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STATUTORY INSTRUMENTS

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**1995 No. 2716**

**CUSTOMS AND EXCISE**

**The Other Fuel Substitutes (Rates  
of Excise Duty etc) Order 1995**

*Made* - - - - *9th November 1995*  
*Laid before the House of*  
*Commons* - - - - *9th November 1995*  
*Coming into force* - - *1st December 1995*

The Treasury, in exercise of the powers conferred on them by section 6A of the Hydrocarbon Oil Duties Act 1979(1) and of all other powers enabling them in that behalf, hereby make the following Order:

**Citation and commencement**

1. This Order may be cited as the Other Fuel Substitutes (Rates of Excise Duty etc) Order 1995 and shall come into force on 1st December 1995.

**Interpretation**

2.—(1) In this Order:—

- (a) “the Act” means the Hydrocarbon Oil Duties Act 1979;
- (b) “additive or extender” means additive or extender comprised in section 6(A) of the Act;
- (c) “the charge to duty” means the charge to duty imposed by section 6A of the Act;
- (d) “diesel engine” means an engine which is designed or adapted to be powered by diesel fuel;
- (e) “duty” means excise duty;
- (f) “engine” means an engine, motor or other machinery comprised in section 6A of the Act; and, in relation to an aircraft, which is designed or adapted to be a part of an aircraft and to give it motive power;
- (g) “heavy oil” has the meaning given in section 1(4) to the Act;
- (h) “light oil” has the meaning given in section 1(3) of the Act;
- (i) “liquid” means a liquid or substance comprised in section 6A of the Act;

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(1) 1979 c. 5; section 6A was added by section 11 of the Finance Act 1993, (c.34); section 11 was brought into force on 1.12.95 by the Finance Act 1993, section 11, (Appointed Day) Order 1995 No. 2715.

- (j) “petrol engine” means an engine which is designed or adapted to be powered by leaded or unleaded petrol; and
- (k) “record” means the fuel substitutes record governed by regulation 6 of the Other Fuel Substitutes (Payment of Excise Duty etc) Regulations 1995(2) .

(2) Where in this Order a rate of duty or a rebate is described as a rate or rebate specified in or by a section of the Act, that rate or rebate is the rate or rebate specified or having statutory effect for the time being when the liquid became the subject of the charge to duty by virtue of section 6A of the Act.

### **Determination of appropriate rate of duty**

3. Subject to the proviso mentioned herein, the rate of the duty charged by virtue of section 6A of the Act on the setting aside or on the use of a liquid:—

- (a) as fuel for any engine; or
- (b) as an additive or extender,

shall be determined, in the case of a liquid falling within subparagraph (a) above, in accordance with the provisions of article 4 below, and, in the case of a liquid falling within subparagraph (b) above, in accordance with the provisions of article 5 below; provided that in any case not provided for by this Order the rate of duty in respect of the aforementioned liquid which is the subject of the charge to duty shall be that which is specified by section 6(1) of the Act for light oil.

### **Rates of duty for fuel substitutes**

4.—(1) Paragraphs (2) to (4) below apply where, within the meaning of section 6A of the Act, a liquid as a fuel is set aside for a chargeable use with the consequence that a duty of excise is charged by virtue of that section, and paragraph (5) below applies where, within the meaning of that section, a liquid as a fuel is put to a chargeable use, not already having been charged under that section with a duty of excise, with the consequence that a duty of excise is charged on that use under that section.

- (2) Where a liquid is entered in the record as being suitable only as fuel for:—
  - (a) a diesel engine, or an engine, other than a piston engine, of an aircraft, the rate of duty shall be that specified by section 6(1) of the Act for heavy oil;
  - (b) a petrol engine powered by leaded petrol, the rate of duty shall be that specified by section 6(1) for light oil; and
  - (c) a petrol engine powered by unleaded petrol, the rate of duty shall be that specified by section 6(1) of the Act for light oil less any rebate specified by section 13A of the Act for unleaded petrol.

(3) Where a liquid is not entered in the record as being suitable only as fuel for one of the categories of engine described in the preceding paragraph, the rate of duty shall be the rate specified by section 6(1) of the Act for light oil, unless in respect of that liquid paragraph (4) applies.

(4) Where the liquid mentioned at the end of the preceding paragraph is entered in the record as being specially produced as fuel for the piston engine of an aircraft and is delivered for use solely as fuel for the piston engine of an aircraft, the rate of duty shall be one half of the rate specified by section 6(1) of the Act for light oil.

(5) Where a liquid is used as fuel in an engine described in subparagraph (a), (b) or (c) of paragraph (2) above, the rate of duty shall be that which is specified in that subparagraph; and, if the liquid is used in the piston engine of an aircraft, the rate of duty shall be that which is specified in paragraph (4) above.

### **Rates of duty for additives or extenders**

5.—(1) Paragraphs (2) to (4) below apply where, within the meaning of section 6A of the Act, a liquid as an additive or extender is set aside for a chargeable use with the consequence that a duty of excise is charged by virtue of that section, and paragraph (5) applies where, within the meaning of that section, a liquid as an additive or extender is put to a chargeable use, not already having been charged under that section with a duty of excise, with the consequence that a duty of excise is charged on that use under that section.

(2) Where a liquid is entered in the record as being suitable only as an additive or extender in fuel for one of categories of engine described in subparagraphs (a) to (c) of paragraph (2) of article 4 above, the rate of duty shall be that which is specified in the subparagraph describing that category.

(3) Subject to paragraph (6) below, where a liquid is entered in the record as a multi-fuel additive or extender, the rate of duty shall be that which is specified by section 6(1) of the Act for light oil less any rebate specified by section 13A of the Act for unleaded petrol.

(4) Where a liquid is not entered in the record under paragraph (2) and paragraph (3) above, the rate of duty shall be the rate specified by section 6(1) of the Act for light oil.

(5) Where a liquid is used as an additive or extender in fuel used in: —

- (a) one of the categories of engine described in subparagraphs (a) to (c) of paragraph (2) of article 4 above, the rate of duty shall be that specified in the subparagraph describing that engine; or
- (b) in an engine described in paragraph (4) of article 4 above, the rate of duty shall be that specified by that paragraph.

(6) For the purposes of paragraph (3) above a liquid only constitutes a multi-purpose additive or extender if, at the time it is set aside, within the meaning of section 6A of the Act, as a multi-purpose additive or extender, the liquid has been designated, made and prepared as being for acceptable use as an additive or extender in both heavy oil and light oil fuels for an engine.

### **Treatment of fuel substitutes etc, as heavy oil etc.**

6. A liquid which is the subject of a charge to duty shall be treated upon the happening of the charge and thereafter as if it fell within the following descriptions, that is to say: —

- (a) heavy oil, where the rate of duty applying by virtue of this Order on the happening of that charge is the rate specified by section 6(1) of the Act for heavy oil;
- (b) light oil, where the rate of duty applying by virtue of this Order on the happening of that charge is described by reference to the rate of duty specified by section 6(1) of the Act for light oil.

9th November 1995

*Bowen Wells*  
*David Willetts*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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## EXPLANATORY NOTE

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

This Order prescribes the rates of the excise duty charged on liquids (“chargeable liquids”) comprised in section 6A of the Hydrocarbon Oil Duties Act 1979 (c. 5) (“the Act”) which are for use as substitutes for mineral oil motor fuel, or as additives or extenders in motor fuel or substitute motor fuel.

Section 6A gives effect to the first sentence of paragraph 3 of article 2 of the Council Directive 92/81/EEC of 19th October 1992 on the harmonisation of the structures of excise duties on mineral oils (O.J. L316, 31.10.92, p.12). This Order is related to [The Other Fuel Substitutes \(Payment of Excise Duty etc.\) Regulations 1995 No. 2717](#), which provide a framework for the payment of excise duty dealt with by this Order.

Article 3 provides that a chargeable liquid set aside or used as fuel for an engine shall be liable to excise duty at the same rate as applies to light oil unless the rate is determined in accordance with either article 4 or 5.

Article 4 provides for the rate of excise duty on any chargeable liquid which is set aside to be determined by an entry in a record that the liquid is suitable only as fuel for a diesel or an aircraft’s non-piston engine, or a leaded or unleaded petrol engine. That record is known as the fuel substitutes record and is governed by the above mentioned Regulations 1995/2717. If, however, the liquid is not entered in the record under any of those headings, it is liable to the rate applicable to light oil, unless it is entered in that record as specially produced as fuel for a piston-engined aircraft in which case it is liable at the rate of duty specified in section 6(3) of the Act. Article 4 also provides rates for chargeable liquids not set aside, but which are put to a chargeable use.

Article 5 makes similar provisions in respect of additives or extenders to fuel, except that any such additives and extenders which are not entered as suitable only for a engine fuelled by diesel oil or petrol, or not entered as multi-fuel additives or extenders, shall be liable to excise duty at the rate of duty applicable to unleaded petrol.

Article 6 provides that chargeable liquids which attract the heavy oil rate of duty specified in section 6(1) of the Act shall be treated thereafter as heavy hydrocarbon oil, and similarly any chargeable liquid which attracts the light oil rate (whether or not that rate attracts a rebate) shall be treated thereafter as light oil.