

## **Explanatory Note**

*(This note is not part of the Regulations)*

These Regulations provide that excise goods may be shipped or carried on a ship or aircraft for use as stores without payment of excise duty in such circumstances as the Commissioners may specify in a public notice and subject to such conditions and restrictions as they may so specify.

They provide that, in such circumstances as the Commissioners may specify, authorisation must be obtained before shipping or carrying such goods, that such an authorisation may be withdrawn for failing to comply with any provision made by or under the Regulations or any condition or restriction imposed under the regulations.

They provide that duty must be paid on excise goods consumed on an aircraft on a journey of a description specified by the Commissioners or on board a ship in a port in the United Kingdom in circumstances specified by the Commissioners and also set out the procedure for making payment.

The Regulations also amend the Excise Warehousing (Etc.) Regulations 1988 (S.I. 1988/809) to provide that where an authorisation to ship excise goods without payment of duty is required, any such goods in relation to which an entry for removal from warehouse for shipment as stores is made can only be removed without payment of duty if a copy of the authorisation has been given to the occupier of the warehouse. An obligation is placed on the occupier of the warehouse to obtain a copy of the authorisation before goods are removed without payment of duty and to retain that copy for three years. An amendment is also made to the Excise Goods (Holding, Movement and Duty Point) Regulations 2010 (S.I. 2010/592) to ensure that an excise duty point will occur if goods for shipment as stores are unlawfully removed from a warehouse.

The Excise Goods (Sales on Board Ships and Aircraft) Regulations 1999 (S.I. 1999/1565) are also amended to provide that the restriction in regulation 6 of those Regulations on the sale of merchandise on board a ship or aircraft does not apply to any ship or aircraft making a voyage or flight in relation to which, in accordance with these Regulations, authorisation has been given to ship or carry excise goods without payment of duty or on drawback. The excise duty points in regulations 18 and 19 are also disapplied where such an authorisation has been given.

A Tax Information and Impact Note covering this instrument has been published on the GOV.UK website at <https://www.gov.co.uk/government/publications/modernisation-of-ship-and-aircraft-stores>.