

## Clause 29: Excise duty on mid-strength cider

### Summary

1. This clause introduces a new duty band for still cider of a strength of at least 6.9% but not exceeding 7.5% abv. It also amends section 62B of the Alcoholic Liquor Duties Act 1979 (ALDA) to ensure that the up-labelling provisions reflect the creation of the new mid-strength cider band. These changes will come into force on 1 February 2019.

### Details of the clause

2. Subsection (1) provides that this clause amends ALDA.
3. Subsection (2) provides for a new cider duty band to be added to section 62(1A) of ALDA.
4. Subsection (3)(a) substitutes a new heading to section 62B of ALDA. The previous heading "Cider labelled as strong cider" is replaced as "Cider labelled as strong or mid-strength cider".
5. Subsection (3)(b) amends section 62B(1) of ALDA to include mid-strength cider.
6. Subsection (3)(c) inserts new section 62B(1A) of ALDA to ensure that standard cider up-labelled as mid-strength cider is classed as a mid-strength cider.
7. Subsection (3)(d) replaces paragraphs (a) and (b) of section 62B(2) of ALDA with new paragraphs (a) to (d) to include references to mid-strength and strong cider.
8. Subsection (3)(e)(i) amends section 62(4)(a) of ALDA to reflect the reduced upper bound for the alcoholic strength of standard cider.
9. Subsection (3)(e)(iii) inserts new section 62B(4)(aa) to define the mid-strength cider range.
10. Subsection (3)(f) amends section 62B(5) of ALDA so that it only applies to containers that are up-labelled as containers of strong ciders.
11. Subsection (3)(g) inserts new:
  - section 62B(7) of ALDA which describes when a container is up-labelled as mid-strength cider,
  - section 62B(8) of ALDA, which defines the mid-strength cider range,
  - section 62B(9) of ALDA, which describes how cider should be treated if it is no longer in an up-labelled container,
  - section 62B(10) of ALDA, which defines an up-labelled container.

12. Subsection (4) provides for the change to be introduced with effect from 1 February 2019.

## Background note

13. Autumn Budget 2017 announced the introduction of a new mid-strength cider duty band for still cider of a strength of at least 6.9% but not exceeding 7.5% abv. This means that there will now be three duty bands for still cider.
14. Currently, if standard cider (up to 7.5% abv) is held in a container which shows an abv of a strong cider (exceeding 7.5% but less than 8.5% abv), the cider will be treated for duty purposes as a strong cider. These provisions need to be updated to reflect the creation of the new mid-strength cider band.
15. From 1 February 2019 when the new mid-strength cider band takes effect, the up-labelling provisions will operate as follows:
  - any standard cider that is in a container up-labelled as a container of mid-strength or strong cider will be deemed to be cider of a strength stated on the up-labelled container,
  - any standard cider that has, at any time since 31 December 1996, been in a container up-labelled as a container of strong cider and/or has been at any time since 1 February 2019 when the new mid-strength cider band takes effect, been in in a container up-labelled as a container of mid-strength cider (but is no longer in an up-labelled container) will be deemed to be cider of a strength stated on the first up-labelled container in which it was contained,
  - any mid-strength cider that is in, or has at any time since 31 December 1996 been in, a container up-labelled as a container of strong cider will be deemed to be strong cider.
16. The operation of section 62B of ALDA will continue to be subject to section 55B of ALDA where cider is or has been placed in a container up-labelled as a container of made-wine.
17. These changes will come into force on 1 February 2019.
18. If you have any questions or comments on this legislation, please contact Paul Harrison on [paul.harrison@hmrc.gsi.gov.uk](mailto:paul.harrison@hmrc.gsi.gov.uk).

