 - (c) in paragraph (c) (rate of duty per hectolitre in any other case), for “£38.87” substitute “ £40.38 ”.
- (6) For the table in Schedule 1 substitute—

“Table of rates of duty on wine and made-wine

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PART 1

WINE OR MADE-WINE OF A STRENGTH NOT EXCEEDING 22%

<i>Description of wine or made-wine</i>	<i>Rates of duty per hectolitre £</i>
Wine or made-wine of a strength not exceeding 4%	88.93
Wine or made-wine of a strength exceeding 4% but not exceeding 5.5%	122.30
Wine or made-wine of a strength exceeding 5.5% but not exceeding 15% and not being sparkling	288.65
Sparkling wine or sparkling made-wine of a strength exceeding 5.5% but less than 8.5%	279.46
Sparkling wine or sparkling made-wine of a strength of 8.5% or of a strength exceeding 8.5% but not exceeding 15%	369.72
Wine or made-wine of a strength exceeding 15% but not exceeding 22%	384.82

PART 2

WINE OR MADE-WINE OF A STRENGTH EXCEEDING 22%

<i>Description of wine or made-wine</i>	<i>Rates of duty per litre of alcohol in wine or made-wine £</i>
Wine or made-wine of a strength exceeding 22%	28.74”.

(7) The amendments made by this section are treated as having come into force on 13 March 2017.

22 Tobacco products duty: rates

- (1) TPDA 1979 is amended as follows.
(2) For the table in Schedule 1 substitute—

“TABLE

1. Cigarettes	An amount equal to 16.5% of the retail price plus £207.99 per thousand cigarettes.
2. Cigars	£259.44 per kilogram
3. Hand-rolling tobacco	£209.77 per kilogram
4. Other smoking tobacco and chewing tobacco	£114.06 per kilogram”.

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- (3) The amendment made by this section is treated as having come into force at 6pm on 8 March 2017.

23 Tobacco products duty: minimum excise duty

- (1) TPDA 1979 is amended as follows.
- (2) In section 6(5)(a) (alteration of rates of duty), for “the amount” substitute “ each amount ”.
- (3) For the first row in the table in Schedule 1 (as substituted by section 22) substitute—

““1. Cigarettes	An amount equal to the higher of— (a) 16.5% of the retail price plus £207.99 per thousand cigarettes, or (b) £268.63 per thousand cigarettes.”
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- (4) The amendments made by this section are treated as having come into force on 20 May 2017.

Avoidance

24 Promoters of tax avoidance schemes: threshold conditions etc

- (1) In Part 2 of Schedule 34 to FA 2014 (meeting the threshold conditions: bodies corporate and partnerships), in paragraph 13A (interpretation), for sub-paragraphs (6) to (8) substitute—
- “(6) Two or more persons together control a body corporate if together they have the power to secure that the affairs of the body corporate are conducted in accordance with their wishes in any way specified in sub-paragraph (5)(a) to (c).
- (7) A person controls a partnership if the person is a member of the partnership and—
- (a) has the right to a share of more than half the assets, or more than half the income, of the partnership, or
- (b) directs, or is on a day-to-day level in control of, the management of the business of the partnership.
- (8) Two or more persons together control a partnership if they are members of the partnership and together they—
- (a) have the right to a share of more than half the assets, or of more than half the income, of the partnership, or
- (b) direct, or are on a day-to-day level in control of, the management of the business of the partnership.
- (9) Paragraph 19(2) to (5) of Schedule 36 (connected persons etc) applies to a person referred to in sub-paragraph (7) or (8) as if references to “P” were to that person.
- (10) A person has significant influence over a body corporate or partnership if the person—

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- (a) does not control the body corporate or partnership, but
 - (b) is able to, or actually does, exercise significant influence over it (whether or not as the result of a legal entitlement).
 - (11) Two or more persons together have significant influence over a body corporate or partnership if together those persons—
 - (a) do not control the body corporate or partnership, but
 - (b) are able to, or actually do, exercise significant influence over it (whether or not as the result of a legal entitlement).
 - (12) References to a person being a promoter are to the person carrying on business as a promoter.”
- (2) In Part 2 of Schedule 34 to FA 2014, for paragraphs 13B to 13D substitute—

“Relevant bodies controlled etc by other persons treated as meeting a threshold condition

- 13B (1) A relevant body is treated as meeting a threshold condition at the relevant time if any of Conditions A to C is met.
- (2) Condition A is that—
 - (a) a person met the threshold condition at a time when the person was a promoter, and
 - (b) the person controls or has significant influence over the relevant body at the relevant time.
 - (3) Condition B is that—
 - (a) a person met the threshold condition at a time when the person controlled or had significant influence over the relevant body,
 - (b) the relevant body was a promoter at that time, and
 - (c) the person controls or has significant influence over the relevant body at the relevant time.
 - (4) Condition C is that—
 - (a) two or more persons together controlled or had significant influence over the relevant body at a time when one of those persons met the threshold condition,
 - (b) the relevant body was a promoter at that time, and
 - (c) those persons together control or have significant influence over the relevant body at the relevant time.
 - (5) Where the person referred to in sub-paragraph (2)(a) or (3)(a) or (4)(a) as meeting a threshold condition is an individual, sub-paragraph (1) only applies if the threshold condition is a relevant threshold condition.
 - (6) For the purposes of sub-paragraph (2) it does not matter whether the relevant body existed at the time referred to in sub-paragraph (2)(a).

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Persons who control etc a relevant body treated as meeting a threshold condition

- 13C (1) If at a time when a person controlled or had significant influence over a relevant body—
- (a) the relevant body met a threshold condition, and
 - (b) the relevant body, or another relevant body which the person controlled or had significant influence over, was a promoter,
- the person is treated as meeting the threshold condition at the relevant time.
- (2) It does not matter whether any relevant body referred to sub-paragraph (1) exists at the relevant time.

Relevant bodies controlled etc by the same person treated as meeting a threshold condition

- 13D (1) If—
- (a) a person controlled or had significant influence over a relevant body at a time when it met a threshold condition, and
 - (b) at that time that body, or another relevant body which the person controlled or had significant influence over, was a promoter,
- any relevant body which the person controls or has significant influence over at the relevant time is treated as meeting the threshold condition at the relevant time.
- (2) If—
- (a) two or more persons together controlled or had significant influence over a relevant body at a time when it met a threshold condition, and
 - (b) at that time that body, or another relevant body which those persons together controlled or had significant influence over, was a promoter,
- any relevant body which those persons together control or have significant influence over at the relevant time is treated as meeting the threshold condition at the relevant time.
- (3) It does not matter whether—
- (a) a relevant body referred to in sub-paragraph (1)(a) or (b) or (2)(a) or (b) exists at the relevant time, or
 - (b) a relevant body existing at the relevant time existed at the time referred to in sub-paragraph (1)(a) or (2)(a)."
- (3) In Part 4 of Schedule 34A to FA 2014 (meeting section 237A conditions: bodies corporate and partnerships), for paragraphs 20 to 22 substitute—

“Relevant bodies controlled etc by other persons treated as meeting section 237A condition

- 20 (1) A relevant body is treated as meeting a section 237A condition at the section 237A(2) relevant time if any of Conditions A to C is met.

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- (2) Condition A is that—
- (a) a person met the section 237A condition at a time when the person was a promoter, and
 - (b) the person controls or has significant influence over the relevant body at the section 237A(2) relevant time.
- (3) Condition B is that—
- (a) a person met the section 237A condition at a time when the person controlled or had significant influence over the relevant body,
 - (b) the relevant body was a promoter at that time, and
 - (c) the person controls or has significant influence over the relevant body at the section 237A(2) relevant time.
- (4) Condition C is that—
- (a) two or more persons together controlled or had significant influence over the relevant body at a time when one of those persons met the section 237A condition,
 - (b) the relevant body was a promoter at that time, and
 - (c) those persons together control or have significant influence over the relevant body at the section 237A(2) relevant time.
- (5) Sub-paragraph (1) does not apply where the person referred to in sub-paragraph (2)(a), (3)(a), or (4)(a) as meeting a section 237A condition is an individual.
- (6) For the purposes of sub-paragraph (2) it does not matter whether the relevant body existed at the time referred to in sub-paragraph (2)(a).

Persons who control etc a relevant body treated as meeting a section 237A condition

- 21 (1) If at a time when a person controlled or had significant influence over a relevant body—
- (a) the relevant body met a section 237A condition, and
 - (b) the relevant body, or another relevant body which the person controlled or had significant influence over, was a promoter,
- the person is treated as meeting the section 237A condition at the section 237A(2) relevant time.
- (2) It does not matter whether any relevant body referred to sub-paragraph (1) exists at the section 237A(2) relevant time.

Relevant bodies controlled etc by the same person treated as meeting a section 237A condition

- 22 (1) If—
- (a) a person controlled or had significant influence over a relevant body at a time when it met a section 237A condition, and
 - (b) at that time that body, or another relevant body which the person controlled or had significant influence over, was a promoter,

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any relevant body which the person controls or has significant influence over at the section 237A(2) relevant time is treated as meeting the section 237A condition at the section 237A(2) relevant time.

(2) If—

- (a) two or more persons together controlled or had significant influence over a relevant body at a time when it met a section 237A condition, and
- (b) at that time that body, or another relevant body which those persons together controlled or had significant influence over, was a promoter,

any relevant body which those persons together control or have significant influence over at the section 237A(2) relevant time is treated as meeting the section 237A condition at the section 237A(2) relevant time.

(3) It does not matter whether—

- (a) a relevant body referred to in sub-paragraph (1)(a) or (b) or (2) (a) or (b) exists at the section 237A(2) relevant time, or
- (b) a relevant body existing at the section 237A(2) relevant time existed at the time referred to in sub-paragraph (1)(a) or (2)(a)."

(4) In Part 4 of Schedule 34A to FA 2014, in paragraph 23 (interpretation)—

- (a) in sub-paragraph (1), for the definition of “control” substitute—

““control” and “significant influence” have the same meanings as in Part 4 of Schedule 34 (see paragraph 13A(5) to (11));

references to a person being a promoter are to the person carrying on business as a promoter;”;

- (b) in sub-paragraph (2), for “20(1)(a), 21(1)(a) and 22(1)(a)” substitute “ 20 to 22 ”.

(5) The amendments made by subsections (1) and (2) have effect for the purposes of determining whether a person meets a threshold condition in a period of three years ending on or after 8 March 2017.

(6) The amendments made by subsections (3) and (4) have effect for the purposes of determining whether a person meets a section 237A condition in a period of three years ending on or after 8 March 2017.

PART 2

SOFT DRINKS INDUSTRY LEVY

Introductory

25 Soft drinks industry levy

- (1) A tax called “soft drinks industry levy” is to be charged in accordance with this Part.
- (2) The Commissioners are responsible for the collection and management of soft drinks industry levy.

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Commencement Information

II S. 25 in force at 6.4.2018 by S.I. 2018/464, art. 2(e)

26 “Soft drink” and “package”

(1) “Soft drink” means—

- (a) a beverage of an alcoholic strength not exceeding 1.2%;
- (b) a liquid which, when prepared in a specified manner, constitutes a beverage within paragraph (a);
- [^{F1}(c) a liquid flavouring (a “flavour concentrate”) which, when processed in a specified manner in a dispensing machine, constitutes a beverage within that paragraph.]

(2) A liquid is prepared in a specified manner if it is—

- (a) diluted with water,
- (b) combined with crushed ice, or processed so as to create crushed ice,
- (c) combined with carbon dioxide, or
- (d) prepared by way of a process that involves any combination of the processes mentioned in paragraphs (a) to (c).

[^{F2}(2A) A flavour concentrate is processed in a specified manner if—

- (a) it is combined with added sugar ingredients, with or without—
 - (i) artificial sweeteners, or
 - (ii) one or more other flavour concentrates; and
- (b) the flavour concentrate (or combination) is prepared in a specified manner.

(2B) A “dispensing machine” is a machine designed to—

- (a) combine, process or prepare ingredients so as to produce a beverage, and
- (b) supply the beverage directly to a consumer.

(2C) In subsection (2A)(a), “added sugar ingredients” means anything within paragraph (a) or (b) of section 29(2).]

(3) A person “packages” a soft drink if the person cans, bottles or otherwise packages the soft drink in a form in which—

- (a) in the case of a soft drink within subsection (1)(a), it is suitable to be consumed without further preparation, ^{F3}...
- (b) in the case of a soft drink within subsection (1)(b), it is suitable to be consumed when prepared in a specified manner (and without any other preparation), [^{F4}and
- (c) in the case of a soft drink within subsection (1)(c)—
 - (i) it is suitable to be consumed when processed in a specified manner in a dispensing machine (and without any other processing or preparation), and
 - (ii) it is ready for use in a dispensing machine;]

and “packaged” is to be construed accordingly.

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Textual Amendments

- F1** S. 26(1)(c) inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 2\(2\)](#), 8
- F2** S. 26(2A)-(2C) inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 2\(3\)](#), 8
- F3** Word in s. 26(3)(a) omitted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by virtue of [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 2\(4\)\(a\)](#), 8
- F4** S. 26(3)(c) and word inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 2\(4\)\(b\)](#), 8

Commencement Information

- I2** S. 26 in force at 6.4.2018 by [S.I. 2018/464](#), [art. 2\(e\)](#)

27 Meaning of “prepared drink”

- (1) In this Part a reference to “prepared drink” is a reference to—
- (a) a soft drink within subsection (1)(a) of section 26;
 - (b) a beverage that would result from preparing a liquid within subsection (1)(b) of that section—
 - (i) in a specified manner (see section 26(2)), and
 - (ii) in accordance with the relevant dilution ratio;
 - [^{F5}(c) a beverage that would result from—
 - (i) processing a flavour concentrate within subsection (1)(c) of that section in a specified manner in a dispensing machine, and
 - (ii) in accordance with the relevant dispensing instructions.]
- (2) The “relevant dilution ratio” means—
- (a) the dilution ratio stated on, or calculated by reference to information stated on, the packaging of the soft drink;
 - (b) where [^{F6}subsection (3)(a)] or (4) applies, the dilution ratio determined by the Commissioners.
- [^{F7}(2A) The “relevant dispensing instructions” means—
- (a) the instructions for use of the flavour concentrate provided with, or for the purposes of use with, the concentrate or a dispensing machine with which it is designed to be used;
 - (b) where subsection (3)(b) or (4A) applies, the dispensing instructions determined by the Commissioners.]

[^{F8}(3) This subsection applies where—

 - (a) in a case within subsection (1)(b), the packaging of the soft drink states neither the dilution ratio nor information by reference to which the dilution ratio can be calculated;
 - (b) in a case within subsection (1)(c), no dispensing instructions are provided with, or for the purposes of use with, the flavour concentrate or with any dispensing machine with which it is designed to be used.]

(4) This subsection applies where—

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- (a) the dilution ratio, or information by reference to which the dilution ratio can be calculated, is stated on the packaging of the soft drink, and
- (b) it is reasonable to assume that the main purpose, or one of the main purposes, of stating that particular dilution ratio or information is avoiding or reducing liability for soft drinks industry levy.

[^{F9}(4A) This subsection applies where—

- (a) dispensing instructions are provided, and
- (b) it is reasonable to assume that the main purpose, or one of the main purposes, of providing those particular dispensing instructions is avoiding or reducing liability for soft drinks industry levy.]

(5) The Commissioners may by or under regulations make provision about the criteria for—

- (a) determining a dilution ratio for the purposes of subsection (2)(b);
- [^{F10}(aa) determining dispensing instructions for the purposes of subsection (2A)(b);]
- [^{F11}(b) determining whether the main purpose, or one of the main purposes, of—
 - (i) stating a particular dilution ratio or information, or
 - (ii) providing particular dispensing instructions;is avoiding or reducing liability for soft drinks industry levy.]

Textual Amendments

- F5** *S. 27(1)(c)* inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 3\(2\)](#), 8
- F6** Words in *s. 27(2)(b)* substituted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 3\(3\)](#), 8
- F7** *S. 27(2A)* inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 3\(4\)](#), 8
- F8** *S. 27(3)* substituted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 3\(5\)](#), 8
- F9** *S. 27(4A)* inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 3\(6\)](#), 8
- F10** *S. 27(5)(aa)* inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 3\(7\)\(a\)](#), 8
- F11** *S. 27(5)(b)* substituted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 3\(7\)\(b\)](#), 8

Commencement Information

- I3** *S. 27* in force at 13.1.2018 for specified purposes by [S.I. 2018/32](#), [reg. 2](#)
- I4** *S. 27* in force at 6.4.2018 in so far as not already in force by [S.I. 2018/464](#), [art. 2\(e\)](#)

Chargeable soft drinks

28 Meaning of “chargeable soft drink”

“Chargeable soft drink” means a packaged soft drink that—

- (a) meets the sugar content condition (see section 29), and
- (b) is not an exempt soft drink (see section 30).

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Commencement Information

I5 S. 28 in force at 6.4.2018 by S.I. 2018/464, art. 2(e)

29 Sugar content condition

- (1) A packaged soft drink meets the sugar content condition if ^{F12}...—
- [^{F13}(a) either—
- (i) it is a soft drink within section 26(1)(c), or
- (ii) it contains added sugar ingredients;] and
- (b) [^{F14}it contains] at least 5 grams of sugars (whether or not as a result of containing added sugar ingredients) per 100 millilitres of prepared drink.
- (2) A packaged soft drink contains “added sugar ingredients” if any of the following are combined with other ingredients at any stage in the production of the soft drink—
- (a) calorific mono-saccharides or di-saccharides;
- (b) a substance containing calorific mono-saccharides or di-saccharides.
- (3) But a packaged soft drink does not contain “added sugar ingredients” only by reason of containing fruit juice, vegetable juice or milk (or any combination of them).
- (4) The Commissioners may by regulations make provision about what is, or is not, to be treated for the purposes of this Part as fruit juice, vegetable juice or milk.
- (5) Where regulations under subsection (4) contain a reference to an EU instrument or any provision of an EU instrument, the regulations may provide that the reference is to be construed as a reference to that instrument or that provision as amended from time to time.

Textual Amendments

F12 Words in s. 29(1) omitted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by virtue of Finance (No. 2) Act 2023 (c. 30), Sch. 21 paras. 4(a), 8

F13 S. 29(1)(a) substituted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by Finance (No. 2) Act 2023 (c. 30), Sch. 21 paras. 4(b), 8

F14 Words in s. 29(1)(b) inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by Finance (No. 2) Act 2023 (c. 30), Sch. 21 paras. 4(c), 8

Commencement Information

I6 S. 29 in force at 13.1.2018 for specified purposes by S.I. 2018/32, reg. 2

I7 S. 29 in force at 6.4.2018 in so far as not already in force by S.I. 2018/464, art. 2(e)

30 Exempt soft drinks

- (1) The following are “exempt soft drinks”—
- (a) milk-based drinks,
- (b) milk substitute drinks,
- (c) alcohol substitute drinks, ^{F15}...
- (d) soft drinks of a specified description which are for use for medicinal or other specified purposes [^{F16}, and

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- (e) soft drinks within section 26(1)(c) (flavour concentrates) that meet such conditions as may be specified.]
- (2) “Milk-based drink” means a soft drink which contains at least 75 millilitres of milk per 100 millilitres of prepared drink.
- (3) “Milk substitute drink” means a soft drink which—
- (a) contains at least the specified quantities of calcium, and
 - (b) meets such other conditions as may be specified.
- (4) “Alcohol substitute drink” means a soft drink which—
- (a) is similar to a particular kind of alcoholic beverage, and
 - (b) meets such other conditions as may be specified.
- (5) “Alcoholic beverage” means a beverage which is of an alcoholic strength exceeding 1.2%.
- (6) The Commissioners may by regulations make further provision about the criteria for determining what is, or is not, to be treated as an exempt soft drink.
- (7) Where regulations made under, or for the purposes of, this section contain a reference to an EU instrument or any provision of an EU instrument, the regulations may provide that the reference is to be construed as a reference to that instrument or that provision as amended from time to time.

Textual Amendments

- F15** Word in [s. 30\(1\)](#) omitted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by virtue of [Finance \(No. 2\) Act 2023 \(c. 30\), Sch. 21 paras. 5\(a\), 8](#)
- F16** [S. 30\(1\)\(e\)](#) and word inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), Sch. 21 paras. 5\(b\), 8](#)

Commencement Information

- I8** [S. 30](#) in force at 13.1.2018 for specified purposes by [S.I. 2018/32, reg. 2](#)
- I9** [S. 30](#) in force at 6.4.2018 in so far as not already in force by [S.I. 2018/464, art. 2\(e\)](#)

Charging of the soft drinks industry levy

31 Charge to soft drinks industry levy

- (1) The charge to soft drinks industry levy arises on a chargeable event which occurs on or after 6 April 2018.
- (2) Subsection (1) is subject to section 37 (small producer exemption).

Commencement Information

- I10** [S. 31](#) in force at 6.4.2018 in relation to chargeable events occurring in relation to chargeable soft drinks packaged in, or imported into, the United Kingdom on or after that date by [S.I. 2018/464, art. 2\(a\)](#)

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32 Chargeable events: soft drinks packaged in the UK

- (1) This section applies where chargeable soft drinks are packaged by a person on premises in the United Kingdom (the “packaging premises”).
- (2) A chargeable event occurs on the removal of the chargeable soft drinks from the packaging premises.
- (3) But—
 - (a) if, on removal from the packaging premises, the secondary warehousing condition is met in relation to the chargeable soft drinks, a chargeable event occurs at the time that the secondary warehousing condition ceases to be met in relation to those soft drinks (and not at the time mentioned in subsection (2));
 - (b) if the chargeable soft drinks are made available for sale or free of charge before a chargeable event in relation to the soft drinks occurs under subsection (2) or paragraph (a), a chargeable event occurs at the time the soft drinks are made available (and not at the time mentioned in subsection (2) or paragraph (a)).
- (4) For the purposes of this section and section 33, the secondary warehousing condition is met, at any time, in relation to chargeable soft drinks if the chargeable soft drinks are, at that time—
 - (a) in storage in a compliant warehouse, or
 - (b) being transported—
 - (i) from the packaging premises to a compliant warehouse, or
 - (ii) between compliant warehouses,
 in compliance with such conditions and requirements as may be imposed by regulations under section 34.
- (5) References in this section and in section 33 to a “compliant warehouse” are references to premises—
 - (a) that are, or are to be, used for the storage of chargeable soft drinks, and
 - (b) in respect of which the conditions and requirements specified in regulations under section 34(a) are met.

Commencement Information

III S. 32 in force at 6.4.2018 by S.I. 2018/464, art. 2(e)

33 Chargeable events: soft drinks imported into the UK

- (1) This section applies where chargeable soft drinks are imported into the United Kingdom.
- (2) A chargeable event occurs, in relation to imported chargeable soft drinks, on first receipt of the soft drinks by a relevant person (the “first recipient”).
- (3) But subsection (2) is subject to subsections (7) to (9).
- (4) The “first receipt” of imported chargeable soft drinks is the first occasion on which the soft drinks are delivered to a place in the United Kingdom which is a relevant person's place of business (including where the chargeable soft drinks are delivered

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from a place outside the United Kingdom which is another place of business of the relevant person).

- (5) “Relevant person” means a person who carries on a business involving the sale of chargeable soft drinks.
- (6) The reference in subsection (5) to the sale of chargeable soft drinks includes a reference to—
 - (a) sale by wholesale,
 - (b) sale by retail, and
 - (c) sale for consumption on or in the vicinity of premises on which the drinks are sold.
- (7) Subsection (8) applies if, on first receipt of the imported chargeable soft drinks, the place of business to which the soft drinks are delivered is a compliant warehouse.
- (8) Subject to subsection (9), a chargeable event occurs at the time that the secondary warehousing condition ceases to be met in relation to the imported chargeable soft drinks (and not at the time mentioned in subsection (2)).
- (9) If the chargeable soft drinks are made available for sale or free of charge by a relevant person (the “first seller”) before a chargeable event in relation to the soft drinks occurs under subsection (2) or (8), a chargeable event occurs at the time the chargeable soft drinks are made available (and not at the time mentioned in subsection (2) or (8)).

[^{F17}(10) This section is subject to section 58A (Isle of Man: import and export of chargeable soft drinks).]

Textual Amendments

F17 S. 33(10) inserted (1.4.2019) by [Finance Act 2019 \(c. 1\)](#), s. 68(4)(6)

Commencement Information

I12 S. 33 in force at 6.4.2018 by [S.I. 2018/464](#), art. 2(e)

34 Secondary warehousing regulations

The Commissioners may by regulations make provision, for the purposes of sections 32 and 33—

- (a) specifying conditions and requirements in respect of premises on which chargeable soft drinks may be stored before the occurrence of a chargeable event (see section 32(5)(b));
- (b) specifying other conditions and requirements as to the storage of chargeable soft drinks for the purposes of the secondary warehousing condition (see section 32(4));
- (c) specifying conditions and requirements as to the transportation of chargeable soft drinks for the purposes of the secondary warehousing condition;
- (d) imposing obligations on specified persons to provide information in connection with the storage or transportation of chargeable soft drinks.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

Commencement Information

- I13** S. 34 in force at 13.1.2018 for specified purposes by [S.I. 2018/32, reg. 2](#)
I14 S. 34 in force at 6.4.2018 in so far as not already in force by [S.I. 2018/464, art. 2\(e\)](#)

35 Liability to pay the levy

- (1) Where the charge to soft drinks industry levy arises on a chargeable event within section 32(2) or (3), the person who packages the chargeable soft drinks is liable to pay the amount charged.
- (2) Where the charge to soft drinks industry levy arises on a chargeable event within section 33(2) or (8), the relevant person who is the first recipient is liable to pay the amount charged.
- (3) Where the charge to soft drinks industry levy arises on a chargeable event within section 33(9), the relevant person who is the first seller is liable to pay the amount charged.

Commencement Information

- I15** S. 35 in force at 6.4.2018 by [S.I. 2018/464, art. 2\(e\)](#)

36 Levy rates

- (1) Soft drinks industry levy is charged—
 - (a) in the case of chargeable soft drinks that meet the higher sugar threshold, at the rate of £0.24 per litre of prepared drink;
 - (b) in the case of chargeable soft drinks that do not meet the higher sugar threshold, at the rate of £0.18 per litre of prepared drink.
- (2) A chargeable soft drink meets the higher sugar threshold if it contains at least 8 grams of sugars (whether or not as a result of containing added sugar ingredients) per 100 millilitres of prepared drink.

Commencement Information

- I16** S. 36 in force at 6.4.2018 by [S.I. 2018/464, art. 2\(e\)](#)

^{F18}36A Determining levy rate for flavour concentrates

- (1) This section applies where—
 - (a) two or more flavour concentrates are formulated so as to be combined with one another in a dispensing machine (see section 26(2A)(a)(ii)), and
 - (b) each of those flavour concentrates is a chargeable soft drink.
- (2) The references in section 36(1) to a litre of prepared drink are treated, in relation to each of the flavour concentrates, as references to the relevant proportion of a litre of prepared drink.

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(3) Subject to subsection (4), the “relevant proportion” is—

$1/N$

where N is the number of flavour concentrates that are designed to be combined.

(4) The Commissioners may by regulations make provision for determining the relevant proportion (otherwise than in accordance with subsection (3)) in cases where the flavour concentrates mentioned in subsection (1)(a) are formulated so as to be combined in a dispensing machine—

- (a) in unequal proportions, or
- (b) in different combinations for different beverages.]

Textual Amendments

F18 S. 36A inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by Finance (No. 2) Act 2023 (c. 30), Sch. 21 paras. 6, 8

Exemption etc

37 Small producer exemption

(1) No charge to soft drinks industry levy arises—

- (a) on a chargeable event within section 32 in relation to chargeable soft drinks produced by a person who is, on the relevant day, a qualifying small producer;
- (b) on a chargeable event within section 33 in relation to chargeable soft drinks produced by a person who is, on the relevant day, a small producer.

(2) Chargeable soft drinks are “produced” by a person if they are packaged (by or on behalf of the person) for marketing under—

- (a) the person's name or business name, or
- (b) another name which is used in accordance with a licence granted to the person.

(3) For the purposes of this section and section 38, the “relevant day”, in relation to chargeable soft drinks, is the day on which the charge to soft drinks industry levy on the chargeable soft drinks would (apart from this section) arise.

(4) “Small producer” has the meaning given by section 38.

(5) A person is a “qualifying small producer” if the person is a small producer who is either—

- (a) registered under section 45 (voluntary registration: small producers), or
- (b) ineligible for registration under that section because the person does not meet the condition in section 45(2)(c) (voluntary registration eligibility conditions: packaging by a person other than the producer).

Commencement Information

I17 S. 37 in force at 6.4.2018 by S.I. 2018/464, art. 2(e)

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38 Meaning of “small producer”

- (1) A person (“the producer”) who produces chargeable soft drinks is a “small producer” on the relevant day if Conditions A and B are met.
- (2) Condition A is met if the aggregate of—
 - (a) the amount of the producer's chargeable soft drinks within section 26(1)(a) in respect of which a relevant event has occurred during the relevant 12 month period, and
 - (b) the amount of prepared drink that would result from the producer's chargeable soft drinks within section 26(1)(b) in respect of which a relevant event has occurred during the relevant 12 month period,does not exceed the small producer threshold.
- (3) Condition B is met if there are reasonable grounds for believing that the aggregate of—
 - (a) the amount of the producer's chargeable soft drinks within section 26(1)(a) in respect of which a relevant event will occur during the relevant 30 day period, and
 - (b) the amount of prepared drink that would result from the producer's chargeable soft drinks within section 26(1)(b) in respect of which a relevant event will occur during the relevant 30 day period,will not exceed the small producer threshold.
- (4) A “relevant event” occurs in respect of chargeable soft drinks on the removal of the chargeable soft drinks from the premises on which they are packaged.
- (5) But—
 - (a) if, on removal from the premises on which the chargeable soft drinks are packaged, the secondary warehousing condition is met in relation to the soft drinks, a “relevant event” occurs in relation to those soft drinks at the time that the secondary warehousing condition ceases to be met in relation to them (and not at the time mentioned in subsection (4));
 - (b) if the chargeable soft drinks are made available for sale or free of charge before a relevant event in relation to the soft drinks occurs under subsection (4) or paragraph (a), a “relevant event” occurs at the time they are made available (and not at the time mentioned in subsection (4) or paragraph (a)).
- (6) For the purposes of subsections (2) and (3)—
 - (a) the “relevant 12 month period” is the period of 12 months ending with the end of the month that immediately precedes the month in which the relevant day falls, and
 - (b) the “relevant 30 day period” is the period of 30 days beginning with the relevant day.
- (7) The “small producer threshold” is 1 million litres.
- (8) References in this section to “the producer's chargeable soft drinks” are references to chargeable soft drinks produced by the producer or a person connected with the producer.

Commencement Information

I18 S. 38 in force at 6.4.2018 by S.I. 2018/464, art. 2(e)

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

39 Tax credits

- (1) The Commissioners may by regulations make provision in relation to cases where, after a charge to soft drinks industry levy has arisen in relation to chargeable soft drinks—
 - (a) the soft drinks are exported from the United Kingdom;
 - (b) the soft drinks are lost or destroyed;
 - [^{F19}(c) in the case of soft drinks within section 26(1)(c), the flavour concentrate—
 - (i) has not been combined with added sugar ingredients (but has been prepared in a specified manner), or
 - (ii) has been processed in a specified manner so as to result in a beverage that contains less than 5 grams of sugars per 100 millilitres of prepared drink.]
- (2) The provision that may be made is provision—
 - (a) for the liable person to be entitled to a tax credit in respect of any soft drinks industry levy charged on the soft drinks that are [^{F20}that fall within subsection (1)(a), (b) or (c) (as the case may be)];
 - (b) for the tax credit to be brought into account when the person is accounting for soft drinks industry levy due from the person for the prescribed accounting period or periods.
- (3) Regulations under this section may include provision—
 - (a) for any entitlement to a tax credit to be conditional on the making of a claim by the liable person, and specifying the period within which and the manner in which a claim may be made;
 - (b) for any entitlement to bring a tax credit into account to be conditional on compliance with prescribed requirements;
 - (c) specifying circumstances in which, and criteria for determining the period for which, a liable person is not entitled to a tax credit;
 - (d) requiring a claim for a tax credit to be evidenced and quantified by reference to prescribed records and other documents;
 - (e) requiring a person claiming any entitlement to a tax credit to keep, for the prescribed period and in the prescribed form and manner, those records and documents and a record of prescribed information relating to the claim;
 - (f) for the withdrawal of a tax credit where any requirement of the regulations is not complied with;
 - (g) about adjustments of liability for soft drinks industry levy in connection with entitlement or withdrawal of entitlement to a tax credit in prescribed circumstances;
 - (h) about the treatment of a tax credit where the liable person ceases to carry on a business involving the package or sale of chargeable soft drinks.
- (4) Regulations under paragraph (a) of subsection (1) may include provision for the sale or provision of chargeable soft drinks on passenger transport operating between the United Kingdom and a place outside of the United Kingdom to be treated as “export from the United Kingdom” for the purposes of regulations under that paragraph.
- (5) Regulations under paragraph (b) of subsection (1) may include provision about the circumstances in which chargeable soft drinks are to be treated as lost or destroyed for the purposes of regulations under that paragraph.

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[^{F21}(5A) This section is subject to section 58A (Isle of Man: import and export of chargeable soft drinks).]

(6) In this section—

“liable person” means the person who is liable under section 35 to pay the charge to soft drinks industry levy referred to in subsection (1);

“prescribed” means specified in, or determined in accordance with, regulations under this section.

Textual Amendments

- F19** S. 39(1)(c) inserted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 7\(2\)](#), 8
- F20** Words in s. 39(2)(a) substituted (in relation to soft drinks that are packaged in, or imported into, the United Kingdom on or after 1.4.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 21 paras. 7\(3\)](#), 8
- F21** S. 39(5A) inserted (1.4.2019) by [Finance Act 2019 \(c. 1\)](#), [s. 68\(5\)\(6\)](#)

Commencement Information

- I19** S. 39 in force at 13.1.2018 for specified purposes by [S.I. 2018/32](#), [reg. 2](#)
- I20** S. 39 in force at 6.4.2018 in so far as not already in force by [S.I. 2018/464](#), [art. 2\(e\)](#)

Registration

40 The register

- (1) The Commissioners must establish and maintain a register for the purposes of this Part.
- (2) In this Part, “the register” means the register under subsection (1) and references to registration are to registration in it.
- (3) The register may contain such information as the Commissioners think is required for the purposes of the collection and management of soft drinks industry levy.

Commencement Information

- I21** S. 40 in force at 6.4.2018 by [S.I. 2018/464](#), [art. 2\(e\)](#)

41 Liability to register: packagers

- (1) A person becomes liable to be registered—
 - (a) at the end of any month, if the person has packaged any chargeable soft drinks in respect of which a chargeable event within section 32 has occurred during that month;
 - (b) on any day, if there are reasonable grounds for believing that, during the period of 30 days beginning with that day, a chargeable event within section 32 will occur in respect of chargeable soft drinks packaged by the person.
- (2) But subsection (1) does not apply to a person if—
 - (a) the chargeable soft drinks packaged by the person are also produced by the person, and

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- (b) the person is not liable to be registered under section 42 (liability to register: producers).
- (3) Subsection (1) does not apply in relation to a person who is already registrable.
- (4) In this section and in sections 42 and 43 references to “a person who is already registrable” are references to a person who—
 - (a) is registered under this section, section 42 or section 43,
 - (b) is subject to a relevant notification requirement, or
 - (c) would, if the person had complied with a relevant notification requirement, be registered under this section, section 42 or section 43.
- (5) In subsection (4)(c) “relevant notification requirement” means a requirement under section 44(1) to notify the Commissioners of a liability to register—
 - (a) arising on a previous occasion, and
 - (b) in respect of which the notification period has expired.
- (6) In this section “notification period” has the meaning given by section 44(2).

Commencement Information

- I22** S. 41(1) in force at 6.4.2018 in relation to a person who packages chargeable soft drinks in the United Kingdom on or after that date by [S.I. 2018/464](#), [art. 2\(b\)](#)
- I23** S. 41(2)-(6) in force at 6.4.2018 by [S.I. 2018/464](#), [art. 2\(e\)](#)

42 Liability to register: producers

- (1) A person (“the producer”) who produces chargeable soft drinks becomes liable to be registered—
 - (a) at the end of any month, if the qualifying amount of the producer's chargeable soft drinks in respect of which a chargeable event within section 32 has occurred during the immediately preceding period of 12 months exceeds the small producer threshold;
 - (b) on any day, if there are reasonable grounds for believing that the qualifying amount of the producer's chargeable soft drinks in respect of which a chargeable event within section 32 will occur during the period of 30 days beginning with that day will exceed the small producer threshold.
- (2) The “qualifying amount” of chargeable soft drinks in respect of which a chargeable event occurs is the aggregate of—
 - (a) the amount of the chargeable soft drinks within section 26(1)(a) in respect of which the chargeable event occurs, and
 - (b) the amount of prepared drink that would result from the chargeable soft drinks within section 26(1)(b) in respect of which the chargeable event occurs.
- (3) Subsection (1) does not apply in relation to a person who is already registrable.
- (4) References in this section to “the producer's chargeable soft drinks” are references to chargeable soft drinks produced by the producer or a person connected with the producer.

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Commencement Information

- I24** S. 42(1)(2) in force at 6.4.2018 in relation to a person who produces chargeable soft drinks that are packaged in the United Kingdom on or after that date by S.I. 2018/464, **art. 2(c)**
- I25** S. 42(3)(4) in force at 6.4.2018 by S.I. 2018/464, **art. 2(e)**

43 Liability to register: imported chargeable soft drinks

- (1) A person becomes liable to be registered—
- (a) at the end of any month if, during that month, a chargeable event within section 33 has occurred—
 - (i) on the first receipt, or on the making available, of chargeable soft drinks by the person, or
 - (ii) on the secondary warehousing condition ceasing to be met in relation to chargeable soft drinks in respect of which the person is the first recipient;
 - (b) on any day, if there are reasonable grounds for believing that, during the period of 30 days beginning with that day, a chargeable event within section 33 will occur—
 - (i) on the first receipt, or on the making available, of chargeable soft drinks by the person, or
 - (ii) on the secondary warehousing condition ceasing to be met in relation to chargeable soft drinks in respect of which the person is the first recipient.
- (2) Subsection (1) does not apply in relation to a person who is already registrable.

Commencement Information

- I26** S. 43(1) in force at 6.4.2018 in relation to a person who is a first recipient or first seller of chargeable soft drinks that are imported into the United Kingdom on or after that date by S.I. 2018/464, **art. 2(d)**
- I27** S. 43(2) in force at 6.4.2018 by S.I. 2018/464, **art. 2(e)**

44 Notification of liability and registration

- (1) A person who becomes liable to be registered under section 41, 42 or 43 must notify the Commissioners of the liability before the end of the notification period.
- (2) The “notification period” is the period of 30 days beginning with the day on which the liability arises.
- (3) Where the Commissioners are satisfied that a person is liable to be registered (whether or not the person has notified liability under subsection (1)), the Commissioners must register the person with effect from the day on which the liability to register arises.

Commencement Information

- I28** S. 44 in force at 6.4.2018 by S.I. 2018/464, **art. 2(e)**

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45 Voluntary registration: small producers

- (1) The Commissioners must register a person who—
 - (a) meets the voluntary registration eligibility conditions, and
 - (b) applies to the Commissioners for registration under this section.
- (2) The voluntary registration eligibility conditions are met by a person (P) if—
 - (a) P produces chargeable soft drinks,
 - (b) P is not liable to be registered under section 42 (liability to register: producers), and
 - (c) some or all of the chargeable soft drinks produced by P are packaged on premises in the United Kingdom by a person other than P.
- (3) A person who is registered under section 41 or 43 may also be registered under this section.

Commencement Information

I29 S. 45 in force at 6.4.2018 by S.I. 2018/464, art. 2(e)

46 Cancellation of registration under section 41, 42 or 43

- (1) A registration under section 41, 42 or 43 may be cancelled only in accordance with this section.
- (2) For the purposes of this section, a person meets the “liability condition” at a particular time if—
 - (a) at the end of the preceding month, the condition in section 41(1)(a), 42(1)(a) or 43(1)(a) is met in relation to the person, or
 - (b) at that time, the condition in section 41(1)(b), 42(1)(b) or 43(1)(b) is met in relation to the person.
- (3) The Commissioners must cancel a person's registration under section 41, 42 or 43 if—
 - (a) the person requests the cancellation, and
 - (b) the person satisfies the Commissioners that the person does not, at the time of the request, meet the liability condition.
- (4) A cancellation under subsection (3) is to be made with effect from—
 - (a) the day on which the request is made, or
 - (b) such later day as may be agreed between the Commissioners and the person.
- (5) The Commissioners may cancel a person's registration under section 41, 42 or 43 if they are satisfied that the person does not meet the liability condition.
- (6) A cancellation under subsection (5) is to be made with effect from—
 - (a) the day on which the person ceased to meet the liability condition, or
 - (b) such later day as may be agreed between the Commissioners and the person.
- (7) But the Commissioners must not cancel a registration under subsection (3) or (5) with effect from any time unless—
 - (a) they are satisfied that it is not a time when the person would meet the liability condition, and

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- (b) it is reasonable to believe that the person will not become liable to be registered under section 41(1)(a) or 43(1)(a) during the period of 12 months beginning with that time.
- (8) The Commissioners may cancel a person's registration under section 41, 42 or 43 if they are satisfied that the person did not meet the liability condition on the day on which the person was registered, and has not at any subsequent time met the liability condition.
- (9) A cancellation under subsection (8) is to be made with effect from the day on which the person was registered.

Commencement Information

I30 S. 46 in force at 6.4.2018 by S.I. 2018/464, art. 2(e)

47 Cancellation of voluntary registration

- (1) The Commissioners may cancel a person's registration under section 45 if they are satisfied that the person does not meet the voluntary registration eligibility conditions (see subsection (2) of that section).
- (2) A cancellation under subsection (1) is to be made with effect from the day on which the person ceased to meet the voluntary registration eligibility conditions.
- (3) The Commissioners must cancel a person's registration under section 45 if the person requests the cancellation.
- (4) A cancellation under subsection (3) is to be made with effect from—
- (a) the day on which the request is made, or
 - (b) such later day as may be agreed between the Commissioners and the person.

Commencement Information

I31 S. 47 in force at 6.4.2018 by S.I. 2018/464, art. 2(e)

48 Correction of the register

- (1) The Commissioners may by regulations make provision about the correction of entries in the register.
- (2) Regulations under subsection (1) may make provision for requiring persons who are, or are liable to be, registered to notify the Commissioners of changes in circumstances which are relevant to the register.

Commencement Information

I32 S. 48 in force at 13.1.2018 for specified purposes by S.I. 2018/32, reg. 2

I33 S. 48 in force at 6.4.2018 in so far as not already in force by S.I. 2018/464, art. 2(e)

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49 Applications, notifications etc

The Commissioners may by or under regulations make provision—

- (a) about the form and manner in which a notification under section 44 (notification of liability to register) is to be given;
- (b) about the information to be contained in or provided with a notification under that section;
- (c) about the form and manner of an application under section 45 (voluntary registration: small producers);
- (d) requiring applications, notifications and other communications with the Commissioners in connection with registration to be made electronically.

Commencement Information

I34 S. 49 in force at 13.1.2018 for specified purposes by S.I. 2018/32, reg. 2

I35 S. 49 in force at 6.4.2018 in so far as not already in force by S.I. 2018/464, art. 2(e)

Offences

50 Fraudulent evasion

- (1) A person commits an offence if the person is knowingly concerned in, or in the taking of steps with a view to, the fraudulent evasion (by that person or any other person) of soft drinks industry levy.
- (2) The references in subsection (1) to the evasion of soft drinks industry levy include references to obtaining, in circumstances where there is no entitlement to it—
 - (a) a tax credit under regulations under section 39;
 - (b) a repayment of soft drinks industry levy under Schedule 8.
- (3) A person guilty of an offence under this section is liable—
 - (a) on summary conviction in England and Wales—
 - (i) to imprisonment for a term not exceeding [^{F22}the general limit in a magistrates' court], or
 - (ii) to a fine not exceeding £20,000 or (if greater) 3 times the total of the amounts of soft drinks industry levy that were, or were intended to be, evaded, or
 - (iii) to both;
 - (b) on summary conviction in Scotland—
 - (i) to imprisonment for a term not exceeding 12 months, or
 - (ii) to a fine not exceeding the statutory maximum or (if greater) 3 times the total of the amounts of soft drinks industry levy that were, or were intended to be, evaded, or
 - (iii) to both;
 - (c) on summary conviction in Northern Ireland—
 - (i) to imprisonment for a term not exceeding 6 months, or
 - (ii) to a fine not exceeding the statutory maximum or (if greater) 3 times the total of the amounts of soft drinks industry levy that were, or were intended to be, evaded, or

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- (iii) to both;
- (d) on conviction on indictment—
 - (i) to imprisonment for a term not exceeding 7 years,
 - (ii) to a fine, or
 - (iii) to both.
- (4) For the purposes of subsection (3), the amounts of soft drinks industry levy that were, or were intended to be, evaded are to be taken as including—
 - (a) the amount of any tax credit under regulations under section 39, and
 - (b) the amount of any repayment of soft drinks industry levy under Schedule 8, which was, or was intended to be, obtained in circumstances where there was no entitlement to it.
- (5) In determining for the purposes of subsection (3) the amounts of soft drinks industry levy that were, or were intended to be, evaded, no account is to be taken of the extent to which any liability to levy of a person would be, or would have been, reduced by the amount of any tax credit or repayment of soft drinks industry levy to which the person was, or would have been, entitled.
- (6) In relation to an offence committed before [F23 2 May 2022] the reference in subsection (3)(a)(i) to [F24 the general limit in a magistrates’ court] is to be read as a reference to 6 months.

Textual Amendments

- F22** Words in s. 50(3)(a)(i) substituted (7.2.2023 at 12.00 p.m.) by [The Judicial Review and Courts Act 2022 \(Magistrates’ Court Sentencing Powers\) Regulations 2023 \(S.I. 2023/149\)](#), regs. 1(2), 2(1), **Sch. Pt. 1**
- F23** Words in s. 50(6) substituted (28.4.2022) by [The Criminal Justice Act 2003 \(Commencement No. 33\) and Sentencing Act 2020 \(Commencement No. 2\) Regulations 2022 \(S.I. 2022/500\)](#), regs. 1(2), 5(1), **Sch. Pt. 1**
- F24** Words in s. 50(6) substituted (7.2.2023 at 12.00 p.m.) by [The Judicial Review and Courts Act 2022 \(Magistrates’ Court Sentencing Powers\) Regulations 2023 \(S.I. 2023/149\)](#), regs. 1(2), 2(1), **Sch. Pt. 1**

Commencement Information

- I36** S. 50 in force at 6.4.2018 by [S.I. 2018/464](#), **art. 2(e)**

51 Failure to notify registration liability

- (1) A person who fails to comply with section 44(1) (obligation to notify the Commissioners of liability to be registered) commits an offence.
- (2) In proceedings against a person (P) for an offence under subsection (1), it is a defence for P to prove that P had a reasonable excuse for the failure to comply.
- (3) For the purposes of subsection (2)—
 - (a) where P relies on any other person to do anything, that is not a reasonable excuse unless P took reasonable care to avoid the failure;
 - (b) where P had a reasonable excuse for the failure but the excuse has ceased, P is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.

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- (4) A person guilty of an offence under this section is liable—
- (a) on summary conviction in England and Wales—
 - (i) to imprisonment for a term not exceeding [^{F25}the general limit in a magistrates’ court], or
 - (ii) to a fine not exceeding £20,000 or (if greater) 3 times the amount of the potential lost revenue, or
 - (iii) to both;
 - (b) on summary conviction in Scotland—
 - (i) to imprisonment for a term not exceeding 12 months, or
 - (ii) to a fine not exceeding the statutory maximum or (if greater) 3 times the amount of the potential lost revenue, or
 - (iii) to both;
 - (c) on summary conviction in Northern Ireland—
 - (i) to imprisonment for a term not exceeding 6 months, or
 - (ii) to a fine not exceeding the statutory maximum or (if greater) 3 times the amount of the potential lost revenue, or
 - (iii) to both;
 - (d) on conviction on indictment—
 - (i) to imprisonment for a term not exceeding 3 years,
 - (ii) to a fine, or
 - (iii) to both.
- (5) For the purposes of subsection (4), the “potential lost revenue” is the amount of soft drinks industry levy (if any) for which the person who committed the offence is liable for the period—
- (a) beginning with the date with effect from which the person is liable to be registered under this Part, and
 - (b) ending with the date on which the Commissioners received notification of, or otherwise were satisfied as to, the person’s liability to be registered under this Part.
- (6) In calculating potential lost revenue for the purposes of subsection (4), no account is to be taken of the fact that a potential loss of revenue from the person is or may be balanced by a potential over-payment by another person.
- (7) In relation to an offence committed before [^{F26}2 May 2022] the reference in subsection (4)(a)(i) to [^{F27}the general limit in a magistrates’ court] is to be read as a reference to 6 months.

Textual Amendments

- F25** Words in s. 51(4)(a)(i) substituted (7.2.2023 at 12.00 p.m.) by [The Judicial Review and Courts Act 2022 \(Magistrates’ Court Sentencing Powers\) Regulations 2023 \(S.I. 2023/149\)](#), regs. 1(2), 2(1), **Sch. Pt. 1**
- F26** Words in s. 51(7) substituted (28.4.2022) by [The Criminal Justice Act 2003 \(Commencement No. 33\) and Sentencing Act 2020 \(Commencement No. 2\) Regulations 2022 \(S.I. 2022/500\)](#), regs. 1(2), 5(1), **Sch. Pt. 1**
- F27** Words in s. 51(7) substituted (7.2.2023 at 12.00 p.m.) by [The Judicial Review and Courts Act 2022 \(Magistrates’ Court Sentencing Powers\) Regulations 2023 \(S.I. 2023/149\)](#), regs. 1(2), 2(1), **Sch. Pt. 1**

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Commencement Information

I37 S. 51 in force at 6.4.2018 by [S.I. 2018/464](#), [art. 2\(e\)](#)

Administration and enforcement

52 Payment, collection and recovery

- (1) The Commissioners may by regulations make provision about the payment, collection and recovery of soft drinks industry levy.
- (2) Regulations under subsection (1) may—
 - (a) require persons who are or are liable to be registered under this Part to keep accounts for the purposes of the levy in the specified form and manner;
 - (b) require persons who are or are liable to be registered under this Part to make returns for the purposes of the levy;
 - (c) make provision for determining the periods (“accounting periods”) by reference to which payments of the levy are to be made;
 - (d) make provision about the times at which payments of the levy are to be made and methods of payment;
 - (e) require the amounts payable by reference to accounting periods to be calculated by or under the regulations;
 - (f) make provision for the correction of errors made in accounting for the levy.
- (3) Provision may be made by or under regulations under subsection (2)(b) about—
 - (a) the periods by reference to which returns are to be made,
 - (b) the information to be included in returns,
 - (c) timing, and
 - (d) the form of, and method of, making returns.
- (4) Schedule 8 contains provision about recovery and overpayments.

Commencement Information

I38 S. 52 in force at 13.1.2018 for specified purposes by [S.I. 2018/32](#), [reg. 2](#)

I39 S. 52 in force at 6.4.2018 in so far as not already in force by [S.I. 2018/464](#), [art. 2\(e\)](#)

53 Records

- (1) The Commissioners may by regulations require persons—
 - (a) to keep, for purposes connected with soft drinks industry levy, records of specified matters, and
 - (b) to preserve records for a specified period.
- (2) A duty under regulations under this section to preserve records may be discharged—
 - (a) by preserving them in any form and by any means, or
 - (b) by preserving the information contained in them in any form and by any means, subject to any specified conditions or exceptions.

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- (3) The Commissioners may direct a person who is, or is liable to be, registered under this Part—
 - (a) to keep such records as are specified in the direction;
 - (b) to preserve those records for a specified period.
- (4) The period specified in a direction under subsection (3)(b) may not exceed 6 years.
- (5) The Commissioners may not give a direction under subsection (3) unless they have reasonable grounds for believing that the records specified in the direction might assist in identifying chargeable soft drinks in respect of which soft drinks industry levy might not be paid.
- (6) A direction under subsection (3)—
 - (a) must be given in writing,
 - (b) must specify the consequences under Schedule 9 of failure to comply with a requirement imposed under subsection (3), and
 - (c) may be revoked or replaced by a further direction.
- (7) Schedule 9 makes provision about penalties for failure to comply with requirements imposed by regulations or directions under this section.

Commencement Information

I40 S. 53 in force at 13.1.2018 for specified purposes by [S.I. 2018/32, reg. 2](#)

I41 S. 53 in force at 6.4.2018 in so far as not already in force by [S.I. 2018/464, art. 2\(e\)](#)

54 Power to make further provision about enforcement

- (1) The Commissioners may by regulations make further provision about enforcement of soft drinks industry levy, including provision conferring powers of entry, search or seizure.
- (2) Regulations under this section may include provision—
 - (a) conferring powers to enter and inspect premises that are used, or are reasonably believed to be used, in connection with the production, packaging, sale, import or export of chargeable soft drinks;
 - (b) conferring powers to stop, board and search ships, aircraft and other vehicles entering, leaving or situated on premises referred to in paragraph (a);
 - (c) conferring powers to inspect and take copies of business documents on premises referred to in paragraph (a);
 - (d) conferring powers to examine and take samples of soft drinks found on premises referred to in paragraph (a);
 - (e) for the detention and seizure of chargeable soft drinks in respect of which a specified requirement of this Part has been contravened;
 - (f) requiring a person to provide such facilities as are reasonably necessary for an officer of Revenue and Customs to carry out an examination or search or exercise other powers conferred by the regulations;
 - (g) about reviews of, and appeals against, decisions made for the purposes of the regulations.

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- (3) Regulations under this section may, in particular, make provision by applying any provision of the Customs and Excise Management Act 1979.

Commencement Information

- I42** [S. 54](#) in force at 13.1.2018 for specified purposes by [S.I. 2018/32, reg. 2](#)
I43 [S. 54](#) in force at 6.4.2018 in so far as not already in force by [S.I. 2018/464, art. 2\(e\)](#)

55 Appeals etc

Schedule 10 makes provision about appeals and reviews.

Commencement Information

- I44** [S. 55](#) in force at 6.4.2018 by [S.I. 2018/464, art. 2\(e\)](#)

56 Supplementary amendments

Schedule 11 contains supplementary amendments relating to administration and enforcement of soft drinks industry levy.

Commencement Information

- I45** [S. 56](#) in force at 6.4.2018 by [S.I. 2018/464, art. 2\(e\)](#)

Miscellaneous

57 Regulations: death, incapacity or insolvency of person carrying on a business

- (1) The Commissioners may by regulations make provision for the purposes of soft drinks industry levy in relation to cases where a person carries on a business of—
- (a) an individual who has died or become incapacitated;
 - (b) a person (whether or not an individual) who is subject to an insolvency procedure (as defined in the regulations).
- (2) Regulations under this section may include—
- (a) provision requiring the person who is carrying on the business (P) to notify the Commissioners that P is carrying on the business and of the event that led to P carrying it on;
 - (b) provision allowing P to be treated for a limited time as if P and the person who has died, become incapacitated or is subject to an insolvency procedure were the same person;
 - (c) such other provision as the Commissioners think fit for securing continuity in the application of this Part in cases to which the regulations apply.

Commencement Information

- I46** [S. 57](#) in force at 13.1.2018 for specified purposes by [S.I. 2018/32, reg. 2](#)

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I47 S. 57 in force at 6.4.2018 in so far as not already in force by [S.I. 2018/464](#), [art. 2\(e\)](#)

58 Provisional collection of soft drinks industry levy

In section 1 of the Provisional Collection of Taxes Act 1968 (temporary statutory effect of House of Commons resolutions), in subsection (1), after “aggregates levy,” insert “soft drinks industry levy,”.

Commencement Information

I48 S. 58 in force at 6.4.2018 by [S.I. 2018/464](#), [art. 2\(e\)](#)

[^{F28}58A Isle of Man: import and export of chargeable soft drinks

- (1) Subsections (2) and (3) apply if—
 - (a) chargeable soft drinks are imported into the United Kingdom from the Isle of Man, and
 - (b) a charge to soft drinks industry levy (the “corresponding charge”) arises in relation to the soft drinks under the law of the Isle of Man.
- (2) If the corresponding charge arises at a rate equal to, or greater than, the UK rate, the soft drinks are not to be treated as being imported into the United Kingdom for the purposes of section 33 (chargeable events: imported soft drinks).
- (3) If the corresponding charge arises at a rate lower than the UK rate, the amount of soft drinks industry levy charged under this Part in relation to the soft drinks is to be reduced by an amount equal to the corresponding charge.
- (4) In this section “the UK rate”, in relation to chargeable soft drinks, is the rate of soft drinks industry levy that would (apart from this section) be chargeable in relation to the soft drinks under this Part.
- (5) For the purposes of section 39(1)(a) (tax credits: exported soft drinks) or regulations made under that provision, chargeable soft drinks are not to be treated as being exported from the United Kingdom if the soft drinks are exported to the Isle of Man.]

Textual Amendments

F28 S. 58A inserted (1.4.2019) by [Finance Act 2019 \(c. 1\)](#), [s. 68\(3\)\(6\)](#)

General

59 Interpretation of Part 2

- (1) In this Part—
 - “accounting period” is to be construed in accordance with section 52(2)(c);
 - “chargeable soft drink” has the meaning given by section 28;
 - “the Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs;
 - “compliant warehouse” is to be construed in accordance with section 32(5);

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“first recipient” and “first receipt”, in relation to imported chargeable soft drinks, have the meaning given by section 33(2) and (4);

“first seller”, in relation to imported chargeable soft drinks, has the meaning given by section 33(9);

“HMRC” means Her Majesty's Revenue and Customs;

“package” and “packaged” are to be construed in accordance with section 26(3);

“person who is already registrable” has the meaning given by section 41(4);

“prepared drink” has the meaning given by section 27(1);

“produce”, in relation to chargeable soft drinks, is to be construed in accordance with section 37(2);

“relevant person” has the meaning given by section 33(5);

“secondary warehousing condition” has the meaning given by section 32(4);

“small producer” has the meaning given by section 38;

“small producer threshold” has the meaning given by section 38(7);

“soft drink” has the meaning given by section 26(1);

“sugars” means anything that is required to be described as “sugars” for the purposes of a designated food labelling obligation (see subsection (3)).

- (2) In sections 30, 34, 52, 53(1) and (2) and 54 and in paragraph 11 of Schedule 8, “specified” means specified in regulations made by the Commissioners for the purposes of this Part.
- (3) In the definition of “sugars” in subsection (1), “designated food labelling obligation” means an obligation that—
 - (a) relates to the provision of nutritional information on the packaging of food or drinks,
 - (b) is imposed by an enactment, an EU instrument or subordinate legislation, and
 - (c) is designated by regulations made by the Commissioners for the purposes of this Part.
- (4) Section 1122 of CTA 2010 (meaning of connected person) applies for the purposes of this Part.
- (5) For the purposes of this Part, a person “packages” chargeable soft drinks if—
 - (a) the person packages soft drinks, and
 - (b) the packaged soft drinks are chargeable soft drinks.

Commencement Information

I49 S. 59 in force at 13.1.2018 for specified purposes by S.I. 2018/32, reg. 2

I50 S. 59 in force at 6.4.2018 in so far as not already in force by S.I. 2018/464, art. 2(e)

60 Regulations

- (1) Regulations under this Part—
 - (a) may make different provision for different purposes;
 - (b) may include incidental, consequential, supplementary or transitional provision.

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- (2) Regulations under this Part are to be made by statutory instrument.
- (3) A statutory instrument containing regulations under section 54 may not be made unless a draft of the instrument has been laid before and approved by a resolution of the House of Commons.
- (4) Any other statutory instrument containing regulations under this Part is subject to annulment in pursuance of a resolution of the House of Commons.
- (5) But subsection (4) does not apply to a statutory instrument containing only regulations under section 61 (commencement of this Part).

Commencement Information

I51 S. 60 in force at 13.1.2018 for specified purposes by S.I. 2018/32, reg. 2

I52 S. 60 in force at 6.4.2018 in so far as not already in force by S.I. 2018/464, art. 2(e)

61 Commencement

- (1) Subject to subsection (2), this Part comes into force on such day as the Commissioners may by regulations appoint.
- (2) The amendment made by paragraph 3 of Schedule 11 comes into force in accordance with provision made by the Treasury by regulations.
- (3) Regulations under this section may appoint different days for different purposes.

Commencement Information

I53 S. 61 in force at 13.1.2018 for specified purposes by S.I. 2018/32, reg. 2

I54 S. 61 in force at 6.4.2018 in so far as not already in force by S.I. 2018/464, art. 2(e)

PART 3

FINAL

62 Interpretation

In this Act the following abbreviations are references to the following Acts.

ALDA 1979	Alcoholic Liquor Duties Act 1979
CAA 2001	Capital Allowances Act 2001
CTA 2009	Corporation Tax Act 2009
CTA 2010	Corporation Tax Act 2010
FA, followed by a year	Finance Act of that year
ICTA	Income and Corporation Taxes Act 1988
IHTA 1984	Inheritance Tax Act 1984

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ITA 2007	Income Tax Act 2007
ITEPA 2003	Income Tax (Earnings and Pensions) Act 2003
ITTOIA 2005	Income Tax (Trading and Other Income) Act 2005
TCGA 1992	Taxation of Chargeable Gains Act 1992
TMA 1970	Taxes Management Act 1970
TPDA 1979	Tobacco Products Duty Act 1979
VATA 1994	Value Added Tax Act 1994
VERA 1994	Vehicle Excise and Registration Act 1994

63 Short title

This Act may be cited as the Finance Act 2017.

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Changes and effects yet to be applied to :

- Sch. 4 para. 20 omitted by [2021 c. 26 Sch. 27 para. 50](#)