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STATUTORY INSTRUMENTS

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**1996 No. 2313**

**CUSTOMS AND EXCISE**

**The Hydrocarbon Oil (Payment of Rebates) Regulations 1996**

*Made* - - - - *9th September 1996*  
*Laid before Parliament* *10th September 1996*  
*Coming into force* - - *1st October 1996*

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by section 24 of the Hydrocarbon Oil Duties Act 1979<sup>(1)</sup>, and of all other powers enabling them in that behalf, hereby make the following regulations:

**Citation and commencement**

1. These Regulations may be cited as the Hydrocarbon Oil (Payment of Rebates) Regulations 1996 and shall come into force on 1st October 1996.

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**Commencement Information**

**I1** Reg. 1 in force at 1.10.1996, see [reg. 1](#)

**Revocation**

2. The following regulations are hereby revoked; that is to say—
- (a) regulations 31, 32 and 33 of the Hydrocarbon Oil Regulations 1973<sup>(2)</sup>; and
  - (b) subparagraphs (c) and (d) of regulation 3 of the Hydrocarbon Oil (Amendment) Regulations 1981<sup>(3)</sup>.

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**Commencement Information**

**I2** Reg. 2 in force at 1.10.1996, see [reg. 1](#)

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(1) 1979 c. 5; section 24 has been amended, the relevant amendment being the Finance Act 1996 (c. 8), section 5(5); section 27(3) applies the definition of “the Commissioners” in section 1(1) of the Customs and Excise Management Act 1979 (c. 2), viz., “the Commissioners” means the Commissioners of Customs and Excise.  
(2) S.I.1973/1311.  
(3) S.I. 1981/1134.

## Interpretation

### 3.—(1) In these Regulations—

“Act” means the Hydrocarbon Oil Duties Act 1979;

“annual rebate payment person” means a rebate payment person permitted by the Commissioners in the licence issued by them to him as a rebate payment person to furnish an estimate (as required by these Regulations) in relation to any year commencing 1st January after the issue of the licence;

“business days” means days which are business days within the meaning of section 92 of the Bills of Exchange Act 1882(4);

“Collector for the Oils Accounting Centre” means the [<sup>F1</sup>Commissioners for Her Majesty’s Revenue and Customs at HM Revenue and Customs, Cumbernauld Accounting Team, Room B1-25, St Mungo’s Road, Cumbernauld, G70 5WY] or at such other address which may be specified in directions made by the Commissioners under section 116 of the Customs and Excise Management Act 1979;

“Event A” is the event described in regulation 6(2)(a) below;

“Event B(1)”, “Event B(2)” and “Event B(3)” is, in each case, the event described in regulation 6(2)(b) below in association with the consequence described by the following subparagraphs ((a) to (c)) of regulation 6(3) below—

- (i) subparagraph (a) in the case of Event B(1);
- (ii) subparagraph (b) in the case of Event B(2); and
- (iii) subparagraph (c) in the case of Event B(3);

“gas oil” has the meaning given by section 11(2) of the Act;

“his accounting period” means—

- (a) in relation to a quarterly rebate payment person, any quarter in any year commencing 1st January, 1st April, 1st July and 1st October; and
- (b) in relation to an annual rebate payment person, any year commencing 1st January following the issue of the licence to him, in which the Commissioners permit him to furnish an estimate in relation to a year commencing on that date;

“licensed user” means an annual rebate payment person or a quarterly rebate payment person;

“quarterly rebate payment person” means a rebate payment person permitted by the Commissioners, in the licence issued by them to him as a rebate payment person, to furnish an estimate (governed by these Regulations) in relation to any quarterly period in any year commencing 1st January, 1st April, 1st July and 1st October;

“rebated heavy oil activity” means, in relation to heavy oil described in section 12(2) of the Act (which includes gas oil and section 12 kerosene), the use of that heavy oil as fuel for a [<sup>F2</sup>vehicle, vessel, machine or appliance that is not an excepted machine] or the taking of that heavy oil into that vehicle [<sup>F3</sup>, vessel, machine or appliance] as fuel;

“rebated kerosene activity” means, in relation to section 13AA kerosene, either of the two uses of that kerosene as fuel for engines, or the taking of that kerosene into the fuel supply of an engine, which engines and engine fall respectively within paragraph 5(a), (b) and (c) of section 13AA(2) of the Act;

“rebate payment person” means, subject to paragraph (3) below of this regulation, a person—

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(4) 1882 c. 61 (45 & 46 Vict); section 92 was amended by the Banking and Financial Dealings Act 1971 (c. 80), sections 3 and 4.

- (a) who applies in writing to the Commissioners for a licence authorising him to make payments in accordance with the provisions of these Regulations for the purposes of section 12(2) or section 13AA(3) and (4) of the Act, as specified in his application; and
- (b) to whom such a licence is issued by the Commissioners;

“section 12 kerosene” means heavy oil of the description given by paragraph (c) of section 11(1) of the Act; and

“section 13AA kerosene” means kerosene of the description given by section 13AA(5) of the Act for the purposes of sections 13AA and 13AB of the Act.

(2) In regulation 6(3)(c) below “the rate of net excise duty per litre of section 13AA kerosene” means the rate, expressed as pence per litre, calculated in accordance with the formula provided by paragraph 2 of, and by paragraph 3 of Schedule 2 to these Regulations for the purpose of effecting the comparison (required by regulation 6(3)(c) below) in accordance with the provisions of Schedule 2.

(3) “rebate payment person” does not include a person, in relation to any period after the withdrawal of the following licence takes effect, whose licence, issued to him as a rebate payment person, has been withdrawn for reasonable cause by the Commissioners (in a notice of withdrawal issued to him at his address appearing in his written application for the licence) with effect from the end of the quarter commencing 1st January, 1st April, 1st June or 1st October (in any year) in which the notice of withdrawal is issued.

- F1** Words in [reg. 3\(1\)](#) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Miscellaneous Amendments\) Regulations 2022 \(S.I. 2022/238\)](#), regs. 1, **3(2)**
- F2** Words in [reg. 3\(1\)](#) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(2)(a)** (with regs. 9, 10)
- F3** Words in [reg. 3\(1\)](#) inserted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(2)(b)** (with regs. 9, 10)

**Commencement Information**

- I3** Reg. 3 in force at 1.10.1996, see [reg. 1](#)

**Effective rebate payments for the purposes of section 12(2) or 13AA(2) of the Act**

4. A payment made for the purposes of section 12(2) or 13AA(2) of the Act shall not be effective unless it is made by a licensed user in accordance with the provisions of regulation 5 or, as the case may be, regulation 6 below in respect of any rebated heavy oil activity or rebated kerosene activity carried out by him.

**Commencement Information**

- I4** Reg. 4 in force at 1.10.1996, see [reg. 1](#)

**Estimates and payments**

5.—(1) A licensed user shall comply with the requirements of paragraphs (2) and (3) below before he begins for the first time in his accounting period to carry out any rebated heavy oil activity or any rebated kerosene activity.

(2) The licensed user shall furnish the Collector for the Oils Accounting Centre an estimate, relating to his accounting period in which he intends to begin for the first time in that period to carry out the activities mentioned in paragraph (1) above, of the volumes of fuel (described in the following form) which he estimates he will use in carrying out those activities during that accounting

period, on the form [F<sup>4</sup>specified in a notice published by HMRC Commissioners], containing full information in respect of all other matters specified in the form.

(3) The licensed user shall, at the same time as he furnishes the estimate (required by paragraph 2 above), pay the Commissioners—

- (a) in the case of any rebated heavy oil activities, relating to gas oil, dealt with in [F<sup>5</sup>the relevant part of the estimate], an amount equal to the amount which would, at the time the estimate is furnished, be allowed as a rebate of excise duty under section 11(1)(b) of the Act on a quantity of gas oil (if delivered at that time for home use), being of the same volume as that specified [F<sup>6</sup>in the relevant part of] the estimate;
- (b) in the case of rebated heavy oil activities, relating to section 12 kerosene, dealt with in [F<sup>7</sup>the relevant part of the estimate], an amount equal to the amount which would, at the time the estimate is furnished, be allowed as a rebate of excise duty under section 11(1)(c) of the Act on a quantity of section 12 kerosene (if delivered at that time for home use), being of the same volume as that specified [F<sup>8</sup>in the relevant part of] the estimate; and
- (c) in the case of any rebated kerosene activities, relating to section 13AA kerosene, dealt with in [F<sup>9</sup>the relevant part of the estimate], an amount calculated in accordance with the formula A–B, where—
  - (i) A is the amount of excise duty that would be charged, at the legally effective rate at the time the estimate is furnished, by section 6(1) of the Act on a quantity of heavy oil (if imported or produced, as described in section 6(1), at that time), being of the same volume as that specified [F<sup>10</sup>in the relevant part of] the estimate in relation to section 13AA kerosene; and
  - (ii) B is the amount of rebate of excise duty on heavy oil allowable in the case of gas oil under section 11(1)(b) of the Act, at the legally effective rate at the same time as that specified in paragraph (i) above, on a quantity of gas oil (if delivered for home use as envisaged by section 11), being of the same volume as that used in the calculation for the purposes of paragraph (i) above.

[F<sup>11</sup>(4) HMRC Commissioners must publish a notice specifying the form for the purposes of paragraph (2).]

- F4** Words in [reg. 5\(2\)](#) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(3)(a)** (with regs. 9, 10)
- F5** Words in [reg. 5\(3\)\(a\)](#) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(3)(b)(i)(aa)** (with regs. 9, 10)
- F6** Words in [reg. 5\(3\)\(a\)](#) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(3)(b)(i)(bb)** (with regs. 9, 10)
- F7** Words in [reg. 5\(3\)\(b\)](#) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(3)(b)(ii)(aa)** (with regs. 9, 10)
- F8** Words in [reg. 5\(3\)\(b\)](#) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(3)(b)(ii)(bb)** (with regs. 9, 10)
- F9** Words in [reg. 5\(3\)\(c\)](#) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(3)(b)(iii)(aa)** (with regs. 9, 10)

- F10** Words in reg. 5(3)(c)(i) substituted (1.4.2022) by The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), **5(3)(b)(iii) (bb)** (with regs. 9, 10)
- F11** Reg. 5(4) inserted (1.4.2022) by The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), **5(3)(c)** (with regs. 9, 10)

**Commencement Information**

- I5** Reg. 5 in force at 1.10.1996, see **reg. 1**

**Supplementary estimates, Events A, B(1), B(2) and B(3), and additional rebate payments and forms**

- 6.—(1) Paragraph (4) below applies to a licensed user—
- (a) who furnished an estimate (required by regulation 5(2) above); and
  - (b) where, subsequently in relation to him and his accounting period and the estimate, and to any rebated heavy oil activities or rebated kerosene activities carried out by him by the time of the following occurrence, there is an occurrence of an event described in paragraph (2) and (3) below (referred to in these Regulations respectively as Event A, Event B(1), Event B(2) and Event B(3)).
- (2) For the purposes of these Regulations the events are—
- (a) Event A—at any time during his accounting period, to which the estimate relates, the amounts of fuel used by that time by the licensed user for carrying out any rebated heavy activity, or any rebated kerosene activity <sup>F12</sup>... is equal to the estimated volume of fuel specified [<sup>F13</sup>in the relevant part] of the estimate;
  - (b) Event B(1), B(2) and B(3)—on a day, in his accounting period to which the licensed user’s estimate relates, a change of either or both—
    - (i) the legally effective rate of excise duty in the case of heavy oil (charged by section 6(1) of the Act); and
    - (ii) the legally effective rate of rebate of the heavy oil excise duty in the case of gas oil (allowed under section 11(1)(b) of the Act),takes legal effect, which is associated with any one or more of the three consequences described in paragraph (3) below.
- (3) For the purposes of paragraph (2)(b) above the consequences are as follows: where the licensed user has furnished an estimate (required by regulation 5(2) above)—
- (a) (Event B(1)) in which there is an entry in [<sup>F14</sup>the part of the form for estimated gas oil consumption], the consequence is that the amount of rebate allowable under section 11(1)(b) of the Act on a quantity of gas oil, when the change takes legal effect, would be greater than it would have been immediately before the change takes legal effect;
  - (b) (Event B(2)) in which there is an entry in [<sup>F15</sup>the part of the form for estimated section 12 kerosene consumption], the consequence is that the amount of rebate allowable under section 11(1)(c) of the Act on a quantity of section 12 kerosene, when the change takes legal effect, would be greater than it would have been immediately before the change takes legal effect; and
  - (c) (Event B(3)) in which there is an entry in [<sup>F16</sup>the part of the form for estimated section 13AA kerosene consumption], the consequence is that a comparison (effected in accordance with the provisions of Schedule 2 <sup>F17</sup>...) of—

- (i) the rate, immediately before the change takes legal effect, of the net excise duty per litre of section 13AA kerosene calculated in accordance with the formula provided by paragraph 2 of Schedule 2 (called in this sub-paragraph “the paragraph (i) rate”); with
  - (ii) the rate, when the change takes legal effect, of the net excise duty per litre of section 13AA kerosene calculated in accordance with the formula provided by paragraph 3 of Schedule 2 (called in this sub-paragraph “the paragraph (ii) rate”),
- indicates that the paragraph (ii) rate is greater than the paragraph (i) rate.

(4) The licensed user, to whom this paragraph applies, shall, in respect of that part of any rebated heavy oil activity or of any rebated kerosene activity (called in this paragraph the “relevant part-activity”) to which Event A, Event B(1), Event B(2) or Event B(3) relates (called in this paragraph the “related Event”), cease to carry out the relevant part-activity upon the occurrence of the related Event; and he may again carry out the relevant ceased part-activity only if, before doing so—

- (a) in the case of the related Event being Event A, he furnishes the Collector for the Oils Accounting Centre a supplementary estimate of the volumes of fuel (described in the following form) estimated to be used in carrying out the relevant part-activity, on the form <sup>F18</sup>specified in a notice published by HMRC Commissioners], containing full information in respect of all other matters specified on the form, and only if he complies with the requirements specified in paragraph (5) below; and
- (b) in the case of Event B(1), B(2) or B(3) occurring, he furnishes the Collector for the Oils Accounting Centre with an additional rebate payment form in the form <sup>F19</sup>specified in a notice published by HMRC Commissioners] (called below in this sub-paragraph the “form”) showing the additional amount payable (correctly calculated in accordance with the provisions of the form) in the <sup>F20</sup>relevant] parts of the form in relation to the occurring event <sup>F21</sup>..., containing full information in respect of all other matters specified in the form, and containing a declaration, signed by him, that the information given in the form is true and complete; and only if he pays to the Commissioners the additional amount payable, at the same time as he furnishes the form.

(5) A licensed user shall comply, when furnishing a supplementary estimate under paragraph 4(a) above, with the requirements of paragraph (3) of regulation 5 above (requiring payments to be made to the Commissioners when furnishing an estimate), as if the supplementary estimate was the estimate mentioned therein.

<sup>F22</sup>(6) HMRC Commissioners must publish a notice specifying the forms for the purposes of paragraph (4)(a) and (b).]

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|------------|---|
| <b>F12</b> | Words in <a href="#">reg. 6(2)</a> omitted (1.4.2022) by virtue of <a href="#">The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234)</a> , regs. 1(1), <b>5(4)(a)(i)</b> (with regs. 9, 10)    |
| <b>F13</b> | Words in <a href="#">reg. 6(2)</a> substituted (1.4.2022) by <a href="#">The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234)</a> , regs. 1(1), <b>5(4)(a)(ii)</b> (with regs. 9, 10)         |
| <b>F14</b> | Words in <a href="#">reg. 6(3)(a)</a> substituted (1.4.2022) by <a href="#">The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234)</a> , regs. 1(1), <b>5(4)(b)(i)</b> (with regs. 9, 10)       |
| <b>F15</b> | Words in <a href="#">reg. 6(3)(b)</a> substituted (1.4.2022) by <a href="#">The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234)</a> , regs. 1(1), <b>5(4)(b)(ii)</b> (with regs. 9, 10)      |
| <b>F16</b> | Words in <a href="#">reg. 6(3)(c)</a> substituted (1.4.2022) by <a href="#">The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234)</a> , regs. 1(1), <b>5(4)(b)(iii)(aa)</b> (with regs. 9, 10) |



- F17** Words in reg. 6(3)(c) omitted (1.4.2022) by virtue of The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), **5(4)(b)(iii)(bb)** (with regs. 9, 10)
- F18** Words in reg. 6(4)(a) substituted (1.4.2022) by The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), **5(4)(c)(i)** (with regs. 9, 10)
- F19** Words in reg. 6(4)(b) substituted (1.4.2022) by The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), **5(4)(c)(ii)(aa)** (with regs. 9, 10)
- F20** Word in reg. 6(4)(b) substituted (1.4.2022) by The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), **5(4)(c)(ii)(bb)** (with regs. 9, 10)
- F21** Words in reg. 6(4)(b) omitted (1.4.2022) by virtue of The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), **5(4)(c)(ii)(cc)** (with regs. 9, 10)
- F22** Reg. 6(6) inserted (1.4.2022) by The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), **5(4)(d)** (with regs. 9, 10)

#### Commencement Information

- I6** Reg. 6 in force at 1.10.1996, see **reg. 1**

### Application of regulation 6 provisions to supplementary estimates

7.—(1) The provisions of paragraphs (4) and (5) of regulation 6 above shall apply to a licensed user who has furnished a supplementary estimate under that regulation in respect of his accounting period, or has furnished another supplementary estimate or further supplementary estimates, in respect of that accounting period, by virtue of operation of this regulation in relation to it or them—

- (a) as if the supplementary estimate was the estimate mentioned in regulation 6 or, as the case may be, each of those supplementary estimates was such an estimate; and
- (b) where there is an occurrence of Event A, Event B(1), Event B(2) or Event B(3) in relation to that supplementary estimate or, as the case may be, those supplementary estimates, to the licensed user, to the period of his accounting period dealt with by that supplementary estimate or supplementary estimates, and to any rebated heavy oil activities or rebated kerosene activities carried out by him in the above first-mentioned period by the time of that occurrence.

#### Commencement Information

- I7** Reg. 7 in force at 1.10.1996, see **reg. 1**

### Returns

8.—(1) A person, who furnished an estimate (as required by paragraph 2 of regulation 5 above) as a licensed user, shall furnish, within 10 business days after the end of the period determined in accordance with paragraph 2 below, the Collector for the Oils Accounting Centre a return, relating to the accounting period specified in <sup>F23</sup>... that estimate, in the form [<sup>F24</sup>specified in a notice published by HMRC Commissioners], containing full information in respect of the matters specified in the form, and containing a declaration, signed by him, that the information given in the return is true and complete.

- (a) (2) (a) Unless subparagraph (b) below applies, the period is the accounting period specified in <sup>F25</sup>... the estimate or, in the absence of sufficient specification in [<sup>F26</sup>the estimate], is the accounting period which the licensed user ought to have specified as his accounting period;
- (b) This subparagraph applies in the case of a person (falling within paragraph (1) above) who—
- (i) furnishes the estimate (referred to in paragraph (1) above) for an annual accounting period of a particular year; and
- (ii) ceases to be a rebate payment person with effect, as the case may be, from the end of one of the three quarters commencing in that particular year 1st January, 1st April or 1st July, by reason of the Commissioners withdrawing, under paragraph (3) of regulation 3 above, the licence issued to him as a rebate payment person;
- in such a case, and having regard to those three quarters, the period is the quarter from the end of which the withdrawal takes effect.

(3) A person furnishing a return under this Regulation may, at the same time, claim any amount which he may have overpaid to the Commissioners in the accounting period to which the return relates.

[<sup>F27</sup>(4) HMRC Commissioners must publish a notice specifying the form for the purposes of paragraph (1).]

- F23** Words in reg. 8(1) omitted (1.4.2022) by virtue of The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), 5(5)(a)(i) (with regs. 9, 10)
- F24** Words in reg. 8(1) substituted (1.4.2022) by The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), 5(5)(a)(ii) (with regs. 9, 10)
- F25** Words in reg. 8(2)(a) omitted (1.4.2022) by virtue of The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), 5(5)(b)(i) (with regs. 9, 10)
- F26** Words in reg. 8(2)(a) substituted (1.4.2022) by The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), 5(5)(b)(ii) (with regs. 9, 10)
- F27** Reg. 8(4) inserted (1.4.2022) by The Hydrocarbon Oil Duties (Consequential Amendments and Transitional Provisions) Regulations 2022 (S.I. 2022/234), regs. 1(1), 5(5)(c) (with regs. 9, 10)

#### Commencement Information

- I8** Reg. 8 in force at 1.10.1996, see [reg. 1](#)

#### Records to be kept by a licensed user

9.—(1) Paragraphs (2) and (4) below apply to a licensed user who uses a [<sup>F28</sup>non-accepted machine] for any rebated heavy oil activity or any rebated kerosene activity, and to a person who has ceased to be such a licensed user during the period of 12 months (defined in paragraph (2) below) with effect from a time falling within that period, by reason of the withdrawal by the Commissioners (as envisaged by paragraph (3) of regulation 2 above) of the licence issued to him as a rebate payment person.

(2) A licensed user, and a person, to whom, in either case, this paragraph applies by virtue of paragraph (1) above shall—

- (a) keep a record of all fuel used by him respectively, for any rebated heavy oil activity or rebated kerosene activity carried out by way of a [<sup>F29</sup>non-accepted machine], in which shall



be entered, on the day of the use of the fuel (and by reference to its date), the particulars specified in paragraph (3) below; and

(b) preserve that record—

(i) at the premises at which the aforementioned [<sup>F30</sup>non-accepted machine] is usually kept, or at such other place as may be agreed between the aforementioned licensed user or person and the proper officer<sup>(5)</sup>; and

(ii) for not less than the period of 12 months from the date on which the last entry was made in it.

(3) The particulars in relation to the [<sup>F31</sup>non-accepted machine] falling within paragraph 2(a) above are—

(a) the registration number of the [<sup>F31</sup>non-accepted machine] or other identification mark in the case of an unregistered vehicle [<sup>F32</sup>or a non-accepted machine that is not a road vehicle];

(b) the date of each journey, or, where the [<sup>F31</sup>non-accepted machine] is employed otherwise than in making a journey from place to place, the place of that employment;

(c) the quantities of, and the fuel (by reference to the classification of whether it is gas oil, section 12 kerosene or section 13AA kerosene) supplied into the [<sup>F31</sup>non-accepted machine]; and

(d) the number of miles travelled by the [<sup>F31</sup>non-accepted machine] on any journey (falling within paragraph (b) above), and the number of hours the [<sup>F33</sup>machine] is used in employment falling within paragraph (b) above.

(4) A licensed user, and a person, to whom, in either case, this paragraph applies by virtue of paragraph 1 above, shall, on demand by the proper officer, produce to the proper officer at all reasonable times the record which he is required by paragraph (2) above to keep.

[<sup>F34</sup>(5) In this regulation “non-accepted machine” means any vehicle, vessel, machine or appliance that is not an accepted machine.]

- F28** Words in reg. 9(1) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(6)(a)** (with regs. 9, 10)
- F29** Words in reg. 9(2)(a) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(6)(b)(i)** (with regs. 9, 10)
- F30** Words in reg. 9(2)(b)(i) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(6)(b)(ii)** (with regs. 9, 10)
- F31** Words in reg. 9(3) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(6)(c)(i)** (with regs. 9, 10)
- F32** Words in reg. 9(3)(a) inserted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(6)(c)(ii)** (with regs. 9, 10)
- F33** Word in reg. 9(3)(d) substituted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(6)(c)(iii)** (with regs. 9, 10)
- F34** Reg. 9(5) inserted (1.4.2022) by [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), **5(6)(d)** (with regs. 9, 10)

(5) The Hydrocarbon Oil Duties Act 1979 (c. 5), section 27(3) applies the definitions for “officer” and “proper” (in relation to an officer) provided by Customs and Excise Management Act 1979 (c. 2), section 1(1).

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**Changes to legislation:** There are currently no known outstanding effects for the The Hydrocarbon Oil (Payment of Rebates) Regulations 1996. (See end of Document for details)

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**Commencement Information**

**19** Reg. 9 in force at 1.10.1996, see [reg. 1](#)

New King's Beam House 22 Upper Ground  
London SE1 9PJ

*D J Howard*  
Commissioner of Customs and Excise

F35 SCHEDULE 1

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**F35** Sch. 1 omitted (1.4.2022) by virtue of [The Hydrocarbon Oil Duties \(Consequential Amendments and Transitional Provisions\) Regulations 2022 \(S.I. 2022/234\)](#), regs. 1(1), 5(7) (with regs. 9, 10)

SCHEDULE 2

Regulation 6(3)(c)

PROCEDURE AND FORMULAS FOR EFFECTING THE COMPARISON REQUIRED BY REGULATION 6(3)(c) IN RESPECT OF THE RATE OF NET EXCISE DUTY PER LITRE OF SECTION 13AA KEROSENE (called below the “rate of net excise duty”)

1. The comparison shall be effected by the following steps—
  - (a) determine the rate of net excise duty (expressed as pence per litre), immediately before the change takes legal effect, in accordance with the formula provided by paragraph 2 below;
  - (b) determine the rate of net excise duty (expressed as pence per litre), applicable when the change takes legal effect, in accordance with the formula provided by paragraph 3 below; and
  - (c) compare the correctly determined results of those calculations to see whether or not the paragraph 3 rate of net excise duty (for the purposes of regulation 6(3)(c) of these Regulations) is greater than the paragraph 2 rate of net excise duty, expressed in both cases as pence per litre.

**Commencement Information**

**I10** Sch. 2 para. 1 in force at 1.10.1996, see [reg. 1](#)

2. The rate of net excise duty (for the purposes of paragraph 1(a) and (c) above) shall be calculated in accordance with the formula C–D where—
  - (a) C is the rate of excise duty charged by section 6(1) of the Act on a litre of heavy oil, immediately before a change (envisaged by regulation 6(2)(b) of these Regulations) takes legal effect, expressed as pence per litre; and
  - (b) D is the rate of rebate of the excise duty allowed on a litre of gas oil (in accordance with the rebate section of section 11 of the Act for gas oil), immediately before the above-mentioned change takes legal effect, expressed as pence per litre.

**Commencement Information**

**I11** Sch. 2 para. 2 in force at 1.10.1996, see [reg. 1](#)

3. The rate of net excise duty (for the purposes of paragraph 1(b) and (c) above) shall be calculated in accordance with the formula F–G where—
  - (a) F is the rate of excise duty charged by section 6(1) of the Act on a litre of heavy oil when the change (envisaged by regulation 6(2)(b) of these Regulations) takes legal effect, expressed as pence per litre; and

- (b) G is the rate of rebate of the excise duty allowed on a litre of gas oil (in accordance with the rebate scheme of section 11 of the Act for gas oil) when the above-mentioned change takes legal effect, expressed as pence per litre.

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**Commencement Information**

**I12** Sch. 2 para. 3 in force at 1.10.1996, see [reg. 1](#)

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**EXPLANATORY NOTE**

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

**1.** These Regulations—

- (a) replace regulations 31 to 33 of the [Hydrocarbon Oil Regulations 1973 No. 1311](#) (regulatory scheme for the advance payment of rebate (“the rebate”) allowed on gas oil, and other heavy oil—the use of which is governed by section 12 of the Hydrocarbon Oil Duties Act 1979 (c. 5) (“HODA”)—under section 11 of HODA) with a revised similar scheme for advance payments; and
- (b) apply that revised scheme additionally to the advance payment of part of the section 11(1) (c) HODA rebate (“the net excise duty”) allowed in respect of kerosene (governed by sections 13AA and 13AB HODA, which sections are added to HODA by section 5 of the Finance Act 1996 (c. 8)), where the rebated kerosene is to be used as fuel for certain engines defined by section 13AA of HODA.

**2.** Scheme of these Regulations.

Regulation 3 provides definitions of certain words and phrases used in the Regulations.

Regulation 4 requires that, for a payment of the rebate or of the net excise duty to be effective for the purposes of respectively section 12(2) or section 13AA (3) and (4) of HODA, the advance payment must be made by a licensed user of the rebated gas oil or rebated kerosene in accordance with the scheme of advance payment governed by regulations 5 and 6. Users will be licensed for these purposes by the Commissioners of Customs and Excise.

Regulation 5 enables a licensed user to provide the Commissioners with an estimate of his future use of gas oil or kerosene during an accounting period, and requires him, on furnishing the estimate, to make an advance payment to them of the rebate, or as the case may be, of the net excise duty, calculated in accordance with the provisions of regulation 5(3). The estimate is in the form no. 1 of Schedule 1 to these Regulations.

Regulation 6 recognises, firstly, that the actual usage by the licensed user, during the accounting period to which his estimate relates, may reach the estimated or forecast usage before the end of that period. In that event regulation 6(4)(a) and (5) requires him to cease using rebated gas oil or kerosene as fuel. The regulation enables him to recommence use of those rebated fuels provided he first furnishes the Commissioners with a supplementary estimate (in the form no. 2 of Schedule 1 to these Regulations) of estimated future use during the remainder of the accounting period, and makes an associated advance payment of the rebate, or as the case may be, of the net excise duty in respect of that estimated future use.

Regulation 6, secondly, takes account of the possibility that, during the accounting period to which the user's estimate relates, there may be a change of either or both the hydrocarbon oil excise duty rate (governed by section 6 of HODA), and the excise duty rebate rate (governed by section 11 of HODA), with the result, as it may be, that the actual excise duty charged or actual rebate allowed is increased by an additional amount ("the additional amount"), and consequently the advance payment made with the estimate becomes insufficient. In such a case (as governed by regulation 6(4)(b)) the licensed user is required to cease using oils to which his estimate relates, and, before recommencing, he is required to pay the additional amount to the Commissioners (by furnishing an additional rebate payment form in the form no. 3 of Schedule 1 to these Regulations) in respect of rebated fuel which he is yet to use. The additional amount is calculated in accordance with the provisions of that form, no. 3.

Regulation 7 treats any supplementary estimate, that may have been furnished by a licensed user, as if it was an estimate, to ensure that, in the event of the supplementary estimate's forecast of future usage of rebated fuel, or of the amount of advance payment of the rebate or the net excise duty, made in association with the supplementary estimate, proving to be insufficient (for the same reasons explained above in relation to regulation 6), the licensed user makes further advance payment(s) to make good the insufficiency.

Regulation 8 requires a licensed user, and a user whose licence has been withdrawn, to make a return to the Commissioners within 10 business days of the end of the accounting period to which the estimate relates. In his return the user may claim amounts which he may have overpaid.

Regulation 9 requires licensed users, and users whose licence has been withdrawn, to keep records relating to the rebated gas oil or kerosene used in their road vehicles.

**Changes to legislation:**

There are currently no known outstanding effects for the The Hydrocarbon Oil (Payment of Rebates) Regulations 1996.