

1 Vehicle excise duty exemption for foreign vehicles

After section 5 of the Vehicle Excise and Registration Act 1994 (exempt vehicles) insert—

“5A Additional power to exempt foreign vehicles

- (1) The Secretary of State may by regulations confer an exemption from vehicle excise duty in respect of a foreign vehicle.
- (2) The regulations may, for or in connection with conferring the exemption, amend subordinate legislation made under this Act or the Motor Vehicles (International Circulation) Act 1952.
- (3) The regulations may provide that the exemption of a foreign vehicle from vehicle excise duty is—
 - (a) subject to conditions;
 - (b) limited to a specified period.
- (4) Regulations under this section may make—
 - (a) provision which applies generally or for particular purposes;
 - (b) retrospective provision.
- (5) A provision of regulations under this section that has the effect of removing the exemption of a foreign vehicle from vehicle excise duty must not be made so as to have retrospective effect.
- (6) In this section—
 - “foreign vehicle” means a vehicle that is registered under the law of any territory outside the United Kingdom;
 - “specified” means specified in the regulations;
 - “subordinate legislation” means Orders in Council, orders and regulations (including any regulations made under an Order in Council).”