

ANNEX II

Reduced rates of taxation and exemptions from such taxation referred to in Article 18(1)

12. PORTUGAL:

- for differentiated rates of tax on unleaded petrol to reflect different environmental categories, provided that the differentiated rates are in accordance with the obligations laid down in this Directive, and in particular the minimum levels of taxation provided for in Article 7 thereof;
- for exemption from excise duty on LPG, natural gas and methane used as fuel in local public passenger transport;
- for a reduction in the rate of excise duty on fuel oil consumed in the autonomous region of Madeira; this reduction may not be greater than the additional costs incurred in transporting the fuel oil to that region;
- for a reduction in the rate of excise duty on heavy fuel oil to encourage the use of more environmentally friendly fuels; this reduction shall be specifically linked to sulphur content and the rate of duty charged on heavy fuel oil must correspond to the minimum rate of duty on heavy fuel oil as provided for in Community law;
- for air navigation other than that covered by Article 14(1)(b) of this Directive;
- for waste oils which are reused as fuel, either directly after recovery or following a recycling process for waste oils, and where the reuse is subject to duty.