
EXPLANATORY NOTE

(This note is not part of the Order)

This Order appoints 1st July 2005 as the day that section 5 of, and Schedule 2 to, the Finance Act 1995 (c. 4) come into force and the day that the related repeals in Part 1 of Schedule 29 to that Act have effect. It also provides for any approval, authorization or licence granted in relation to methylated spirits to be treated as if it had been granted in relation to denatured alcohol.

The bringing into force of these provisions enables the Commissioners of Her Majesty's Revenue and Customs ("the Commissioners") to make regulations for the purpose of—

- (a) implementing provisions contained in Council Directive 92/12/EEC on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products (OJNo. L76, 23.3.1992, p.4) (as amended) and Council Directive 92/83/EEC on the harmonization of the structures of excise duties on alcohol and alcoholic beverages (OJ No. L 316, 31.10.1992, p.21), and
- (b) supplementing the provision made for the mutual recognition of procedures for the complete denaturing of alcohol for the purposes of exemption from excise duty by Commission Regulation (EC) No. 3199/93 (OJ No. L288, 23.11.1993, p.12) (as amended).

Section 5(1) of the Finance Act 1995 provides that the alcoholic liquors on which excise duty is charged under the Alcoholic Liquor Duties Act 1979 (c. 4) do not include denatured alcohol; and that any excise duty charged on such liquors that become denatured before the requirement to pay the duty takes effect shall be remitted.

The remainder of section 5, in addition to giving the Commissioners power to bring certain provisions into effect, provides them with power to make regulations defining denatured alcohol and makes provision for reviews and appeals of decisions they make.

Schedule 2 contains amendments for or in connection with the application to denatured alcohol of the provisions of the Alcoholic Liquor Duties Act 1979 that relate to methylated spirits and for a consequential change to the Finance Act 1994 (c. 9).

The provisions concerning denatured alcohol replace the provision made for methylated spirits.

This Order brings into force those provisions of Part 1 of the Finance Act 1995 (Duties of Excise) that are not already in force.