
STATUTORY INSTRUMENTS

2005 No. 1524

The Denatured Alcohol Regulations 2005

PART 3

PRODUCERS AND DISTRIBUTORS OF DENATURED ALCOHOL

Producer's application for approval and entry of premises

8.—(1) A producer must, in respect of each set of premises at which he intends to make a class of denatured alcohol, make written application to the Commissioners for approval of the process he intends to employ when making that denatured alcohol.

(2) The application must include—

- (a) the class of denatured alcohol which the producer intends to make at the premises;
- (b) the formulation which the producer intends to follow in making a batch of that class;
- (c) the process which the producer intends to employ when mixing the alcohol with the other substances specified by the formulation being followed in making the denatured alcohol;
- (d) such other information as the Commissioners may require.

(3) No person may begin to denature alcohol until—

- (a) the Commissioners have, in accordance with this regulation, approved the process to be employed, and
- (b) if so required by paragraph (7), entry has been made in accordance with section 108 of the Customs and Excise Management Act 1979⁽¹⁾ of each set of premises at which it is intended to make denatured alcohol.

(4) The Commissioners' approval of the process to be employed—

- (a) may be granted subject to such conditions as the Commissioners may reasonably impose, and
- (b) those conditions may be varied by the Commissioners for reasonable cause.

(5) A producer who has received the Commissioners' approval of the process to be employed must ensure that no other process is used and that the approved process is not varied without first receiving the Commissioners' approval of that other process or of that variation.

(6) Paragraph (4) applies to any approval given under paragraph (5).

(7) Except in the case of premises that are an excise warehouse, a producer must make entry of each set of premises at which he intends to make a class of denatured alcohol.

Producer's and distributor's account of goods and distributor's entry of premises

9.—(1) In this regulation—

“distributor” means a person who—

(1) 1979 c. 2; section 108 was amended by the Finance Act 1994(c. 9), Schedule 4, paragraph 7.

- (a) holds an excise licence for the purposes of section 75 of the Act(2),
 - (b) does not denature alcohol at any premises on which he holds denatured alcohol, and
 - (c) deals or intends to deal wholesale in denatured alcohol;
- “goods” includes—
- (a) any alcohol, denaturants, dyes, denatured alcohol, and
 - (b) any other goods on the premises described in paragraph (2)(a) by reason of those goods having been received, held, used or produced at those premises.
- (2) A producer and a distributor must—
- (a) control the goods on any premises on which they produce or hold denatured alcohol;
 - (b) take an account of those goods, and take an account (at the time of dispatch) of any goods dispatched from those premises in such manner and to such extent as the Commissioners may require;
 - (c) immediately record in such form and manner as the Commissioners may require any deficiency, surplus or discrepancy in their stock of goods or shown in their records, and any explanation for that deficiency, surplus or discrepancy;
 - (d) in addition to recording the details required by sub-paragraph (c), inform the Commissioners, in accordance with their instructions, of the deficiency, surplus or discrepancy;
 - (e) keep and preserve such other records relating to their business as a producer or as a distributor as the Commissioners may specify in a notice published by them and not withdrawn by a further notice.
- (3) For the purposes of paragraph (2) the Commissioners may give instructions that the stock of goods to which a deficiency, surplus or discrepancy relates must not be moved or disturbed without their permission and if they do give instructions to that effect no person may move or disturb that stock of goods without their permission.
- (4) Requirements imposed under paragraph (2) and instructions given under paragraph (3) may apply differently to different circumstances and may be varied from time to time by the Commissioners.
- (5) A distributor must make entry in accordance with section 108 of the Customs and Excise Management Act 1979 of any premises on which he holds or intends to hold denatured alcohol.

Receipt of alcohol for denaturing

10.—(1) The Commissioners may, subject to such conditions as they see fit to impose, permit alcohol to be delivered from an excise warehouse to the entered premises of a producer for denaturing without payment of excise duty.

In this paragraph “entered premises” means premises for which entry has been made in accordance with section 108 of the Customs and Excise Management Act 1979.

(2) The power to impose conditions under paragraph (1) includes power to require such security for excise duty as the Commissioners think fit.

(3) A producer who receives any alcohol of any description whatsoever from an excise warehouse must furnish the occupier of that excise warehouse with a receipt in such manner, within such period, and in such form, and containing such particulars, as the Commissioners may require.

(2) Section 75 was amended by the Finance Act 1995(c. 4), Schedule 2, paragraph 5 and by S.I. 1979/241, article 33; subsection (7) provides that dealing wholesale means the sale at any one time to any one person of a quantity of denatured alcohol of not less than 20 litres, or such smaller quantity as the Commissioners may by regulations specify.

Excise duty point

11.—(1) Where, in accordance with regulation 9(2)(d) a producer is required to inform the Commissioners of a deficiency in his stock of alcohol for denaturing, the time that the deficiency was discovered is the excise duty point for the missing alcohol.

(2) The producer is liable to pay the excise duty.

(3) This regulation does not apply to a deficiency that is attributable to evaporation or destruction of the alcohol found to be missing.