
STATUTORY INSTRUMENTS

2018 No. 41

The Soft Drinks Industry Levy Regulations 2018

PART 2

Dilution ratios: criteria and determinations

Criteria for determining a dilution ratio and an avoidance purpose in stating a dilution ratio

- 3.—(1) The Commissioners must prescribe the criteria for determining—
- (a) a dilution ratio for the purposes of section 27(2)(b); and
 - (b) whether the main purpose, or one of the main purposes, of stating a particular dilution ratio, or information by reference to which the dilution ratio may be calculated, is avoiding or reducing liability for soft drinks industry levy.
- (2) Criteria prescribed under paragraph (1)(a) may include having regard to dilution ratios of comparable soft drinks.
- (3) Criteria prescribed under paragraph (1)(b) may include having regard to any of the following—
- (a) any change in the dilution ratio and the timing of that change;
 - (b) whether or not—
 - (i) a change in the dilution ratio results in a lower levy liability;
 - (ii) the soft drink has been reformulated to replace added sugar ingredients with sweeteners and to what extent; and
 - (iii) the dilution ratio is different to that of any comparable soft drinks;
 - (c) any evidence obtained by, or provided to, the Commissioners in relation to the particular dilution ratio; and
 - (d) any failure of a person who is a liable person in respect of the soft drink to provide to the Commissioners, when requested to do so by the Commissioners, evidence in relation to the particular dilution ratio.

Dilution ratio: notices of determination

- 4.—(1) Where a dilution ratio is determined by the Commissioners, they must give notice of that determination as soon as practicable to each person who is a liable person in respect of the soft drink.
- (2) The notice must also state—
- (a) the date of the determination;
 - (b) the date from which the dilution ratio has effect;
 - (c) how the dilution ratio was determined;
 - (d) whether subsection (3) or (4) of section 27 applies to the determination; and
 - (e) that Schedule 10 (appeals and reviews) applies to the determination.