



# Finance Act 2017

## 2017 CHAPTER 10

### PART 2

#### SOFT DRINKS INDUSTRY LEVY

##### *Introductory*

#### **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;
  - <sup>F1</sup>(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 <sup>F2</sup>subsection (3)(a) or (4) applies, the dilution ratio determined by the Commissioners.
- <sup>F3</sup>(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.]

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2017, Section 27. (See end of Document for details)*

[<sup>F4</sup>(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—

- (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.

[<sup>F5</sup>(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);
- [<sup>F6</sup>(aa) determining dispensing instructions for the purposes of subsection (2A)(b);]
- [<sup>F7</sup>(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

- F1** 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
- F2** 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
- F3** 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
- F4** 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
- F5** 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
- F6** 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
- F7** 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

- I1** S. 27 in force at 13.1.2018 for specified purposes by [S.I. 2018/32](#), [reg. 2](#)
- I2** S. 27 in force at 6.4.2018 in so far as not already in force by [S.I. 2018/464](#), [art. 2\(e\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2017, Section 27.