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EXCISE

The Denatured Alcohol Regulations 2005

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SCHEDULE

FORMULATIONS FOR THE CLASSES OF DENATURED ALCOHOL, STANDARDS AND OTHER RELATED PROVISIONS

The Commissioners of Her Majesty's Revenue and Customs, in exercise of the powers conferred upon them by section 93(1)(d) and (2)(a) of the Customs and Excise Management Act 1979(a), sections 35 and 77 of the Alcoholic Liquor Duties Act 1979(b), section 1 of the Finance (No.2) Act 1992(c), and section 5 of the Finance Act 1995(d), hereby make the following regulations:

PART 1

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Denatured Alcohol Regulations 2005 and come into force on 1st July 2005.

Interpretation

2. In these Regulations—

“the Act” means the Alcoholic Liquor Duties Act 1979;

“alcohol”, except in regulation 10(3), means “dutiabale alcoholic liquor”;

“completely denatured alcohol” has the meaning given in regulation 4;

“formulation” means the recipe or list of substances and liquids, including any proportions, quantities, standards, or other criteria relating to those substances and liquids, that a producer is to use and follow when making the class of denatured alcohol or a batch of it to which the formulation relates;

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- (a) 1979 c.2; section 93(1)(d) was inserted by the Finance (No. 2) Act 1992(c.48), Schedule 2, paragraph 2, and section 92(2)(a) was amended by the Finance Act 1981(c.35), Schedule 8, paragraph 2; section 1(1) defines “the Commissioners” as meaning the Commissioners of Customs and Excise. The functions of the Commissioners of Customs and Excise were transferred to the Commissioners for Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005 (c.11). Section 50(1) of that Act provides that a reference to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
 - (b) 1979 c.4; section 35 was amended by the Finance Act 1994(c.9), Schedule 4, paragraph 28; section 77 was amended by the Finance Act 1981(c.35), Schedule 8, paragraph 23, the Finance Act 1994, Schedule 4, paragraph 46 and the Finance Act 1995(c.4), Schedule 2, paragraphs 5 and 6; section 1(1) defines “dutiabale alcoholic liquor”; section 4(1) defines “compounder”, “denatured alcohol”, “distiller”, and “rectifier”; section 4(2) provides for the Alcoholic Liquor Duties Act 1979 to be construed as one with the Customs and Excise Management Act 1979(c.2) and section 4(3) applies the definitions in that Act; section 1(1) of the Customs and Excise Management Act 1979 defines “the Commissioners” (as meaning the Commissioners of Customs and Excise), “excise duty point”, “excise warehouse” and “occupier”. The functions of the Commissioners of Customs and Excise were transferred to the Commissioners for Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005 (c.11). Section 50(1) of that Act provides that a reference to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
 - (c) 1992 c.48.
 - (d) 1995 c.4; section 5(8) provides for section 5 to be construed as one with the Alcoholic Liquor Duties Act 1979(c.4); section 4(2) of the Alcoholic Liquor Duties Act 1979 provides for that Act to be construed as one with the Customs and Excise Management Act 1979(c.2) and section 4(3) applies the definitions in that Act; section 1(1) of the Customs and Excise Management Act 1979 defines “the Commissioners” as meaning the Commissioners of Customs and Excise. The functions of the Commissioners of Customs and Excise were transferred to the Commissioners for Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005 (c.11). Section 50(1) of that Act provides that a reference to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.

“industrial denatured alcohol” has the meaning given in regulation 4;

“producer” means—

- (a) a person who is a distiller, rectifier or compounder, and who is authorized by the Commissioners under section 75 of the Act to denature alcohol; or
- (b) a person who holds an excise licence granted under that section, and who denatures or intends to denature alcohol at any premises;

“trade specific denatured alcohol” has the meaning given in regulation 4.

Revocation

3. The Iso-Propyl Alcohol Regulations 1927(a) and the Methylated Spirits Regulations 1987(b) are revoked.

PART 2

CLASSES OF DENATURED ALCOHOL AND FORMULATIONS

Classes of denatured alcohol

4.—(1) For the purposes of the Act, section 5 of the Finance Act 1995 and these Regulations there are the following classes of denatured alcohol—

- (a) completely denatured alcohol;
- (b) industrial denatured alcohol; and
- (c) trade specific denatured alcohol.

(2) Subject to paragraphs (4), (6) and (7), completely denatured alcohol is denatured alcohol—

- (a) that has been made in accordance with regulation 5, or
- (b) that, if the denaturants that are employed are described in the Annex to Commission Regulation (EC) No. 3199/93(c), has been made in a member State other than the United Kingdom in accordance with a formulation and other requirements of that member State.

(3) Subject to paragraphs (4) and (6), industrial denatured alcohol is denatured alcohol—

- (a) that has been made in accordance with regulation 6, or
- (b) that is not completely denatured alcohol and—
 - (i) has been made in a member State other than the United Kingdom in accordance with a formulation and other requirements of that member State, and
 - (ii) has been incorporated into a product that is not for human consumption.

(4) Denatured alcohol made in a member State other than the United Kingdom is not denatured alcohol for the purposes of the Act, section 5 of the Finance Act 1995 or these Regulations if—

- (a) the United Kingdom has, in accordance with Article 27(5) of Council Directive 92/83/EEC(d), advised the European Commission that it gives rise to evasion, avoidance or abuse, and
- (b) it has not been determined, in accordance with the procedure laid down in Article 24 of Council Directive 92/12/EEC(e), that that denatured alcohol must be treated as exempt

(a) S.R. & O. 1927/783.

(b) S.I. 1987/2009.

(c) OJ No L288, 23.11.1993, p.12 on the mutual recognition of procedures for the complete denaturing of alcohol for the purposes of exemption from excise duty; amended by Commission Regulation (EC) No. 2546/95 (OJ No. L260, 31.10.1995, p.45) and Commission Regulation (EC) No. 2559/98 (OJ No. L320, 28.11.1998, p.27).

(d) OJ No. L 316, 31.10.1992, p.21, to which there are amendments not relevant to these Regulations.

(e) OJ No. L76, 23.3.1992, p.4, to which there are amendments not relevant to these Regulations.

from excise duty under sub-paragraph (a) or (b) of Article 27(1) of Council Directive 92/83/EEC.

(5) Subject to paragraph (6), trade specific denatured alcohol is denatured alcohol that has been made in accordance with regulation 7.

(6) Denatured alcohol made outside the United Kingdom that has not been incorporated into a product that is not for human consumption is completely denatured alcohol, industrial denatured alcohol or trade specific denatured alcohol (as the case may be) if, in the opinion of the Commissioners, it has been made as nearly as is possible in accordance with one of the formulations described in the Schedule.

(7) Denatured alcohol made outside the United Kingdom and the Communities is completely denatured alcohol if, in the opinion of the Commissioners—

- (a) the denaturants employed are described in the Annex to Commission Regulation (EC) No. 3199/93, and
- (b) it has been made as nearly as is possible in accordance with a formulation of a member State other than the United Kingdom.

Completely denatured alcohol

5. A producer making completely denatured alcohol must—

- (a) make it in accordance with the formulation described in paragraph 1 of the Schedule, and
- (b) comply with the standards and other requirements of paragraphs 5 to 11 of that Schedule.

Industrial denatured alcohol

6. A producer making industrial denatured alcohol must—

- (a) make it in accordance with the formulation described in paragraph 2 of the Schedule, and
- (b) comply with the standards and other requirements of paragraphs 5 to 7 and 11 of that Schedule.

Trade specific denatured alcohol

7.—(1) Subject to paragraph (2), a producer making trade specific denatured alcohol must—

- (a) make it in accordance with a formulation described in paragraph 3 of the Schedule, and
- (b) comply with the standards and other requirements of paragraphs 4 to 6 and 11 of that Schedule (insofar as those paragraphs are applicable to the formulation he is following).

(2) Instead of following a formulation described in paragraph 3 of the Schedule, when making a batch of trade specific denatured alcohol a producer may make that batch in accordance with a formulation that is approved by the Commissioners under this regulation.

(3) The Commissioners may, if they think that in all the circumstances it is appropriate to do so, approve a formulation different from or as a variation on a trade specific denatured alcohol formulation described in paragraph 3 of the Schedule.

(4) The Commissioners' approval—

- (a) may only be granted following a written application to them by a producer or other person ("the applicant"), and
- (b) may be granted subject to such conditions as the Commissioners may reasonably impose, and those conditions may be varied by the Commissioners for reasonable cause.

(5) The Commissioners may require for the purposes of their consideration of the application made under paragraph (4)—

- (a) a written statement containing the reasons why, in the applicant's opinion, completely denatured alcohol, industrial denatured alcohol, and a formulation of trade specific denatured alcohol described in paragraph 3 of the Schedule, would all be unsuitable or

- detrimental having regard to the use to which it is intended that the denatured alcohol will be put;
- (b) samples of the proposed formulation of trade specific denatured alcohol and of the ingredients of that formulation; and
 - (c) any other information that the Commissioners determine to be material to their consideration of whether or not it would be appropriate for them to grant approval of the formulation in question.

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^(a) 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—

- (a) holds an excise licence for the purposes of section 75 of the Act^(b),

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

(b) 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.

- (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.

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.

PART 4

RECEIPT, USE AND SUPPLY OF DENATURED ALCOHOL

Application

12. This Part applies to industrial denatured alcohol and trade specific denatured alcohol that has not been incorporated into a product that is not for human consumption.

Receipt and use of industrial denatured alcohol and trade specific denatured alcohol

13.—(1) No person may receive or use industrial denatured alcohol or trade specific denatured alcohol other than in accordance with the provisions of this Part.

(2) A person may receive industrial denatured alcohol or trade specific denatured alcohol only if he is authorized in writing by the Commissioners to receive that class of denatured alcohol.

(3) A person wishing to be authorized to receive industrial denatured alcohol or trade specific denatured alcohol must—

- (a) apply to the Commissioners in the form and manner specified in a notice they publish that has not been withdrawn by a further notice; and
- (b) if he wishes to receive trade specific denatured alcohol made in accordance with a formulation approved under regulation 7(2), describe the formulation in his application.

(4) The Commissioners may authorize a person to receive industrial denatured alcohol or trade specific denatured alcohol—

- (a) subject to restrictions on the uses to which that denatured alcohol may be put;
- (b) subject to restrictions on the formulations of denatured alcohol that may be received; and
- (c) subject to such conditions as they see fit to impose.

(5) Where there has been a change in any of the particulars that were included in a person's application for authorization, before receiving any further supplies of industrial denatured alcohol or trade specific denatured alcohol, he must give the Commissioners notice of that change in such form and manner as they require.

(6) The Commissioners may at any time for reasonable cause vary or revoke any authorization granted or any condition or restriction imposed under this regulation.

(7) A person may receive industrial denatured alcohol or any formulation of trade specific denatured alcohol only if, before he is supplied with that denatured alcohol, he furnishes the supplier with a copy of his authorization.

(8) A person authorized under this regulation must keep and preserve such records relating to his use of denatured alcohol as the Commissioners may specify in a notice published by them and not withdrawn by a further notice.

(9) A person authorized under this regulation must comply with and ensure compliance with any conditions or restrictions imposed in accordance with this regulation.

Supply of industrial denatured alcohol and trade specific denatured alcohol

14. Subject to regulation 15, industrial denatured alcohol and trade specific denatured alcohol—

- (a) must not be sent out from any premises other than in the course of a supply to a person—
 - (i) who is authorized in accordance with these Regulations to receive denatured alcohol of that formulation, and

- (ii) who has furnished his supplier with a copy of his authorization to receive denatured alcohol of that formulation, and
- (b) must not be supplied for any use that contravenes the restrictions on uses to which that formulation of denatured alcohol may be put by the person supplied.

Supply of industrial denatured alcohol and trade specific denatured alcohol - supplementary provisions

15.—(1) Regulation 14 does not apply to any case where—

- (a) the denatured alcohol is delivered to a place that is outside the United Kingdom and Isle of Man; or
- (b) a pharmacist is sending out industrial denatured alcohol for medical use on the prescription or order of a medical or veterinary practitioner.

In this paragraph—

“pharmacist” has the meaning given in section 132(1) of the Medicines Act 1968(a);

“medical or veterinary practitioner” means a person entitled by law to provide medical or veterinary services in the United Kingdom;

“medical use” means any medical, veterinary, surgical or dental purpose other than administration internally.

(2) A person is treated as authorized to receive denatured alcohol of a particular formulation in accordance with these Regulations if he receives that alcohol in the Isle of Man and is authorized in accordance with the laws of the Isle of Man to receive that alcohol.

(3) In any case to which paragraph (2) applies the requirement contained in regulation 14(a)(ii) does not apply but the person intending to supply denatured alcohol must require the person to be supplied to provide a written statement specifying—

- (a) the date upon which he was authorized to receive denatured alcohol of that formulation;
- (b) the use or uses to which he intends to put that denatured alcohol;
- (c) any conditions or restrictions imposed on him by his authorization to receive denatured alcohol; and
- (d) the uses to which he is entitled to put the received denatured alcohol.

PART 5

MISCELLANEOUS

Recovery of alcohol

16.—(1) Subject to paragraph (2), no person may by any means whatsoever recover any alcohol or remove any other substance from any denatured alcohol or from any product containing denatured alcohol.

(2) The Commissioners may, subject to such conditions as they see fit to impose, allow a person to recover alcohol or remove any other substance from any denatured alcohol or from any product containing denatured alcohol.

(3) Where any alcohol is recovered or any other substance is removed from any denatured alcohol or from any product containing denatured alcohol the alcohol and the product from which any other substance is removed must be kept—

- (a) under the control of the person who recovered or removed it; and

(a) 1968 c.67; the definition of the term “pharmacist” was amended by S.I. 1976/1213.

- (b) under lock or otherwise secured until disposed of or otherwise dealt with in accordance with any condition imposed under paragraph (2).

Disposal of stocks

17.—(1) A producer, a distributor or other person authorized in accordance with these Regulations to receive, use, send out or supply any class of denatured alcohol—

- (a) whose business is discontinued while he is holding stocks of denatured alcohol, or
- (b) whose authority or licence for holding stocks of any class of denatured alcohol is revoked,

must within a reasonable time and to the satisfaction of the Commissioners dispose of any of those stocks in his possession.

(2) Where the discontinuance of a business is caused by the death of a producer, distributor or other person described in the paragraph (1), his personal representatives must dispose of any stocks of denatured alcohol in his possession at the time of his death in the manner required by the paragraph (1).

(3) In this regulation “distributor” means a person who holds an excise licence for the purpose of section 75 of the Act whether or not he is also a producer.

Importing and exporting denatured alcohol

18. Unless it has been incorporated into a product that is not for human consumption, the Excise Goods (Accompanying Documents) Regulations 2002(a) shall apply to imports and exports of—

- (a) completely denatured alcohol as if it were alcohol in respect of which excise duty has been paid, and
- (b) any other denatured alcohol as if it were alcohol in respect of which excise duty has not been paid.

Amendment to the Spirits Regulations 1991

19. In regulation 20 of the Spirits Regulations 1991(b), omit the words “methylated spirits”.

D.A.Hartnett

Paul.R.C.Gray

Two of the Commissioners
of Her Majesty’s Revenue and Customs

8th June 2005

(a) S.I. 2002/501.
(b) S.I. 1991/2564.

SCHEDULE

Regulations 5, 6 and 7

FORMULATIONS FOR THE CLASSES OF DENATURED ALCOHOL, STANDARDS AND OTHER RELATED PROVISIONS

Formulation for completely denatured alcohol

1. Completely denatured alcohol must be made in accordance with the following formulation: with every 90 parts by volume of alcohol mix 9.5 parts by volume of wood naphtha or a substitute for wood naphtha and 0.5 parts by volume of crude pyridine, and to the resulting mixture add mineral naphtha (petroleum oil) in the proportion of 3.75 litres to every 1000 litres of the mixture and synthetic organic dyestuff (methyl violet) in the proportion of 1.5 grammes to every 1000 litres of the mixture.

Formulation for industrial denatured alcohol

2. Industrial denatured alcohol must be made in accordance with the following formulation: with every 95 parts by volume of alcohol mix 5 parts by volume of wood naphtha or of a substitute for wood naphtha. Where a substitute for wood naphtha is used, the volume mixed with every 95 parts of alcohol may be less than 5 parts if—

- (a) the proportion of the marker in the resulting mixture is—
 - (i) in the case of methyl alcohol, not less than 36 parts per thousand,
 - (ii) in the case of tertiary butyl alcohol, not less than one part per thousand, or
 - (iii) in the case of another marker approved by the Commissioners, not less than the proportion specified by the Commissioners when they approved that marker, and
- (b) the resulting mixture contains the other substances that the Commissioners approved when they approved the substitute for wood naphtha in the proportions that they specify.

Formulations for trade specific denatured alcohol

3. Except in cases where the Commissioners approve an alternative formulation, trade specific denatured alcohol must be made in accordance with one of the following formulations—

- (a) with every 999 parts by volume of alcohol (of a strength of not less than 85 per cent alcohol by volume) mix 1 part by volume of tertiary butyl alcohol, and to the resulting mixture add denatonium benzoate (of the description specified in paragraph 4) in the proportion of 10 micrograms per millilitre;
- (b) with every 979 parts by volume of alcohol (of a strength of not less than 85 per cent alcohol by volume) mix not less than 20 parts by volume of cyclohexane and 1 part by volume of isopropyl alcohol;
- (c) with every 979 parts by volume of alcohol (of a strength of not less than 85 per cent alcohol by volume) mix not less than 20 parts by volume of ethyl acetate and 1 part by volume of isopropyl alcohol;
- (d) with every 975 parts by volume of alcohol (of a strength of not less than 85 per cent alcohol by volume) mix not less than 20 parts by volume of methyl alcohol and 5 parts by volume of hexane;
- (e) with every 950 parts by volume of alcohol (of a strength of not less than 85 per cent alcohol by volume) mix not less than 50 parts by volume of benzyl benzoate;
- (f) with every 980 parts by volume of alcohol (of a strength of not less than 85 per cent alcohol by volume) mix not less than 20 parts by volume of isopropyl alcohol, and to the resulting mixture add denatonium benzoate (of the description specified in paragraph 4), in the proportion of 10 micrograms per millilitre;

- (g) with every 950 parts by volume of alcohol (of a strength of not less than 85 per cent alcohol by volume) mix not less than 50 parts by volume of isopropyl alcohol;
- (h) with every 990 parts by volume of alcohol (of a strength of not less than 85 per cent alcohol by volume) mix 10 parts by volume of methylethylketone (consisting of 95 to 96 per cent by weight of methylethylketone, 2.5 to 3 per cent by weight of methylisopropylketone, and 1.5 to 2 per cent by weight of ethylisoamylketone), and to the resulting mixture add 1 gram of denatonium benzoate (of the description specified in paragraph 4);
- (i) with every 990 parts by volume of alcohol (of a strength of not less than 85 per cent alcohol by volume) mix 10 parts by volume of methyl alcohol and to the resulting mixture add denatonium benzoate (of the description specified in paragraph 4) in the proportion of 10 micrograms per millilitre.

Denatonium benzoate

4. Denatonium benzoate (mentioned in paragraph 3, and in paragraph 6) is benzyldiethyl [(2,6-xylylcarbonyl) methyl] ammonium benzoate.

Use of water

5. When making denatured alcohol in accordance with a formulation specified in paragraph 1, 2 or 3, water may be mixed with the alcohol before denaturing or with the denatured alcohol but the quantity of water added must not reduce the proportion or quantity of denaturing substances or dyes in the resulting mixture below the proportions or quantities specified in the formulation; and for the purpose of ascertaining the proportion or quantity of denaturing substances or dyes in any such mixture the water shall be treated as if it were alcohol.

Standards for wood naphtha, other denaturing substances and dyes.

6. Wood naphtha, substitute for wood naphtha, crude pyridine, mineral naphtha, tertiary butyl alcohol, denatonium benzoate, and dyes used in making denatured alcohol must conform to the respective standards and meet other respective requirements of paragraphs 7 to 11.

Wood naphtha, and substitute for wood naphtha

7.—(1) Wood naphtha must, to the satisfaction of the Commissioners, possess such properties as to render a mixture of one part of the naphtha with 19 parts of alcohol of a strength of not less than 95 per cent alcohol by volume unfit for human consumption.

(2) Wood naphtha must contain not less than 72 per cent by volume of methyl alcohol.

(3) In the case of a substitute for wood naphtha—

- (a) the substitute must possess, to the satisfaction of the Commissioners, such properties as to render a mixture of one part of the substitute with 19 parts of alcohol, of a strength of not less than 95 per cent alcohol by volume, unfit for human consumption,
- (b) all the ingredients and their amounts which are to constitute the substitute must be approved by the Commissioners, and
- (c) the substitute must contain as a marker—
 - (i) not less than 72 per cent by volume of methyl alcohol, or
 - (ii) 2 per cent by volume of tertiary butyl alcohol, or
 - (iii) such other marker as may be approved by the Commissioners in the proportions specified by them.

Crude pyridine

8.—(1) Crude pyridine must consist of pyridine bases and must not be more deeply coloured than a mixture of 2 millilitres of 0.05 molar iodine with one litre of water.

(2) It must mix readily and completely with alcohol of a strength of not less than 95 per cent alcohol by volume and must give a clear or only slightly opalescent solution when mixed with twice its volume of water.

(3) 10 millilitres of a 1 per cent solution in water must produce immediately a distinct crystalline precipitate on vigorous shaking after the addition of 5 millilitres of an aqueous solution of cadmium chloride containing 5 grammes of the anhydrous fused salt in 100 millilitres, and produce an abundant separation of crystals within 10 minutes.

(4) A white precipitate must be formed when 10 millilitres of a 1 per cent solution in water are mixed with 5 millilitres of Nessler's reagent.

(5) 1 millilitre of crude pyridine dissolved in 10 millilitres of distilled water must require not less than 9.5 millilitres of 0.5 molar sulphuric acid for neutralisation using screened methyl orange as an indicator.

(6) 100 millilitres distilled in accordance with *Determination of distillation characteristics of volatile organic liquids* (IP 195/98(2004))(BS 2000-195:1998) must give a distillate of at least 50 millilitres at a temperature of 140°C and of 90 millilitres at 160°C.

Mineral naphtha (petroleum oil)

9. Mineral naphtha (petroleum oil) must be of a specific gravity of not less than 0.800 at a temperature of 15.5°C and must possess the characteristic odour and taste of commercial paraffin oil used for burning purposes.

Methyl violet dye (Colour Index Constitution No. 42555)

10. Methyl violet dye must be in the form of small crystals readily and completely soluble in alcohol of a strength of not less than 95 per cent alcohol by volume.

Quality

11. All substances used in the production of denatured alcohol must be of sufficient quality to ensure that the alcohol is properly denatured.

Notes:

(1) The reference in paragraph 8(6) to *Determination of distillation characteristics of volatile organic liquids* is a reference to the standard test method published by the Energy Institute (IP 195/98(2004)) and is identical to British Standard BS 2000-195:1998 (effective from 15 February 2000).

(2) The reference to *Colour Index Constitution No. 42555* in the heading to paragraph 10 is a reference to the colour described as "C.I. Basic Violet 3 (Bright bluish violet)" and numbered 42555 in Part 2 of the index published by the Society of Dyers and Colourists in association with the American Association of Textile Chemists and Colourists (Part 2 of the 4th edition published in the United Kingdom in January 2002).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations come into force on 1st July 2005. They revoke and replace the Methylated Spirits Regulations 1987 (S.I. 1987/2009). The Iso-Propyl Alcohol Regulations 1927 (S.R. & O. 1927/783) are also revoked.

The Regulations implement, in relation to denatured alcohol, Articles 11 to 13 of Council Directive 92/12/EEC (OJ No. L76, 23.3.1992, p.4) (as amended) and Article 27 of Council Directive 92/83/EEC (OJ No. L316, 31.10.1992, p.21). They supplement 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). Transposition notes setting out how these Regulations implement the requirements of Council Directives 92/12/EEC and 92/83/EEC are available at www.hmrc.gov.uk.

The Regulations govern the making of denatured alcohol (formerly called methylated spirits), its distribution, receipt, supply and use, as well as its disposal in certain events. The formulations prescribed for completely denatured alcohol and industrial denatured alcohol in the Schedule to these Regulations (“the Schedule”) are those that were formerly prescribed by the Methylated Spirits Regulations 1987. The formulation prescribed for trade specific denatured alcohol by paragraph 3(a) of the Schedule was also formerly prescribed by those Regulations. The other formulations prescribed for trade specific denatured alcohol are those that were formerly permitted under an extra-statutory concession. A full regulatory impact assessment of the effect that these Regulations will have on the costs of business is available at www.hmrc.gov.uk.

Regulation 4 provides for three classes of denatured alcohol:

- ~ completely denatured alcohol (CDA) (formerly mineralised methylated spirits or MMS);
- ~ industrial denatured alcohol (IDA) (formerly industrial methylated spirits or IMS); and
- ~ trade specific denatured alcohol (TSDA),

and prescribes the circumstances in which denatured alcohol produced in a member State other than the UK will not be treated as denatured alcohol.

Regulation 5 requires a producer making CDA to use the formulation specified in paragraph 1 of the Schedule.

Regulation 6 requires a producer making IDA to use the formulation specified in paragraph 2 of the Schedule.

Regulation 7 requires a producer making TSDA to use a formulation specified in paragraph 3 of the Schedule. However, it also provides a scheme enabling a producer to use a variation of, or a formulation different from, the TSDA formulations specified in paragraph 3 of the Schedule.

Regulation 8 prescribes the requirements and obligations that producers of denatured alcohol must comply with.

Regulation 9 regulates the activities of producers and distributors of denatured alcohol.

Regulation 10 regulates the receipt of alcohol for denaturing.

Regulation 11 prescribes an excise duty point where a stock of alcohol for denaturing is found to be missing.

Regulation 12 prescribes the circumstances in which Part 4 of the Regulations (regulations 12 to 15) applies. Part 4 regulates the receipt, use and supply of IDA and TSDA that has not been incorporated into products that are unfit for human consumption.

Regulation 16 prohibits the recovery of alcohol or other substances from denatured alcohol without approval.

Regulation 17 governs what must be done with stocks of denatured alcohol in the event of the discontinuance of a business or the death of the producer, distributor or other persons authorized in accordance with the Regulations.

Regulation 18 applies the Excise Goods (Accompanying Documents) Regulations 2002 (S.I. 2002/501) to imports and exports of denatured alcohol.

Regulation 19 makes an amendment to the Spirits Regulations 1991 (S.I. 1991/2564).

The Schedule, besides describing the formulations, contains provisions governing various standards, including proportions, for the ingredients that may be used in making denatured alcohol.

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61, New Cavendish Street
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Copies can also be obtained from any of the sales outlets operated by the British Standards Institution or by post from the British Standards Institution in London.

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