

## ANNEX II

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

6. FRANCE:
- for differential rates of tax on diesel used in commercial vehicles, until 1 January 2005, which cannot be less than EUR 380 per 1 000 l as from 1 March 2003;
  - in the framework of certain policies aimed at assisting areas suffering from depopulation;
  - for consumption on the island of Corsica, provided that the reduced rates at all times respect the minimum rates of duty on mineral oils as provided for under Community law;
  - for a differentiated rate of excise duty on a new fuel composed of a water-and-antifreeze/diesel emulsion stabilised by surfactants, provided that the differentiated rates are in accordance with the obligations laid down in this Directive, and in particular the minimum rates of excise duty;
  - for a differentiated rate of excise duty for premium-grade unleaded petrol containing a potassium-based additive to improve resistance to valve burn-out (or any other additive of equivalent effect);
  - for fuel used in taxis, within the limits of an annual quota;
  - for exemption from excise duty on gases used as fuel for public transport subject to an annual quota;
  - for an exemption from excise duties for gases used as engine fuels in gas-powered refuse collection vehicles;
  - for a reduction in the rate of taxation 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 taxation on heavy fuel oil as provided for in Community law;
  - for an exemption for heavy fuel oil used as fuel for the production of alumina in the region of Gardanne;
  - for air navigation other than that covered by Article 14(1)(b) of this Directive;
  - for gasoline delivered from the harbours of Corsica to private pleasure craft;
  - 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;
  - for local public passenger transport vehicles until 31 December 2005;
  - for the granting of permits for the application of a differentiated rate of excise duty to the fuel mixture ‘petrol/ethyl alcohol derivatives whose alcohol component is of agricultural origin’ and for the application of a differentiated rate of excise duty to the fuel mixture ‘diesel/vegetable oil esters’. To allow a reduction in excise duty on blends incorporating vegetable oil esters and ethyl alcohol derivatives which are used as fuel within the meaning of this Directive, the French authorities must issue the necessary permits to the biofuel production units concerned by 31 December 2003 at the latest. The authorisations will be valid for a maximum of six years from the date of issue. The reduction specified in the authorisation may be applied after 31 December 2003 until the expiry of the authorisation. The reductions in excise duties shall not exceed EUR 35,06/hl or EUR 396,64/t for vegetable oil esters and EUR 50,23/hl or EUR 297,35/t for ethyl alcohol derivatives used in the mixtures referred to. The reductions in excise duties shall be adjusted to take account of changes in the price of raw materials to avoid overcompensating for the extra costs involved in the manufacture of biofuels. This Decision shall apply with effect from 1 November 1997. It shall expire on 31 December 2003;

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- for the granting of permits for the application of a differentiated rate of excise duty to the mixture ‘domestic heating fuel/vegetable oil esters’. To allow a reduction in excise duty on mixtures incorporating vegetable oil esters and used as fuel within the meaning of this Directive, the French authorities must issue the necessary permits to the biofuel production units concerned by 31 December 2003 at the latest. The authorisations will be valid for a maximum of six years from the date of issue. The reduction specified in the authorisation may be applied after 31 December 2003 until the expiry of the authorisation, but may not be extended. The reductions in excise duties shall not exceed EUR 35,06/hl or EUR 396,64/t for the vegetable oil esters used in the mixtures referred to. The reductions in excise duty shall be adjusted to take account of changes in the price of raw materials to avoid overcompensating for the extra costs involved in the manufacture of biofuels. This Decision shall apply with effect from 1 November 1997. It shall expire on 31 December 2003.