

FINANCE ACT 2012

EXPLANATORY NOTES

INTRODUCTION

Section 189: Rebated Fuel: Private Pleasure Craft

Summary

1. [Section 189](#) amends the Hydrocarbon Oils Duties Act 1979 (HODA). It provides for the declaration made by a person when purchasing heavy oil or bioblend for use as fuel for propelling a private pleasure craft to include an acknowledgement that any restrictions and prohibitions under the national laws of other Member States on the use of such fuel outside United Kingdom waters are not affected.

Details of the Section

2. Subsection (1) introduces a new section 14E(7A) into HODA to provide that a relevant declaration must include an acknowledgement that any restrictions and prohibitions under the national laws of another Member State on the use of heavy oil or bioblend as fuel for propelling private pleasure craft outside UK waters are not affected by the UK provisions. “United Kingdom waters” is defined by reference to the meaning given in section 1(1) of the Customs and Excise Management Act 1979.
3. Subsection (2) provides for the changes to have effect in relation to supplies made on or after 1 April 2012.

Background Note

4. This section provides that a relevant declaration made by a person purchasing heavy oil or bioblend for use as fuel for propelling a private pleasure craft must include an acknowledgement that any restrictions and prohibitions under the national laws of another Member State on the use of such fuel outside UK waters are not affected by the UK provisions. The changes are being made following a challenge by the European Commission to the UK practice of allowing marked ‘red diesel’ with the full duty paid to be used in this way, maintaining that it was contrary to EU legislation on the marking of fuels.
5. The changes ensure that red diesel can continue to be used as fuel for propelling private pleasure craft in UK coastal waters and on the inland waterways in accordance with current procedures.