

2016 No.

EXCISE

**The Hydrocarbon Oil (Vapour Recovery Relief) Regulations
2016**

<i>Made</i>	- - - -	***
<i>Laid before Parliament</i>		***
<i>Coming into force</i>	- -	***

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 20AA(1)(a) and (2)(a) to (d) and (g) of the Hydrocarbon Oil Duties Act 1979(a), and now exercisable by them(b).

PART 1

PRELIMINARY

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Hydrocarbon Oil (Vapour Recovery Relief) Regulations 2016.

(2) They come into force on [...] and have effect in relation to releases of petrol for consumption in the United Kingdom on or after 1 April 2017.

Interpretation

2. In these Regulations—

“approved person” means a person approved under regulation 4 of the Deferment Regulations;

“authorised warehousekeeper” means the occupier of an excise warehouse who is approved in accordance with regulations made under section 93(1) of the Customs and Excise Management Act 1979 in relation to the storage of petrol(e);

“the Deferment Regulations” means the Excise Duties (Deferred Payment) Regulations 1992(a);

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- (a) 1979 c. 5. Section 20AA was inserted by section 2(1) of the Finance Act 1989 (c. 26) and relevantly amended by Part 1(4) of Schedule 23 to the Finance Act 1993 (c. 34), section 10(3) of the Finance Act 2000 (c. 17) and paragraph 6(2) of Schedule 17 to the Finance Act 2016 (c. 24).
- (b) The power to make regulations under section 20AA of the Hydrocarbon Oil Duties Act 1979 (“HODA 1979”) is conferred on “the Commissioners”, and by virtue of section 27(3) of HODA 1979, “the Commissioners” has the same meaning as provided in section 1(1) of the Customs and Excise Management Act 1979 (c. 2) (“CEMA 1979”). Section 1(1) of CEMA 1979 was amended by paragraph 20 and 22(b) of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) and defines “the Commissioners” as meaning the Commissioners for Revenue and Customs.
- (c) 1979 c.2. Section 93(1) has been relevantly amended by paragraph 2 of Schedule 3 to the Finance Act 1986 (c. 41) and substituted by paragraph 2(1) of Schedule 2 to the Finance (No. 2) Act 1992 (c. 48).

“duty” means the duty charged on hydrocarbon oil by section 6(1) of the Hydrocarbon Oil Duties Act 1979(b);

“excise warehouse” means a place of security for the keeping of petrol approved by the Commissioners under section 92(1) the Customs and Excise Management Act 1979(c);

“recovered petrol” means a volume of unleaded petrol which is stored within an excise warehouse where that petrol is the recovered portion of petrol released for consumption in the United Kingdom which is recovered as vapour and converted to petrol;

“recovered portion” means the portion given by the formula set out in the Schedule;

“relief” means an allowance which may be set-off against duty payable to the Commissioners in respect of recovered petrol.

PART 2

RELIEF

Claim for relief

3.—(1) An approved person who falls within one of the descriptions in paragraph (2), may make a claim for relief.

(2) The descriptions of an approved person referred to in paragraph (1) are—

- (a) the authorised warehousekeeper (“W”) in respect of the excise warehouse where the recovered petrol is stored; or
- (b) a person on whose behalf W made a release of petrol for consumption in the United Kingdom from which the recovered petrol derives.

(3) A claim for relief must be made to the Commissioners in such form and manner as set out in a notice under regulation 6 of the Deferment Regulations 1992.

(4) No claim for relief may be allowed in respect of recovered petrol where that petrol is the subject of any other application or claim for repayment or remission of duty.

(5) The Commissioners may by notice require further information in respect of a claim for relief in a particular case.

Amount of relief

4. The amount of the relief which may be claimed in respect of a volume of recovered petrol is given by the formula—

$$RD \times V$$

where—

RD is the rate of duty specified in section 6(1A)(a) of the Hydrocarbon Oil Duties Act 1979; and

V is the volume, in litres, of recovered petrol in respect of which a claim for relief is made.

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- (a) S.I. 1992/3152, to which there are amendments not relevant to these Regulations.
 - (b) Section 6(1) was amended by section 4(1) of the Finance Act 1981 (c. 35), section 7(2) of the Finance Act 1997 (c.16), section 6(1) and Part I(2) of Schedule 27 to the Finance Act 1998 (c. 36) (with effect from a date that has yet to be appointed) and paragraphs 1,4(1) and 4(2) of Schedule 6 to the Finance Act 2008 (c. 9).
 - (c) Section 92(1) was amended by paragraph 21 of Schedule 1 to the Isle of Man Act 1979.

PART 3
CONDITIONS AND CANCELLATION

General conditions

5.—(1) Relief is allowed subject to the following conditions.

(2) A claimant must, if so required by the Commissioners, provide to their satisfaction evidence that—

- (a) the volume of recovered petrol in respect of which a claim for relief is made meets the definition of recovered petrol at regulation 2;
- (b) duty payable on recovered petrol has been charged and is not the subject of a claim for repayment or remission of duty.

Cancellation of relief

6.—(1) The Commissioners may cancel any relief that has been allowed, or part of it, where they determine that any of the relief should not have been allowed.

(2) Where relief is cancelled the Commissioners must give notice to each person whose claim for relief has been cancelled, specifying the amount of relief that has been cancelled.

(3) Where notice has been given under paragraph (2), the person who made the claim for relief is liable to repay the amount set out in that notice.

Name
Name

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

SCHEDULE

Regulation 2

1. The recovered portion of petrol is calculated as—

$$\frac{P \times S \times H \times M \times 0.000422}{D}$$

Where—

P is the Vapour Recovery Unit (“VRU”) performance factor.

S is the VRU service-availability factor.

H is the average total organic compound concentration of vapour collected.

M is the mean molecular weight of recovered liquids.

D is the average density of recovered liquids.

EXPLANATORY NOTE

(This note is not part of the Regulations)