

**Status:** Point in time view as at 01/04/2023. This version of this schedule contains provisions that are prospective.

**Changes to legislation:** Finance Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

## SCHEDULES

### SCHEDULE 6

Section 30.

#### CLIMATE CHANGE LEVY

##### Modifications etc. (not altering text)

- C1** Sch. 6 modified (coming into force in accordance with art. 1 of the amending S.I.) by [The Climate Change Levy \(Suspension of Recycling Exemption\) Order 2011 \(S.I. 2011/1023\)](#), arts. 1, 2, 3
- C2** Sch. 6 modified (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 para. 1\(1\)](#)

#### PART I

##### THE LEVY

##### *Climate change levy*

- 1 (1) A tax to be known as climate change levy (“the levy”) shall be charged in accordance with this Schedule.
- (2) The levy is under the care and management of the Commissioners of Customs and Excise.

##### *Levy charged on taxable supplies*

- 2 (1) The levy is charged on taxable supplies.
- (2) Any supply of a taxable commodity is a taxable supply, subject to the provisions of Part II of this Schedule.

##### *Meaning of “taxable commodity”*

- 3 (1) The following are taxable commodities for the purposes of this Schedule, subject to sub-paragraph (2) and to any regulations under sub-paragraph (3)—
- (a) electricity;
  - (b) any gas in a gaseous state that is of a kind supplied by a gas utility;
  - (c) any petroleum gas, or other gaseous hydrocarbon, in a liquid state;
  - (d) coal and lignite;
  - (e) coke, and semi-coke, of coal or lignite;
  - (f) petroleum coke.
- (2) The following are not taxable commodities—
- (a) hydrocarbon oil or road fuel gas within the meaning of the <sup>M1</sup>Hydrocarbon Oil Duties Act 1979;

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(b) waste within the meaning of Part II of the <sup>M2</sup>Environmental Protection Act 1990 or the meaning given by Article 2(2) of the <sup>M3</sup>Waste and Contaminated Land (Northern Ireland) Order 1997.

(3) The Treasury may by regulations provide that a commodity of a description specified in the regulations is, or is not, a taxable commodity for the purposes of this Schedule.

#### Marginal Citations

- M1** 1979 c. 5.  
**M2** 1990 c. 5.  
**M3** S.I. 1997/2778 (N.I. 19).

## PART II

### TAXABLE SUPPLIES

#### Introduction

- 4 (1) A supply of a taxable commodity (or part of such a supply) is a taxable supply for the purposes of the levy if levy is chargeable on the supply under—  
paragraph 5 (supplies of electricity),  
paragraph 6 (supplies of gas), or  
paragraph 7 (other supplies in course or furtherance of business),  
and the supply (or part) is not excluded under paragraphs 8 to 10 or exempt under paragraphs 11 to 22.
- (2) In this Schedule—  
(a) references to a supply of a taxable commodity include a supply that is deemed to be made under paragraph 23, and  
(b) references to a taxable supply include a supply that is deemed to be made under paragraph 24 [<sup>F1</sup>, 24A, 24B, 24C, 42D][<sup>F2</sup> or [<sup>F3</sup>43B]],  
but paragraphs 23 and 24 have effect subject to any exceptions provided for under paragraph 21.

#### Textual Amendments

- F1** Words in Sch. 6 para. 4(2)(b) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 3, 21](#)
- F2** Words in Sch. 6 para. 4(2)(b) inserted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 paras. 2, 13\(1\)](#); [S.I. 2007/2902, art. 2\(1\)](#)
- F3** Word in Sch. 6 para. 4(2)(b) substituted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 30 para. 3](#)

#### Supplies of electricity

- 5 (1) Levy is chargeable on a supply of electricity if—  
(a) the supply is made by an electricity utility, and

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- (b) the person to whom the supply is made—
  - (i) is not an electricity utility, or
  - (ii) is the utility itself.
- (2) Levy is chargeable on a supply made from a combined heat and power station of electricity produced in the station if—
  - (a) the station is a partly exempt combined heat and power station,
  - (b) the supply is not one that is deemed to be made under paragraph 23(3) (self-supply by producer), and
  - (c) the person to whom the supply is made is not an electricity utility.
- [<sup>F4</sup>(2A) Levy is chargeable on a supply of electricity if—
  - (a) the supply is made by an exempt unlicensed electricity supplier who is an auto-generator or who is of a description prescribed by regulations made by the Treasury,
  - (b) the electricity was produced in a generating station owned by the supplier using commodities which were the subject of a deemed supply under paragraph 24A or which would have been the subject of such a supply had the reference in paragraph 24A(1)(a) to Great Britain been a reference to the United Kingdom instead,
  - (c) the supply is not a deemed supply under paragraph 23(3), and
  - (d) the person to whom the supply is made is not an electricity utility.]
- (3) Levy is chargeable on a supply of electricity that is deemed to be made under [<sup>F5</sup>paragraph 20(6)(a), 20B(6)(a), 23(3) [<sup>F6</sup>, 24 or [<sup>F7</sup>43B]]].
- (4) Except as provided by sub-paragraphs (1) to (3), levy is not chargeable on a supply of electricity.

#### Textual Amendments

- F4** Sch. 6 para. 5(2A) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 4, 21](#)
- F5** Words in Sch. 6 para. 5(3) substituted (10.7.2003) (with effect in accordance with s. 191(4) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [s. 191\(2\)](#)
- F6** Words in Sch. 6 para. 5(3) substituted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 paras. 3, 13\(1\)](#); [S.I. 2007/2902](#), [art. 2\(1\)](#)
- F7** Word in Sch. 6 para. 5(3) substituted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 30 para. 4](#)

#### *Supplies of gas*

- 6 (1) Levy is chargeable on a supply of any gas if—
  - (a) the supply is made by a gas utility, and
  - (b) the person to whom the supply is made—
    - (i) is not a gas utility, or
    - (ii) is the utility itself.
- (2) Levy is chargeable on a supply of gas that is deemed to be made under paragraph 23(3) (self-supply by producer) if the gas—
  - (a) is held in a gaseous state immediately prior to being released for burning, and
  - (b) is of a kind supplied by a gas utility.

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[<sup>F8</sup>(2A) Levy is chargeable on a supply of gas that is deemed to be made under paragraph 24 [<sup>F9</sup>, 24A, 24B, 24C, 42D][<sup>F10</sup> or [<sup>F11</sup>43B]].]

(3) Except as provided by [<sup>F12</sup>sub-paragraph (1), (2) or (2A)], levy is not chargeable on a supply of any gas that is supplied in a gaseous state.

#### Textual Amendments

- F8** Sch. 6 para. 6(2A) inserted (10.7.2003) (with effect in accordance with s. 191(4) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [s. 191\(3\)\(a\)](#)
- F9** Words in Sch. 6 para. 6(2A) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 5, 21](#)
- F10** Words in Sch. 6 para. 6(2A) inserted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 paras. 4, 13\(1\)](#); [S.I. 2007/2902](#), [art. 2\(1\)](#)
- F11** Word in Sch. 6 para. 6(2A) substituted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 30 para. 5](#)
- F12** Words in Sch. 6 para. 6(3) substituted (10.7.2003) (with effect in accordance with s. 191(4) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [s. 191\(3\)\(b\)](#)

#### *Other supplies made in course or furtherance of business*

- 7 (1) This paragraph applies to a supply of a taxable commodity other than—
- (a) electricity, or
  - (b) gas in a gaseous state.
- (2) Levy is chargeable on any such supply if the supply is made in the course or furtherance of a business.

#### *Excluded supplies: supply for domestic or charity use*

- 8 (1) A supply is excluded from the levy if it is—
- (a) for domestic use (see paragraph 9), or
  - (b) for charity use.
- (2) For the purposes of this paragraph, a supply is for charity use if the commodity supplied is for use by a charity otherwise than in the course or furtherance of a business.
- (3) If a supply is partly for domestic or charity use and partly not, the part of the supply that is for domestic or charity use is excluded from the levy.
- (4) Where a supply of a commodity is partly for domestic or charity use and partly not—
- (a) if at least 60 per cent. of the commodity is supplied for domestic or charity use, the whole supply is treated as a supply for domestic or charity use, and
  - (b) in any other case, an apportionment shall be made to determine the extent to which the supply is for domestic or charity use.

#### *Excluded supplies: meaning of "for domestic use"*

- 9 (1) For the purposes of paragraph 8 the following supplies are always for domestic use—
- (a) a supply of not more than one tonne of coal or coke held out for sale as domestic fuel;

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- (b) a supply to a person at any premises of—
    - (i) any gas in a gaseous state that is provided through pipes and is of a kind supplied by a gas utility, or
    - (ii) petroleum gas in a gaseous state provided through pipes,where the gas or petroleum gas (together with any other gas or petroleum gas provided through pipes to him at the premises by the same supplier) was not provided at a rate exceeding 4397 kilowatt hours a month;
  - (c) a supply of petroleum gas in a liquid state where the petroleum gas is supplied in cylinders the net weight of each of which is less than 50 kilogrammes and either the number of cylinders supplied is 20 or fewer or the petroleum gas is not intended for sale by the recipient;
  - (d) a supply of petroleum gas in a liquid state, otherwise than in cylinders, to a person at any premises at which he is not able to store more than two tonnes of such petroleum gas;
  - (e) a metered supply of electricity to a person at any premises where the electricity (together with any other electricity provided to him at the premises by the same supplier) was not provided at a rate exceeding 1000 kilowatt hours a month;
  - (f) an unmetered supply of electricity to a person where the electricity (together with any other unmetered electricity provided to him by the same supplier) was not provided at a rate exceeding 1000 kilowatt hours a month.
- (2) For the purposes of paragraph 8, supplies not within sub-paragraph (1) are for domestic use if and only if the commodity supplied is for use in—
- (a) a building, or part of a building, which consists of a dwelling or number of dwellings,
  - (b) a building, or part of a building, used for a relevant residential purpose,
  - (c) self-catering holiday accommodation (including any accommodation advertised or held out as such),
  - (d) a caravan,
  - (e) a houseboat (that is to say, a boat or other floating decked structure designed or adapted for use solely as a place of permanent habitation and not having means of, or capable of being readily adapted for, self-propulsion), or
  - (f) an appliance that—
    - (i) is not part of a combined heat and power station,
    - (ii) is located otherwise than in premises of a description mentioned in any of paragraphs (a) to (e), and
    - (iii) is used to heat air or water that, when heated, is supplied to premises of, or each of, such a description.
- (3) For the purposes of this paragraph use for a relevant residential purpose means use as—
- (a) a home or other institution providing residential accommodation for children,
  - (b) a home or other institution providing residential accommodation with personal care for persons in need of personal care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder,
  - (c) a hospice,
  - (d) residential accommodation for students or school pupils,

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- (e) residential accommodation for members of any of the armed forces,
- (f) a monastery, nunnery or similar establishment, or
- (g) an institution which is the sole or main residence of at least 90 per cent. of its residents,

except use as a hospital, a prison or similar institution or an hotel or inn or similar establishment.

<sup>F13</sup>(4) . . . . .

[<sup>F14</sup>(5) The power to make provision under section 29A(3) of the Value Added Tax Act 1994 varying Schedule 7A to that Act (charge at reduced rate) includes power to make provision for any appropriate corresponding variation of this paragraph.]

#### Textual Amendments

**F13** Sch. 6 para. 9(4) repealed (1.11.2001) by [2001 c. 9, s. 110, Sch. 33 Pt. 3\(1\)](#)

**F14** Sch. 6 para. 9(5) inserted (1.11.2001) by [2001 c. 9, s. 99, Sch. 31 Pt. 2 para. 7](#)

#### *Excluded supplies: supply before 1st April 2001*

10 Any supply made before 1st April 2001 is excluded from the levy.

#### *Exemption: supply not for burning in the UK*

11 (1) A supply of a taxable commodity to which this sub-paragraph applies is exempt from the levy if the person to whom the supply is made <sup>F15</sup>...—

- (a) <sup>F16</sup>... intends to use the commodity in making supplies of it to any other person, or
- (b) <sup>F16</sup>... intends to cause the commodity to be exported from the United Kingdom and has no intention to cause it to be thereafter brought back into the United Kingdom.

(2) Sub-paragraph (1) applies to supplies of a taxable commodity other than—

- (a) electricity, or
- (b) any gas in a gaseous state.

(3) A supply of electricity, or of gas in a gaseous state, is exempt from the levy if the person to whom the supply is made <sup>F17</sup>...—

- (a) <sup>F18</sup>... intends to cause the commodity to be exported from the United Kingdom, and
- (b) has no intention to cause it to be thereafter brought back into the United Kingdom.

(4) Regulations under paragraph 22 may, in particular, include provision as to the application of sub-paragraph (3) in cases where a person who is both an exporter and an importer of a commodity intends to be a net exporter of the commodity.

#### Textual Amendments

**F15** Words in Sch. 6 para. 11(1) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\), Sch. 2 para. 11\(2\)\(a\), Sch. 27 Pt. 1\(2\)](#)

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- F16** Words in Sch. 6 para. 11(1) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), Sch. 2 para. 11(2)(b), [Sch. 27 Pt. 1\(2\)](#)
- F17** Words in Sch. 6 para. 11(3) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), Sch. 2 para. 11(3)(a), [Sch. 27 Pt. 1\(2\)](#)
- F18** Word in Sch. 6 para. 11(3) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), Sch. 2 para. 11(3)(b), [Sch. 27 Pt. 1\(2\)](#)

*[<sup>F19</sup>Exemption: Northern Ireland gas supplies]*

**Textual Amendments**

- F19** Sch. 6 para. 11A and cross-heading inserted (11.5.2001 with effect as mentioned in S. 105(7)) by [2001 c. 9, s. 105\(2\)\(7\)](#)

<sup>F20</sup>11A .....

**Textual Amendments**

- F20** Sch. 6 para. 11A omitted (with effect in accordance with s. 79(5) of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [s. 79\(1\)](#)

*Exemption: supply used in transport*

- 12 (1) A supply of a taxable commodity is exempt from levy if the commodity is to be burned (or, in the case of electricity, consumed)—
- (a) in order to propel a train,
  - (b) in order to propel a non-railway vehicle while it is being used for, or for purposes connected with, transporting passengers,
  - (c) in a railway vehicle, or a non-railway vehicle, while it is being used for, or for purposes connected with, transporting passengers,
  - (d) in a railway vehicle while it is being used for, or for purposes connected with, transporting goods, or
  - (e) in a ship while it is engaged on a journey any part of which is beyond the seaward limit of the territorial sea.

Paragraphs (a) to (c) are subject to the exception in sub-paragraph (3).

- (2) In this paragraph—

“railway vehicle” and “train” have the meaning given by section 83 of the <sup>M4</sup>Railways Act 1993;

“non-railway vehicle” means—

- (a) any vehicle other than a railway vehicle, or
- (b) any ship,

that is designed or adapted to carry not less than 12 passengers.

- (3) Sub-paragraph (1)(a) to (c) does not apply in relation to the transporting of passengers to, from or within—

- (a) a place of entertainment, recreation or amusement, or
- (b) a place of cultural, scientific, historical or similar interest,

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that is a place to which rights of admission, or where rights to use facilities at it, are supplied by the person to whom the commodity is supplied or by a person connected with him within the meaning of [<sup>F21</sup>section 1122 of the Corporation Tax Act 2010].

#### Textual Amendments

**F21** Words in Sch. 6 para. 12(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 314(2)** (with Sch. 2)

#### Modifications etc. (not altering text)

**C3** Sch. 6 para. 12 excluded (1.4.2011) by The Climate Change Levy (Suspension of Transport Exemption) Order 2011 (S.I. 2011/1025), arts. 1, 2

#### Marginal Citations

**M4** 1993 c. 43.

*[<sup>F22</sup>Exemption: mineralogical and metallurgical processes*

#### Textual Amendments

**F22** Sch. 6 para. 12A and cross-heading inserted (with effect in accordance with Sch. 20 para. 10(2)(3) of the amending Act) by Finance Act 2014 (c. 26), **Sch. 20 paras. 2, 10(1)**

12A (1) A supply of a taxable commodity <sup>F23</sup>... is exempt from the levy if the commodity is to be used <sup>F24</sup>... in a mineralogical or metallurgical process.

(2) “Mineralogical process” [<sup>F25</sup>means a process falling within Division 23 of NACE Rev 2.]

(3) “Metallurgical process” means a process of any of the following descriptions.

(4) The descriptions are—

- (a) a process falling within Division 24 of NACE Rev 2, excluding Class 24.46;
- (b) a process falling within Group 25.5 of NACE Rev 2;
- (c) a process falling within Class 25.61 of NACE Rev 2 which is—
  - (i) plating, anodising etc of metals;
  - (ii) heat treatment of metals;
  - (iii) deburring, sandblasting, tumbling and cleaning of metals where carried out in conjunction with a process mentioned in paragraph (a) or (b).

[ In this [<sup>F27</sup>paragraph] “NACE Rev 2” is as set out in Annex I to Regulation (EC) <sup>F26</sup>(4A)] **No 1893/2006** of the European Parliament and of the Council of 20 December 2006 (relating to the statistical classification of economic activities).

[ The Treasury may by regulations amend this paragraph so as to amend the definition <sup>F28</sup>(5) of “mineralogical process”.

(6) The Treasury may by regulations amend sub-paragraph (4) so as to add, remove or modify a description.]]



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### Textual Amendments

- F23** Words in Sch. 6 para. 12A(1) omitted (12.2.2019) by virtue of Finance Act 2019 (c. 1), s. 64(2)(a)  
**F24** Words in Sch. 6 para. 12A(1) omitted (12.2.2019) by virtue of Finance Act 2019 (c. 1), s. 64(2)(b)  
**F25** Words in Sch. 6 para. 12A(2) substituted (12.2.2019) by Finance Act 2019 (c. 1), s. 64(3)  
**F26** Sch. 6 para 12A(4A): words in Sch. 6 para. 12A(4) renumbered as Sch. 6 para. 12A(4A) (12.2.2019) by Finance Act 2019 (c. 1), s. 64(4)  
**F27** Word in Sch. 6 para. 12A(4A) substituted (12.2.2019) by Finance Act 2019 (c. 1), s. 64(5)  
**F28** Sch. 6 para. 12A(5)(6) inserted (17.7.2014) by Finance Act 2014 (c. 26), Sch. 20 para. 12

*Exemption: supplies to producers of commodities other than electricity*

- 13 A supply of a taxable commodity to a person is exempt from the levy if—
- (a) the supply is not a supply of electricity that is deemed to be made under paragraph 23(3), and
  - (b) the commodity is to be used by that person—
    - (i) in producing taxable commodities other than electricity,
    - (ii) in producing hydrocarbon oil or road fuel gas,
    - [<sup>F29</sup>(iia) in producing biodiesel for chargeable use within the meaning of section 6AA of the Hydrocarbon Oil Duties Act 1979 (excise duty on biodiesel),
    - (iib) in producing bioblend for delivery for home use from any place mentioned in section 6AB(1)(b) of that Act (excise duty on bioblend),
    - (iic) in producing bioethanol for chargeable use within the meaning of section 6AD of that Act (excise duty on bioethanol),
    - (iid) in producing bioethanol blend for delivery for home use from any place mentioned in section 6AE(1)(b) of that Act (excise duty on bioethanol blend),]
    - (iii) in producing, for chargeable use within the meaning of section 6A of the <sup>M5</sup>Hydrocarbon Oil Duties Act 1979 (fuel substitutes), [<sup>F30</sup>liquids (within the meaning of that section) in respect of which a charge is capable of arising under that section], or
    - (iv) in producing uranium for use in an electricity generating station.

[<sup>F31</sup>Expressions which are used in this paragraph and the Hydrocarbon Oil Duties Act 1979 have the same meaning in this paragraph as they have in that Act.]

### Textual Amendments

- F29** Sch. 6 paras. 13(b)(iia)-(iid) inserted (22.7.2004) (with effect in accordance with s. 289(6) of the amending Act) by Finance Act 2004 (c. 12), s. 289(2)  
**F30** Words in Sch. 6 para. 13(b)(iii) substituted (22.7.2004) (with effect in accordance with s. 289(6) of the amending Act) by Finance Act 2004 (c. 12), s. 289(3)  
**F31** Words in Sch. 6 para. 13 substituted (22.7.2004) (with effect in accordance with s. 289(6) of the amending Act) by Finance Act 2004 (c. 12), s. 289(4)

### Marginal Citations

- M5** 1979 c. 5.

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- [<sup>F32</sup>13A(1) The Commissioners may by regulations make provision amending paragraph 13 for the purpose of—
- (a) extending the circumstances in which a supply of a taxable commodity is exempt from the levy, or
  - (b) restricting the circumstances in which a supply of a taxable commodity is exempt from the levy.
- (2) Regulations under this paragraph that include provision made for the purpose mentioned in sub-paragraph (1)(a) may provide for the provision to have retrospective effect.
- (3) A statutory instrument that contains (whether alone or with other provisions) regulations under this paragraph made for the purpose mentioned in sub-paragraph (1)(b) shall not be made unless a draft of the instrument has been laid before <sup>F33</sup>... and approved by a resolution of the House of Commons.]

#### Textual Amendments

**F32** Sch. 6 para. 13A inserted (22.7.2004) (with effect in accordance with s. 289(6) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), s. **289(5)**

**F33** Word in [Sch. 6 para. 13A\(3\)](#) omitted (17.7.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 20 para. 13](#)

*Exemption: supplies (other than self-supplies) to electricity producers*

- 14 (1) A supply of a taxable commodity to a person is exempt from the levy if—(a) the commodity is to be used by that person in producing electricity in a generating station that is neither—
- (i) a fully exempt combined heat and power station, nor
  - (ii) a partly exempt combined heat and power station,
- and
- (b) the supply is not a supply of electricity that is deemed to be made under paragraph 23(3).
- (2) Sub-paragraph (1) does not exempt a supply where the person to whom the supply is made—
- (a) is an exempt unlicensed electricity supplier of a description prescribed by regulations made by the Treasury, <sup>F34</sup>...
  - (b) uses the commodity supplied in producing electricity [<sup>F35</sup>in a small generating station][<sup>F36</sup>, and
  - (c) uses the electricity produced otherwise than in exemption-retaining ways.]
- (3) Sub-paragraph (1) does not exempt a supply where the person to whom the supply is made—
- (a) is an auto-generator,
  - (b) uses the commodity supplied in producing electricity [<sup>F37</sup>in a small generating station], and
  - [<sup>F38</sup>(c) uses the electricity produced otherwise than in exemption-retaining ways.]
- [<sup>F39</sup>(3ZA) Sub-paragraph (1) does not exempt a supply where the person to whom the supply is made—

*Status: Point in time view as at 01/04/2023. This version of this schedule contains provisions that are prospective.*

*Changes to legislation: Finance Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (a) uses the commodity supplied in producing electricity in a stand-by generator, and
- (b) uses the electricity produced otherwise than in exemption-retaining ways.]

[<sup>F40</sup>(3A) For the purposes of this paragraph, electricity is used in an “exemption-retaining” way if it is used—

- (a) in making supplies that are excluded under paragraphs 8 to 10 or exempt under any of paragraphs 11, 12 [<sup>F41</sup>and 18], or
- (b) in any of the ways mentioned in sub-paragraphs (i) to (iv) of paragraph 13(b).]

[<sup>F42</sup>(3B) Paragraph 24A makes provision under which carbon price support rate commodities intended to be used in a generating station may be the subject of a deemed taxable supply (and, accordingly, this paragraph needs to be read subject to that paragraph).]

<sup>F43</sup>(4) .....

<sup>F43</sup>(5) .....

#### Textual Amendments

- F34** Word in Sch. 6 para. 14(2)(a) repealed (11.5.2001) by [2001 c. 9, s. 110, Sch. 33 Pt. 3\(3\)](#)
- F35** Words in Sch. 6 para. 14(2)(b) inserted (retrospective and with effect in accordance with Sch. 42 para. 22(1)(2) of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 42 paras. 6\(2\), 21](#)
- F36** Sch. 6 para 14(2)(c) and preceding word inserted (11.5.2001 with effect as mentioned in [s. 105\(7\)](#) of the amending Act) by [2001 c. 9, s. 105\(3\)\(7\)](#)
- F37** Words in Sch. 6 para. 14(3)(b) inserted (retrospective and with effect in accordance with Sch. 42 para. 22(1)(2) of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 42 paras. 6\(2\), 21](#)
- F38** Sch. 6 para. 14(3)(c) substituted (11.5.2001 with effect as mentioned in [s. 105\(7\)](#) of the amending Act) by [2001 c. 9, s. 105\(4\)\(7\)](#)
- F39** Sch. 6 para. 14(3ZA) inserted (retrospective and with effect in accordance with Sch. 42 para. 22(1)(2) of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 42 paras. 6\(3\), 21](#)
- F40** Sch. 6 para. 14(3A) inserted (11.5.2001) with effect as mentioned in [s. 105\(7\)](#) of the amending Act) by [2001 c. 9, s. 105\(5\)\(7\)](#)
- F41** Words in Sch. 6 para. 14(3A)(a) substituted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 30 para. 6](#)
- F42** Sch. 6 para. 14(3B) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\), Sch. 42 paras. 6\(4\), 21](#)
- F43** Sch. 6 para. 14(4)(5) omitted (retrospective to 26.3.2013 ) by virtue of [Finance Act 2013 \(c. 29\), Sch. 42 paras. 6\(5\), 21](#)

*Exemption: supplies (other than self-supplies) to combined heat and power stations*

- 15 (1) A supply of a taxable commodity to a person is exempt from the levy if—
- (a) [<sup>F44</sup>that person intends to cause the commodity to be used] in—
    - (i) a fully exempt combined heat and power station, or
    - (ii) a partly exempt combined heat and power station,in producing any outputs of the station, and
  - (b) the supply is not a supply of electricity that is deemed to be made under paragraph 23(3).

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**Changes to legislation:** Finance Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

For this purpose “outputs” has the meaning given by paragraph 148(9).

- (2) Where—
- (a) a supply of a taxable commodity to a person would (apart from this sub-paragraph) be exempted in full by sub-paragraph (1), and
  - (b) at the time the supply is made, the efficiency percentage for the combined heat and power station in which the commodity is to be used<sup>F45</sup> ... is less than the threshold efficiency percentage for the station,
- sub-paragraph (1) only exempts the relevant fraction of the supply.
- (3) For the purposes of sub-paragraph (2), the “relevant fraction” of a supply of a taxable commodity that is to be used in a combined heat and power station is the fraction—
- (a) whose numerator is the efficiency percentage for the station at the time the supply is made, and
  - (b) whose denominator is the threshold efficiency percentage for the station at that time.
- (4) For the purposes of this paragraph—
- (a) the “threshold efficiency percentage” for a combined heat and power station is the percentage set as the threshold efficiency percentage for the station by regulations made by the Treasury;
  - <sup>F46</sup>(b) the “efficiency percentage” for a combined heat and power station shall be determined in accordance with regulations under paragraph 149.]
- <sup>F47</sup>(4A) Paragraph 24B makes provision under which carbon price support rate commodities intended to be used in a combined heat and power station may be the subject of a deemed taxable supply (and, accordingly, this paragraph needs to be read subject to that paragraph).]
- <sup>F48</sup>(5) .....

#### Textual Amendments

- F44** Words in Sch. 6 para. 15(1)(a) substituted (11.5.2001 with effect as mentioned in s. 105(7) of the amending Act) by 2001 c. 9, s. 105(6)
- F45** Words in Sch. 6 para. 15(2)(b) repealed (11.5.2001 with effect as mentioned in s. 105(7) of the amending Act) by 2001 c. 9, ss. 105(7), 110, Sch. 33 Pt. 3(3) Note
- F46** Sch. 6 para. 15(4)(b) substituted (22.7.2005) (with effect in accordance with s. 189(5) of the amending Act) by Finance Act 2003 (c. 14), s. 189(2)(a); S.I. 2005/1713
- F47** Sch. 6 para. 15(4A) inserted (retrospective to 26.3.2013) by Finance Act 2013 (c. 29), Sch. 42 paras. 7, 21
- F48** Sch. 6 para. 15(5) repealed (22.7.2005) (with effect in accordance with s. 189(5) of the amending Act) by Finance Act 2003 (c. 14), s. 189(2)(b), Sch. 43 Pt. 4(2); S.I. 2005/1713

*Exemption: supplies (other than self-supplies) of electricity  
from partly exempt combined heat and power stations*

- 16 (1) This paragraph applies to a supply that—
- (a) is a supply made from a partly exempt combined heat and power station of electricity produced in the station, and
  - (b) is not a supply that is deemed to be made under paragraph 23(3).

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- (2) The supply is exempt from the levy if the quantity of electricity supplied by the supply is not such as causes the exceeding of any specified limit that, by virtue of regulations made by the Treasury, applies in relation to the station for any specified period.
- (3) In this paragraph “specified” means prescribed by, or determined in accordance with, regulations made by the Treasury.

*Exemption: self-supplies by electricity producers*

- 17 (1) This paragraph applies to a supply of electricity that is deemed to be made under paragraph 23(3) by a person (“the producer”) to himself.

[<sup>F49</sup>(1A) The supply is exempt from levy if it is a supply of electricity produced in—

- (a) a fully exempt combined heat and power station,
- (b) a partly exempt combined heat and power station,
- (c) a stand-by generator, or
- (d) a small generating station.

(1B) Sub-paragraph (1A)(d) applies only if the producer is—

- (a) an auto-generator, or
- (b) an exempt unlicensed electricity supplier of a description prescribed by regulations made by the Treasury.]

(2) [<sup>F50</sup>This paragraph does not exempt the supply if—]

- (a) it is a supply from a partly-exempt combined heat and power station of electricity produced in the station, and
- (b) the quantity of electricity supplied by the supply is such as causes the exceeding of any such limit as is mentioned in paragraph 16(2) that applies in relation to the station.

<sup>F51</sup>(3) .....

<sup>F51</sup>(4) .....

**Textual Amendments**

**F49** Sch. 6 para. 17(1A)(1B) inserted (retrospective and with effect in accordance with Sch. 42 para. 22(3) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 8\(2\), 21](#)

**F50** Words in Sch. 6 para. 17(2) substituted (retrospective and with effect in accordance with Sch. 42 para. 22(3) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 8\(3\), 21](#)

**F51** Sch. 6 para. 17(3)(4) omitted (retrospective and with effect in accordance with Sch. 42 para. 22(3) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 8\(4\), 21](#)

*Exemption: supply not used as fuel*

- 18 (1) A supply of a taxable commodity is exempt from the levy if the person to whom the supply is made intends to cause the commodity to be used otherwise than as fuel.
- (2) The Treasury may by regulations specify, in relation to any commodity, uses of that commodity that, for the purposes of sub-paragraph (1), are to be taken as being, or as not being, uses of that commodity as fuel.

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- (3) The uses of a commodity that may be specified under sub-paragraph (2) as being uses of that commodity as, or otherwise than as, fuel include uses (“mixed uses”) of the commodity that involve it being used partly as fuel and partly not; but the Treasury must have regard to the object of securing that a mixed use is not specified as being a use of the commodity otherwise than as fuel if it involves the use of the commodity otherwise than as fuel in a way that is merely incidental to its use as fuel.

*[<sup>F52</sup>Exemption: supply for use in recycling processes]*

**Textual Amendments**  
**F52** Sch. 6 para. 18A and cross-heading inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 188\(1\)](#)

<sup>F53</sup>18A .....

**Textual Amendments**  
**F53** Sch. 6 para. 18A omitted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\), Sch. 30 para. 7](#)

*Exemption: electricity from renewable sources*

- 19 (1) A supply of electricity is exempt from the levy if—
- (a) the supply is not one that is deemed to be made under paragraph 23(3),
  - (b) the supply is made under a contract that contains a renewable source declaration given by the supplier,
  - (c) prescribed conditions are fulfilled, <sup>F54</sup>...
  - (d) the supplier, and each other person (if any) who is a generator of any renewable source electricity allocated by the supplier to supplies under the contract, has in a written notice given to the Commissioners agreed that he will fulfil those conditions so far as they may apply to him [<sup>F55</sup>, and
  - (e) the electricity is actually supplied before 1 April 2018.]
- (2) In this paragraph “renewable source declaration” means a declaration that, in each averaging period, the amount of electricity supplied by exempt renewable supplies made by the supplier in the period will not exceed the difference between—
- (a) the total amount of renewable source electricity that during that period is either acquired or generated by the supplier, and
  - (b) so much of that total amount as is allocated by the supplier otherwise than to exempt renewable supplies made by him in the period.
- In this sub-paragraph “averaging period” has the same meaning as in paragraph 20 and “exempt renewable supplies” means supplies made on the basis that they are exempt under this paragraph.
- (3) For the purposes of this paragraph and paragraph 20, electricity is “renewable source electricity” if—
- <sup>F56</sup>(za) it is generated before 1 August 2015,]
  - (a) it is generated in a prescribed manner, and

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- (b) prescribed conditions are fulfilled.

A manner of generating electricity may be prescribed by reference to the means by which the electricity is generated or the materials from which it is generated (or both).

- (4) In prescribing a manner of generating electricity under sub-paragraph (3), the Commissioners must have regard to the object of securing that exemption under this paragraph is only available for supplies of electricity that has a renewable source.

<sup>F57</sup>(4A) .....

- (5) The conditions that may be prescribed under sub-paragraph (1)(c) include, in particular, conditions in connection with—

- (a) the giving of effect to renewable source declarations;
- (b) the supply of information;
- (c) the inspection of records and, for that purpose, the production of records in legible form and entry into premises;
- (d) monitoring by the Gas and Electricity Markets Authority, or the Director General of Electricity Supply for Northern Ireland, of the application of provisions of, or made under, this paragraph;
- (e) the doing of things to or by a person authorised by the Authority or the Director General (as well as to or by the Authority or the Director General);
- (f) things being done at times or in ways specified by the Authority, the Director General or such an authorised person.

- (6) A condition prescribed under sub-paragraph (1)(c) may be one that is required to be fulfilled throughout a period, including a period ending after the time when a supply whose exemption turns on the fulfilment of the condition is treated as being made.

- (7) The conditions that may be prescribed under sub-paragraph (3)(b) include, in particular, conditions in connection with—

- (a) the generation of the electricity;
- (b) the materials from which the electricity is generated;
- (c) any of the matters mentioned in paragraphs (b) to (f) of sub-paragraph (5).

- (8) Each of—

- (a) the Gas and Electricity Markets Authority, and
- (b) the Director General of Electricity Supply for Northern Ireland,

shall supply the Commissioners with such information (whether or not obtained under this paragraph), and otherwise give the Commissioners such co-operation, as the Commissioners may require in connection with the application (whether generally or in relation to any particular case) of any relevant provisions.

- (9) In sub-paragraph (8) “relevant provisions” means provisions of or made under—

- (a) this paragraph or paragraph 20, or
- (b) paragraph 23(3) so far as relating to electricity, or paragraph 23(4).

- (10) None of—

- (a) section 57(1) of the <sup>M6</sup>Electricity Act 1989,
- (b) section 42(1) of the <sup>M7</sup>Gas Act 1986, and
- (c) Article 61(1) of the <sup>M8</sup>Electricity (Northern Ireland) Order 1992,

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(provisions restricting disclosure of information) applies to any disclosure of information made in pursuance of sub-paragraph (8).

#### Textual Amendments

- F54** Word in Sch. 6 para. 19(1)(c) omitted (15.9.2016) by virtue of Finance Act 2016 (c. 24), s. 144(1)(a)  
**F55** Sch. 6 para. 19(1)(e) and word inserted (15.9.2016) by Finance Act 2016 (c. 24), s. 144(1)(b)  
**F56** Sch. 6 para. 19(3)(za) inserted (18.11.2015) by Finance (No. 2) Act 2015 (c. 33), s. 49  
**F57** Sch. 6 para. 19(4A) omitted (with effect in accordance with s. 149(3) of the amending Act) by virtue of Finance Act 2008 (c. 9), s. 149(1)

#### Marginal Citations

- M6** 1989 c. 29.  
**M7** 1986 c. 44.  
**M8** S.I. 1992/231 (N.I. 1).

#### *Exemption under paragraph 19: averaging periods*

- 20 (1) This paragraph applies where a person (“the supplier”) makes supplies of electricity on the basis that they are exempt under paragraph 19 (“exempt renewable supplies”).
- (2) The rules about balancing and averaging periods are—
- (a) a balancing period is a period of 3 months;
  - (b) when a balancing period ends, a new one begins;
  - (c) the first balancing period and the first averaging period begin at the same time;
  - (d) unless the supplier specifies an earlier time, that time is the time when he is treated as making the first of the exempt renewable supplies;
  - (e) when an averaging period ends, a new one begins;
  - (f) an averaging period ends once it has run for 2 years (but may end sooner under paragraph (g) or sub-paragraph (4)(a) or (5)(a));
  - (g) if the supplier stops making exempt renewable supplies, the end of the balancing period in which he makes the last exempt renewable supply is also the end of the averaging period in which that balancing period falls.
- (3) At the end of each balancing period calculate—
- (a) the total of—
    - (i) the quantity of renewable source electricity that the supplier acquired or generated in that period, and
    - (ii) any balancing credit carried forward to that balancing period; and
  - (b) the total of—
    - (i) the quantity of electricity supplied by exempt renewable supplies made by him in that period, and
    - (ii) any balancing debit carried forward to that balancing period.
- (4) If the total mentioned in sub-paragraph (3)(a) exceeds that mentioned in sub-paragraph (3)(b)—
- (a) the averaging period within which the balancing period fell ends at the end of the balancing period, and



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- (b) a balancing credit equal to the difference between the two totals is carried forward to the next balancing period.
- (5) If the totals mentioned in paragraphs (a) and (b) of sub-paragraph (3) are the same—
  - (a) the averaging period within which the balancing period fell ends at the end of the balancing period, and
  - (b) no balancing credit or debit is carried forward to the next balancing period.
- [<sup>F58</sup>(6) If the total mentioned in sub-paragraph (3)(b) exceeds that mentioned in sub-paragraph (3)(a), then—
  - (a) in a case where, at the time when the balancing period ends, an averaging period also ends because of sub-paragraph (2)(f) or (g), the supplier is for the purposes of this Schedule deemed to make at that time a taxable supply of a quantity of electricity equal to the excess;
  - (b) in any other case, a balancing debit equal to the excess is carried forward to the next balancing period.]

#### Textual Amendments

**F58** Sch. 6 para. 20(6) substituted (10.7.2003) for Sch. 6 paras. 20(6)-(8) (with effect in accordance with s.193(4) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 193\(2\)](#)

[<sup>F59</sup>Exemption: electricity produced in combined heat and power stations

#### Textual Amendments

**F59** Sch. 6 para. 20A and cross-heading inserted (24.7.2002 with effect as mentioned in [s. 123\(2\)](#) of the amending Act) by [2002 c. 23, s. 123; S.I. 2003/603, art. 2](#)

- 20A (1) A supply of electricity is exempt from the levy chargeable under paragraph 5(1) if—
- (a) the supply is not one that is deemed to be made under paragraph 23(3),
  - (b) the supply is made under a contract that contains a CHP declaration given by the supplier,
  - (c) prescribed conditions are fulfilled, <sup>F60</sup>...
  - (d) the supplier, and each other person (if any) who is a generator of any CHP electricity allocated by the supplier to supplies under the contract, has in a written notice given to the Commissioners agreed that he will fulfil those conditions so far as they may apply to him [<sup>F61</sup>; and
  - (e) the electricity is actually supplied before 1 April 2018.]
- (2) Sub-paragraph (1) does not apply in relation to a supply to a person of electricity produced in a wholly or partly exempt combined heat and power station where the supply is made to that person from the station.
- (3) In this paragraph “CHP declaration” means a declaration that, in each averaging period, the amount of electricity supplied by exempt CHP supplies made by the supplier in the period will not exceed the difference between—
- (a) the total amount of CHP electricity that during that period is either acquired or generated by the supplier, and

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- (b) so much of that total amount as is allocated by the supplier otherwise than to exempt CHP supplies made by him in the period.

In this sub-paragraph “averaging period” has the same meaning as in paragraph 20B; and “exempt CHP supplies” means supplies made on the basis that they are exempt under this paragraph.

- (4) For the purposes of this paragraph and paragraph 20B, electricity is “CHP electricity” if—

- (a) the electricity was—
- (i) produced in a fully exempt combined heat and power station [<sup>F62</sup>before 1 April 2013], or
  - (ii) produced in a partly exempt combined heat and power station [<sup>F63</sup>before 1 April 2013] and originally supplied from the station without causing the limit referred to in paragraph 16(2) to be exceeded,
- (b) the electricity is not renewable source electricity (within the meaning of paragraph 19), and
- (c) prescribed conditions are fulfilled.

- (5) The conditions that may be prescribed under sub-paragraph (1)(c) include, in particular, conditions in connection with—

- (a) the giving of effect to CHP declarations;
- (b) the supply of information;
- (c) the inspection of records and, for that purpose, the production of records in legible form and entry into premises;
- (d) monitoring by the Gas and Electricity Markets Authority, or the Director General of Electricity Supply for Northern Ireland, of the application of provisions of, or made under, this paragraph;
- (e) the doing of things to or by a person authorised by the Authority or the Director General (as well as the doing of things to or by the Authority or the Director General);
- (f) things being done at times or in ways specified by the Authority, the Director General or such an authorised person.

- (6) A condition prescribed under sub-paragraph (1)(c) may be one that is required to be fulfilled throughout a period, including a period ending after the time when a supply whose exemption turns on the fulfilment of the condition is treated as being made.

- (7) The conditions that may be prescribed under sub-paragraph (4)(c) include in particular conditions in connection with any of the matters mentioned in paragraphs (b) to (f) of sub-paragraph (5).

- (8) Each of—

- (a) the Gas and Electricity Markets Authority, and
- (b) the Director General of Electricity Supply for Northern Ireland,

shall supply the Commissioners with such information (whether or not obtained under this paragraph), and otherwise give the Commissioners such co-operation, as the Commissioners may require in connection with the application of this paragraph (whether generally or in relation to any particular case).

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- (9) Paragraph 19(10) (disclosure of information) applies in relation to sub-paragraph (8) above as it applies in relation to paragraph 19(8).]

#### Textual Amendments

- F60** Word in Sch. 6 para. 20A(1) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 32 para. 21\(2\)\(a\)](#)
- F61** Sch. 6 para. 20A(1)(e) and word inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 32 para. 21\(2\)\(b\)](#)
- F62** Words in Sch. 6 para. 20A(4)(a)(i) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 32 para. 21\(3\)\(a\)](#)
- F63** Words in Sch. 6 para. 20A(4)(a)(ii) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 32 para. 21\(3\)\(b\)](#)

#### *[<sup>F64</sup>Exemption under paragraph 20A: averaging periods*

#### Textual Amendments

- F64** Sch. 6 para. 20B and cross-heading inserted (24.7.2002 with effect as mentioned in [s. 123\(2\)](#) of the amending Act) by [2002 c. 23](#), [s. 123](#); [S.I. 2003/603](#), [art. 2](#)

- 20B (1) This paragraph applies where a person (“the supplier”) makes supplies of electricity on the basis that they are exempt under paragraph 20A (“exempt CHP supplies”).
- (2) The rules about balancing and averaging periods are—
- (a) a balancing period is a period of three months;
  - (b) when a balancing period ends, a new one begins;
  - (c) the first balancing period and the first averaging period begin at the same time;
  - (d) unless the supplier specifies an earlier time, that time is the time when he is treated as making the first of the exempt CHP supplies;
  - (e) when an averaging period ends, a new one begins;
  - (f) an averaging period ends once it has run for two years (but may end sooner under paragraph (g) or sub-paragraph (4)(a) or (5)(a));
  - (g) if the supplier stops making exempt CHP supplies, the end of the balancing period in which he makes the last exempt CHP supply is also the end of the averaging period in which the balancing period falls.
- (3) At the end of each balancing period calculate—
- (a) the total of—
    - (i) the quantity of CHP electricity that the supplier acquired or generated in that period, and
    - (ii) any balancing credit carried forward to that balancing period; and
  - (b) the total of—
    - (i) the quantity of electricity supplied by exempt CHP supplies made by him in that period, and
    - (ii) any balancing debit carried forward to that balancing period.
- (4) If the total mentioned in sub-paragraph (3)(a) exceeds that mentioned in sub-paragraph (3)(b)—

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- (a) the averaging period within which the balancing period fell ends at the end of the balancing period, and
  - (b) a balancing credit equal to the difference between the two totals is carried forward to the next balancing period.
- (5) If the totals mentioned in paragraphs (a) and (b) of sub-paragraph (3) are the same—
- (a) the averaging period within which the balancing period fell ends at the end of the balancing period, and
  - (b) no balancing credit or debit is carried forward to the next balancing period.
- [<sup>F65</sup>(6) If the total mentioned in sub-paragraph (3)(b) exceeds that mentioned in sub-paragraph (3)(a), then—
- (a) in a case where, at the time when the balancing period ends, an averaging period also ends because of sub-paragraph (2)(f) or (g), the supplier is for the purposes of this Schedule deemed to make at that time a taxable supply of a quantity of electricity equal to the excess;
  - (b) in any other case, a balancing debit equal to the excess is carried forward to the next balancing period.]]

#### Textual Amendments

**F65** Sch. 6 para. 20B(6) substituted (10.7.2003) for Sch. 6 paras. 20B(6)-(8) (with effect in accordance with s.193(5) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 193\(3\)](#)

#### *Regulations to avoid double charges to levy*

- 21 (1) The Commissioners may by regulations make provision for avoiding, counteracting or mitigating double charges to levy.
- (2) For the purposes of this paragraph there is a double charge to levy where—
- (a) a supply of a taxable commodity (“the produced commodity”) is a taxable supply, and
  - (b) a taxable commodity used directly or indirectly in producing the produced commodity has been the subject of a taxable supply.
- [<sup>F66</sup>(2A) In sub-paragraph (2)(b) “taxable supply” does not include a deemed supply under paragraph 24A, 24B, 24C or 42D.]
- (3) Regulations under this paragraph may, in particular, make provision for a supply of a taxable commodity to be wholly or to any extent—
- (a) exempt from the levy, or
  - (b) deemed not a supply of the commodity.
- (4) The provision mentioned in sub-paragraph (3) includes provision for exceptions to any of sub-paragraphs (1) to (3) of paragraph 23 or paragraph 24(3).
- (5) The powers conferred by this paragraph are in addition to the powers to make provision by tax credit regulations in relation to any such case as is mentioned in paragraph 62(1)(g).

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### Textual Amendments

**F66** Sch. 6 para. 21(2A) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 9, 21](#)

### *Regulations giving effect to exemptions*

- 22 (1) The Commissioners may by regulations make provision for giving effect to the exclusions and exemptions provided for by paragraphs 8 to 21.
- (2) Regulations under this paragraph may, in particular, include provision for—
- (a) determining the extent to which a supply of a taxable commodity is, or is to be treated as being, a taxable supply;
  - (b) authorising a person making supplies of a taxable commodity to another person to treat the supplies to that other person as being taxable supplies only to an extent certified by the Commissioners.

### *Deemed supply: use of commodities by utilities and producers*

- 23 (1) Where an electricity utility—
- (a) has electricity available to it, and
  - (b) as regards a quantity of the electricity, makes no supply of that quantity to another person but causes it to be consumed in the United Kingdom,
- the utility is for the purposes of this Schedule deemed to make a supply to itself of that quantity of the electricity.
- (2) Where a gas utility—
- (a) holds gas in a gaseous state, and
  - (b) as regards a quantity of the gas, makes no supply of that quantity to another person but causes it to be burned in the United Kingdom,
- the utility is for the purposes of this Schedule deemed to make a supply to itself of that quantity of the gas.
- (3) Where—
- (a) a person has produced a taxable commodity,
  - (b) the commodity is either—
    - (i) a taxable commodity other than electricity, or
    - (ii) electricity that has been produced from taxable commodities, and
  - (c) as regards a quantity of the commodity, the person makes no supply of that quantity to another person but causes it to be burned (or, in the case of electricity, consumed) in the United Kingdom,
- the person is for the purposes of this Schedule deemed to make a supply to himself of that quantity of the commodity.
- (4) The Commissioners may by regulations make provision for electricity to be treated for the purposes of sub-paragraph (3)(b)(ii)—
- (a) as produced from taxable commodities unless prescribed conditions are fulfilled, or
  - (b) as produced otherwise than from taxable commodities only where prescribed conditions are fulfilled.

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- (5) The conditions that may be prescribed under sub-paragraph (4) include, in particular, conditions in connection with the materials from which the electricity is produced.

*Deemed supply: [F67 change of circumstances etc]*

#### Textual Amendments

**F67** Words in Sch. 6 para. 24 cross-heading substituted (22.7.2005) (with effect in accordance with s. 190(8) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), s. 190(2); S.I. 2005/1713

24 [F68(1) This paragraph applies in the following cases.

(1A) The first case is where—

- (a) a supply of a taxable commodity has been made,
- (b) the supply was not a taxable supply, and
- (c) there is such a change in circumstances or any person's intentions that, if the changed circumstances or intentions had existed at the time the supply was made, the supply would have been a taxable supply.

(1B) The second case is where—

- (a) a supply of a taxable commodity has been made,
- (b) the supply was made on the basis that it was not a taxable supply, and
- (c) it is later determined that the supply was (to any extent) a taxable supply.

(2) This paragraph does not apply where the reason that—

- (a) the supply was not a taxable supply, or
- (b) the supply was made on the basis that it was not a taxable supply,

is that it was, or was thought to be, exempt from the levy under paragraph 19 or 20A (exemption for supply of electricity produced from renewable sources or in combined heat and power stations) (but see paragraph 20 or 20B).]

(3) [F69 Where this paragraph applies,] The person to whom the supply was made is for the purposes of this Schedule deemed to make a taxable supply of the commodity to himself.

[F70(3A) Where—

- (a) had matters been as mentioned in sub-paragraph (1A)(c), only part of the supply would have been a taxable supply, or
- (b) the determination referred to in sub-paragraph (1B)(c) is that only part of the supply was a taxable supply,

the reference in sub-paragraph (3) to the commodity shall be read as a reference to a corresponding part of it.]

(4) Where—

- (a) a supply of a taxable commodity was not a taxable supply by virtue of being supplied for use in premises of a description mentioned in any of paragraphs (a) to (f) of paragraph 9(2), and
- (b) those premises cease to be premises of any of those descriptions,

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sub-paragraph (3) only applies to so much (if any) of the commodity supplied as was not used in the premises before they ceased to be premises of any of those descriptions.

- (5) The Commissioners may by regulations make provision specifying descriptions of occurrences and non-occurrences that are to be taken as being, or as not being, changes of circumstances or intentions for the purposes of [<sup>F71</sup>sub-paragraph (1A) (c)].

#### Textual Amendments

- F68** Sch. 6 para. 24(1) (1A) (1B) (2) substituted (22.7.2005) for Sch. 6 para. 24(1) para. 24(2) (with effect in accordance with s. 190(8) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 190\(3\)](#); S.I. 2005/1713
- F69** Words in Sch. 6 para. 24(3) inserted (22.7.2005) (with effect in accordance with s. 190(8) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 190\(4\)](#); S.I. 2005/1713
- F70** Sch. 6 para. 24(3A) inserted (22.7.2005) (with effect in accordance with s. 190(8) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 190\(5\)](#); S.I. 2005/1713
- F71** Words in Sch. 6 para. 24(5) substituted (22.7.2005) (with effect in accordance with s. 190(8) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 190\(6\)](#); S.I. 2005/1713

*[<sup>F72</sup>Deemed taxable supply: commodities to be used in producing electricity*

#### Textual Amendments

- F72** Sch. 6 paras. 24A-24D and cross-headings inserted (retrospective and with effect in accordance with Sch. 42 para. 22(4) of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 42 paras. 10, 21](#)

- 24A (1) Sub-paragraph (2) applies if—
- a quantity of a carbon price support rate commodity is brought onto, or arrives at, a site in Great Britain at which a generating station is situated,
  - that quantity of the commodity is intended to be used for producing electricity in the station,
  - the station is neither a fully exempt combined heat and power station nor a partly exempt combined heat and power station, and
  - the station is neither a small generating station nor a stand-by generator.
- (2) For the purposes of this Schedule the owner of the station is deemed to make a taxable supply to himself of that quantity of the commodity.
- (3) In sub-paragraph (1)(a) the reference to a commodity being brought onto, or arriving at, a site covers (in particular) gas in a gaseous state arriving at the site through a pipe.
- (4) For the purposes of sub-paragraph (1) it does not matter—
- if the quantity of the commodity is not the subject of an actual supply made to the owner of the station, or
  - if the commodity's availability for use in the station is subject to any condition.

*Deemed taxable supply: commodities to be used in combined heat and power station*

- 24B (1) Sub-paragraph (2) applies if—

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- (a) a quantity of a carbon price support rate commodity is brought onto, or arrives at, the CHPQA site of a fully exempt combined heat and power station or a partly exempt combined heat and power station in Great Britain,
  - (b) that quantity of the commodity is intended to be used in the station for producing outputs of the station, and
  - (c) the station is not a small generating station.
- (2) For the purposes of this Schedule the operator of the station is deemed to make a taxable supply to himself of that quantity of the commodity so far as that quantity is referable to the production of electricity [<sup>F73</sup>to which sub-paragraph (2A) does not apply].
- [ This sub-paragraph applies to electricity so far as—
- <sup>F74</sup>(2A) (a) it is included in the CHP Qualifying Power Output of the combined heat and power station's CHPQA scheme, and
- (b) either condition A or B is met.
- (2B) Condition A is that the producer of the electricity makes no supply of it to another person, but causes it to be consumed in the United Kingdom.
- (2C) Condition B is that the electricity is supplied (within the meaning of Part 1 of the Electricity Act 1989 (see section 64 of that Act)) by a person who is an exempt unlicensed electricity supplier.]
- (3) For the purposes of sub-paragraph (2) the extent to which a quantity of a commodity is referable to the production of electricity [<sup>F75</sup>to which sub-paragraph (2A) does not apply] is to be determined in accordance with regulations under paragraph 24D(1).
- (4) In sub-paragraph (1)(a) the reference to a commodity being brought onto, or arriving at, the CHPQA site of a station covers (in particular) gas in a gaseous state arriving at the CHPQA site through a pipe.
- (5) In sub-paragraph (1)(b) “outputs” has the meaning given by paragraph 148(9).
- (6) For the purposes of sub-paragraph (1) it does not matter—
- (a) if the quantity of the commodity is not the subject of an actual supply made to the operator of the station, or
  - (b) if the commodity's availability for use in the station is subject to any condition.
- [<sup>F76</sup>(7) For the purposes of this paragraph—
- “CHP Qualifying Power Output” has the meaning given by section 4 of the Combined Heat and Power Quality Assurance Standard, Issue 5 (November 2013), prepared by the Department of Energy and Climate Change or, if that issue of the Standard has been replaced by another issue, by the current issue of the Standard (taking account, in either case, of any amendment which has been made to the issue);
- “CHPQA scheme”, in relation to a combined heat and power station, means the scheme in relation to which the station's CHPQA certificate was issued;
- “CHPQA site”, in relation to a fully exempt combined heat and power station or a partly exempt combined heat and power station, means the site of the CHPQA scheme.]



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#### Textual Amendments

- F73** Words in Sch. 6 para. 24B(2) inserted (with effect in accordance with s. 63(5) of the amending Act) by Finance Act 2015 (c. 11), s. 63(2)(a)
- F74** Sch. 6 paras. 24B(2A)-(2C) inserted (with effect in accordance with s. 63(5) of the amending Act) by Finance Act 2015 (c. 11), s. 63(2)(b)
- F75** Words in Sch. 6 para. 24B(3) inserted (with effect in accordance with s. 63(5) of the amending Act) by Finance Act 2015 (c. 11), s. 63(2)(c)
- F76** Sch. 6 para. 24B(7) substituted (with effect in accordance with s. 63(5) of the amending Act) by Finance Act 2015 (c. 11), s. 63(2)(d)

- 24C (1) This paragraph applies if—
- (a) a determination (“the initial determination”) is made under regulations falling within paragraph 24B(3) that—
    - (i) none of a quantity of a carbon price support rate commodity is, or
    - (ii) a proportion of such a quantity is not,referable to the production of electricity [<sup>F77</sup>to which paragraph 24B(2A) does not apply],
  - (b) as a result of the initial determination, the quantity or proportion of a quantity is determined not to be the subject of a deemed supply under paragraph 24B, and
  - (c) it is later determined that, contrary to the initial determination, the quantity or proportion of a quantity—
    - (i) was referable to the production of electricity [<sup>F78</sup>to which paragraph 24B(2A) does not apply], and
    - (ii) accordingly, should have been determined to be the subject of a deemed supply under paragraph 24B.
- (2) For the purposes of this Schedule—
- (a) the operator of the station in question is deemed to make a taxable supply to himself of the quantity or proportion of a quantity, and
  - (b) the amount payable by way of levy on the deemed supply is the amount which would have been payable in relation to the quantity or proportion of a quantity had it been determined to be the subject of a deemed supply as mentioned in sub-paragraph (1)(c)(ii).

#### Textual Amendments

- F77** Words in Sch. 6 para. 24C(1)(a) inserted (with effect in accordance with s. 63(5) of the amending Act) by Finance Act 2015 (c. 11), s. 63(3)(a)
- F78** Words in Sch. 6 para. 24C(1)(c)(i) inserted (with effect in accordance with s. 63(5) of the amending Act) by Finance Act 2015 (c. 11), s. 63(3)(b)

*Power to make regulations giving effect to paragraphs 24A to 24C etc*

- 24D (1) The Commissioners may by regulations make provision for giving effect to paragraphs 24A to 24C and 42A to 42D.
- (2) Regulations under sub-paragraph (1) may, in particular, include provision—

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- (a) for determining whether a deemed supply under paragraph 24A or 24B is made;
  - (b) for determining the quantity of any commodity which is the subject of such a deemed supply;
  - (c) for determining whether paragraph 42C(2) applies in relation to a deemed supply under paragraph 24A or 24B and, if it does, the reduction in the relevant carbon price support rate.
- (3) Regulations under sub-paragraph (1) may include—
- (a) provision in respect of calculations, measurements, data and procedures to be made or used;
  - (b) provision that, so far as framed by reference to any document, is framed by reference to that document as from time to time in force.]

### PART III

#### TIME OF SUPPLY

##### *Introduction*

- 25 This Part of this Schedule applies to determine when a supply of a taxable commodity is treated as taking place.

##### *Electricity or gas: supply when climate change levy accounting document issued*

- 26 (1) This paragraph applies—
- (a) to supplies of electricity, and
  - (b) to supplies of gas where the gas is supplied in a gaseous state and is of a kind supplied by a gas utility.
- (2) Where this paragraph applies, a supply is treated as taking place each time a climate change levy accounting document in respect of a supply is issued by the person making the supply.
- (3) A supply that is treated as taking place under this paragraph is a supply of the electricity or gas covered by the accounting document.
- (4) Nothing in this paragraph applies to any electricity or gas that is covered by a special utility scheme (see paragraph 29).

##### *Electricity or gas: duty to issue climate change levy accounting document*

- 27 (1) This paragraph applies where on any day—
- (a) electricity, or gas that is in a gaseous state and is of a kind supplied by a gas utility, is actually supplied to a person (“the consumer”),
  - (b) the supply by which the electricity or gas is supplied is a taxable supply, and
  - (c) the person liable to account for the levy on that supply is the person making the supply (“the supplier”).
- (2) A climate change levy accounting document covering the electricity or gas actually supplied on that day must be issued by the supplier no later than—

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- (a) the end of the period of 15 weeks beginning with that day, if on that day the consumer is a small-scale user of the commodity supplied;
  - (b) the end of the period of 6 weeks beginning with that day, if on that day the consumer is not a small-scale user of the commodity supplied.
- (3) A climate change levy accounting document issued under this paragraph that covers the electricity, or the gas of any kind, actually supplied on any day must also cover any electricity or (as the case may be) any gas of that kind that—
  - (a) has been actually supplied by the supplier to the consumer on any earlier day, and
  - (b) has not been covered by a previous climate change levy accounting document.
- (4) For the purposes of this paragraph—
  - (a) an accounting document shall be taken to cover the electricity or gas actually supplied on a day if it covers the electricity or gas actually supplied during a period that includes that day; and
  - (b) an accounting document shall be taken to cover the electricity or gas actually supplied on a day or during a period if it is an accounting document for a quantity of electricity or gas that is a reasonable estimate of the quantity actually supplied.
- (5) A climate change levy accounting document issued under this paragraph must contain a statement of—
  - (a) the quantity of electricity or gas that it covers,
  - (b) the period during which, or during which it is estimated that, that quantity was actually supplied,
  - (c) the supplier's name and address,
  - (d) the customer's name and address, and
  - (e) the reference number used by the supplier for the customer.
- (6) For the purposes of this paragraph a person is, on any day, a small-scale user of a commodity if the rate at which he is taken to be supplied with that commodity on that day does not exceed the prescribed rate.
- (7) The Commissioners may make provision by regulations as to the rate at which a person is, for the purposes of sub-paragraph (6), taken to be supplied with a commodity on any day.
- (8) Regulations under sub-paragraph (7) may, in particular, include provision for—
  - (a) rates to be determined or estimated in accordance with the regulations;
  - (b) rates to be so determined or estimated by reference to the quantity of a commodity actually supplied, or estimated to have been actually supplied, during a period ending with, or at any time before or after, the day in question;
  - (c) cases where a person is supplied with a commodity of any kind by two or more suppliers.
- (9) Nothing in this paragraph applies to any electricity or gas—
  - (a) that is covered by a special utility scheme (see paragraph 29), or
  - (b) that is actually supplied before 1st April 2001.
- (10) This paragraph applies subject to paragraph 36(5).

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*Electricity or gas: actual supply not followed by climate change levy accounting document*

- 28 (1) This paragraph applies where on any day—
- (a) electricity, or gas that is in a gaseous state and is of a kind supplied by a gas utility, is actually supplied to a person (“the consumer”),
  - (b) the supply by which the electricity or gas is supplied is a taxable supply,
  - (c) the person liable to account for the levy on that supply is the person making the supply (“the supplier”), and
  - (d) the supplier does not within the period applicable under sub-paragraph (2) of paragraph 27 issue a climate change levy accounting document under that paragraph covering the electricity or gas.
- (2) Where this paragraph applies, a supply is treated as taking place at the end of that period.
- (3) A supply that is treated as taking place under this paragraph is a supply of all the electricity or (as the case may be) gas of the same kind that—
- (a) has been actually supplied by the supplier to the consumer before the end of that period, and
  - (b) has not been covered by a climate change levy accounting document.
- (4) Sub-paragraph (4) of paragraph 27 (interpretation of “covered by an accounting document”) applies for the purposes of this paragraph as for those of that paragraph.
- (5) Nothing in this paragraph applies to any electricity or gas—
- (a) that is covered by a special utility scheme (see paragraph 29),
  - (b) that is actually supplied before 1st April 2001, or
  - (c) that is treated under paragraph 36(3) as supplied on that day.

*Electricity or gas: special utility schemes*

- 29 (1) For the purposes of this Schedule a “special utility scheme” is a scheme for determining when—
- (a) a supply of electricity, or
  - (b) a supply of gas that is in a gaseous state and is of a kind supplied by a gas utility,
- is treated as taking place in cases where the electricity or gas is covered by the scheme.
- (2) If in the opinion of the Commissioners it is reasonable to do so, they may in accordance with the provisions of this paragraph prepare a special utility scheme for a utility or for two or more utilities.
- In this paragraph “utility” includes a person who makes supplies on which levy is chargeable by virtue of paragraph 5(2) (partly exempt combined heat and power stations).
- (3) A special utility scheme shall specify the period for which it is to have effect.
- (4) No special utility scheme shall be of any effect in relation to any electricity or gas supplied by a utility unless the utility elects in writing to be bound by it for the specified period.
- (5) If a utility makes such an election—

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- (a) the scheme shall have effect for the specified period in relation to such electricity or gas supplied by the utility as is covered by the scheme, and
  - (b) during the specified period the scheme applies to determine when a supply of a taxable commodity is treated as taking place if the commodity is electricity or gas covered by the scheme.
- (6) A special utility scheme may—
- (a) cover all or any of the electricity or gas supplied by a utility for which the scheme is prepared;
  - (b) provide for paragraph 36 or 37 not to apply, or to apply with modifications, to electricity or gas covered by the scheme.
- (7) The Commissioners may by regulations make further provision with respect to special utility schemes, including (in particular) provision amending this paragraph.

*Other commodities: general rules for supply by UK residents*

- 30 (1) This paragraph applies to supplies that are not of either of the descriptions mentioned in paragraphs (a) and (b) of paragraph 26(1) (electricity and gas in a gaseous state).
- (2) The general rules as to when such supplies are taken to be made are, in cases where the supply is made by a person resident in the United Kingdom, as follows—
- (a) if the commodity is to be removed, the supply takes place at the time of the removal;
  - (b) if the commodity is not to be removed, the supply takes place when the commodity is made available to the person to whom it is supplied;
  - (c) if the commodity (being sent or taken on approval or sale or return or similar terms) is removed before it is known whether a supply will take place, the supply takes place when it becomes certain that the supply has taken place or, if sooner, 12 months after the removal.
- (3) These general rules are subject to—
- paragraph 31 (earlier invoice),
  - paragraph 32 (later invoice),
  - paragraph 34 (deemed supplies), and
  - paragraph 36 (directions by Commissioners).

*Other commodities: earlier invoice*

- 31 (1) If before the time applicable under paragraph 30(2) the person making the supply—
- (a) issues an invoice in respect of the supply, or
  - (b) receives a payment in respect of it,
- the supply is treated, to the extent that it is covered by the invoice or payment, as taking place when the invoice is issued or the payment is received.
- (2) Sub-paragraph (1) does not apply where the commodity (being sent or taken on approval or sale or return or similar terms) is removed before it is known whether a supply will take place.
- (3) Sub-paragraph (1) applies subject to any direction under paragraph 35(3).

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*Other commodities: later invoice*

- 32 (1) If within 14 days after the time applicable under paragraph 30(2) the person making the supply issues an invoice in respect of it, the supply is treated as taking place at the time the invoice is issued.
- (2) This does not apply—
- (a) to the extent that the supply is treated as taking place at the time mentioned in paragraph 31(1) (earlier invoice), or
  - (b) if the person liable to account for any levy charged on the supply has notified the Commissioners in writing that he elects not to avail himself of sub-paragraph (1).
- (3) The Commissioners may, at the request of a person liable to account for any levy charged on any supplies, direct that sub-paragraph (1) shall apply—
- (a) in relation to those supplies, or
  - (b) in relation to such of those supplies as may be specified in the direction, with the substitution for the period of 14 days of such longer period as may be specified in the direction.
- (4) Sub-paragraphs (1) to (3) apply subject to any direction under paragraph 35.

*Other commodities: supply by non-UK residents*

- 33 (1) This paragraph applies to supplies that—
- (a) are not of either of the descriptions mentioned in paragraphs (a) and (b) of paragraph 26(1) (electricity and gas in a gaseous state), and
  - (b) are made by a person who is not resident in the United Kingdom.
- (2) The supply is treated as taking place—
- (a) when the commodity is delivered to the person to whom it is supplied, or
  - (b) if earlier, when it is made available in the United Kingdom to that person.
- (3) Sub-paragraph (2) applies subject to—
- (a) sub-paragraph (4),
  - (b) paragraph 34 (deemed supplies), and
  - (c) any direction under paragraph 35.
- (4) If within 14 days after the time applicable under sub-paragraph (2) the person to whom the supply is made elects in writing for the supply to be treated as taking place at the time the election is made, the supply is treated as taking place at the time the election is made.

*Other commodities: deemed supplies*

- 34 (1) This paragraph applies to supplies that—
- (a) are not of either of the descriptions mentioned in paragraphs (a) and (b) of paragraph 26(1) (electricity and gas in a gaseous state), and
  - (b) are deemed to be made under paragraph 23<sup>F79</sup>, 24 or <sup>F80</sup>43B]].
- (2) A supply that is deemed to be made under paragraph 23 is treated as taking place when the commodity is burned <sup>F81</sup>....

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- (3) A supply that is deemed to be made under paragraph 24 is treated as taking place upon the occurrence of the change in circumstances or intentions [<sup>F82</sup>or, as the case may be, upon the later determination].
- [<sup>F83</sup>(4) A supply that is deemed to be made under paragraph [<sup>F84</sup>43B] is treated as taking place upon the later determination.]

#### Textual Amendments

- F79** Words in Sch. 6 para. 34(1)(b) substituted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 paras. 5\(2\), 13\(1\)](#); [S.I. 2007/2902](#), [art. 2\(1\)](#)
- F80** Word in Sch. 6 para. 34(1)(b) substituted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 30 para. 8\(a\)](#)
- F81** Words in Sch. 6 para. 34(2) repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [s. 172\(7\)](#), [Sch. 26 Pt. 8\(1\)](#)
- F82** Words in Sch. 6 para. 34(3) inserted (22.7.2005) (with effect in accordance with [s. 190\(8\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [s. 190\(7\)](#); [S.I. 2005/1713](#)
- F83** Sch. 6 para. 34(4) inserted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 paras. 5\(3\), 13\(1\)](#); [S.I. 2007/2902](#), [art. 2\(1\)](#)
- F84** Word in Sch. 6 para. 34(4) substituted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 30 para. 8\(b\)](#)

#### *Other commodities: directions by Commissioners*

- 35 (1) This paragraph applies to supplies that are not of either of the descriptions mentioned in paragraphs (a) and (b) of paragraph 26(1) (electricity and gas in a gaseous state).
- (2) The Commissioners may, at the request of the person liable to account for any levy charged on any supplies to which this paragraph applies, make a direction under sub-paragraph (3) or (4) altering the time at which those supplies (or such of those supplies as may be specified in the direction) are to be treated as taking place.
- (3) The Commissioners may direct that the supplies shall be treated as taking place—
- (a) at times or on dates determined by or by reference to the occurrence of some event described in the direction, or
  - (b) at times or on dates determined by or by reference to the time when some event so described would in the ordinary course of events occur,
- provided the resulting times or dates are in every case earlier than would otherwise apply.
- (4) The Commissioners may direct that the supplies shall be treated as taking place—
- (a) at the beginning of the relevant working period (as defined in the case of the person making the request in and for the purposes of the direction), or
  - (b) at the end of the relevant working period (as so defined).
- (5) A direction under sub-paragraph (4) shall not apply to the extent that the time when the supplies in question are made is determined by paragraph 31(1).

#### *Supplies invoiced or paid for before 1st April 2001*

- 36 (1) This paragraph applies where—
- (a) the taxable commodities covered by an invoice issued, or payment received, before 1st April 2001 are to any extent commodities that have not been

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burned (or, in the case of electricity, consumed) before the invoice is issued or payment is received, and

- (b) the advance invoicing or payment is not acceptable normal practice.

It does not matter whether the invoice mentioned in paragraph (a) is, or is not, a climate change levy accounting document.

- (2) A fair apportionment shall be made to determine the quantity of the taxable commodities covered by the invoice or payment that will not be, or was not, burned (or consumed) before 1st April 2001.

- (3) Where this paragraph applies, a supply is treated as taking place on 1st April 2001.

That supply is a supply of the quantity of the taxable commodities that is mentioned in, and determined under, sub-paragraph (2).

- (4) For the purposes of this paragraph advance invoicing or payment is “acceptable normal practice” if—

- (a) the supply is of a kind in the case of which it is normal practice for invoices to be issued, or payments made, in respect of taxable commodities not already burned (or consumed),
- (b) that practice does not involve issuing invoices, or making payments, more than 15 weeks in advance of the burning (or consumption) of any of the taxable commodities in respect of which the invoice is issued or payment is made, and
- (c) the advance invoicing or payment is in accordance with the practice.

- (5) Nothing in paragraph 27 requires a climate change levy accounting document to be issued to cover any commodities that are supplied by a supply that, under sub-paragraph (3), is treated as made on 1st April 2001.

- (6) This paragraph applies to invoices issued, and payments received, before the passing of this Act (as well as to those issued or received after its passing).

*Supplies of electricity or gas spanning change of rate etc.*

- 37 (1) This paragraph applies in the case of a supply of electricity, or of gas that is in a gaseous state and is of a kind supplied by a gas utility, affected by—

- (a) a change in the descriptions of supplies that are taxable supplies,
- (b) a change in any rate of levy in force,
- (c) a change consisting in the rate of levy applicable to the supply ceasing to be, or becoming, the rate that is applicable to <sup>F85</sup>... reduced-rate supplies, or
- (d) the change consisting in the transition from 31st March 2001 to 1st April 2001.

- (2) For the purposes of this paragraph a supply is affected by a change if the electricity or gas of which it is a supply (“the supplied commodity”) is actually supplied partly before the change and partly after.

However, this paragraph does not apply in the case of a supply that, under paragraph 36(3), is treated as made on 1st April 2001.

- (3) If the person liable to account for any levy on the supply so elects—

- (a) the rate at which levy is chargeable on any part of the supply, or



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- (b) any question whether, or to what extent, the supply is a taxable supply, shall be determined in accordance with sub-paragraph (5) or (6).
- (4) An election for determination in accordance with sub-paragraph (6) may be made only where—
- (a) there is such a change as is mentioned in sub-paragraph (1)(c), and
- (b) all the supplied commodity is actually supplied before the supply is treated as taking place.
- (5) Where the election is for determination in accordance with this sub-paragraph, the rules are—
- (A) Treat the fraction of the supplied commodity actually supplied before the change (“the pre-change fraction”) as supplied by a supply made before the change and treat the fraction of the supplied commodity actually supplied after the change (“the post-change fraction”) as supplied by a supply made after the change.
- (B) Where the pre-change and post-change fractions are not known (because, for example, there are no relevant meter readings available)—
- “the pre-change fraction” is calculated by dividing—
- (a) the number of days in the period over which the supply is actually made that fall before the change, by
- (b) the number of days in that period; and
- “the post-change fraction” is the difference between 1 and the pre-change fraction.
- (C) If use of the fractions given by rule B would produce an inequitable result, the pre-change and post-change fractions may be derived from a reasonable estimate of the fractions of the supplied commodity actually supplied before and after the change.
- (6) Where the election is for determination in accordance with this sub-paragraph, treat the change as taking place immediately after the time at which the last of the supplied commodity was actually supplied.

#### Textual Amendments

**F85** Words in Sch. 6 para. 37(1)(c) repealed (1.11.2007) by [Finance Act 2006 \(c. 25\), s. 172\(9\)\(16\), Sch. 26 Pt. 8\(1\)](#); [S.I. 2007/2901, art. 2\(1\)](#) (with art. 2(2)-(4))

#### *Other supplies spanning change of rate etc.*

- 38 (1) This paragraph applies where there is—
- (a) a change in the descriptions of supplies that are taxable supplies,
- (b) a change in the rate of levy in force,
- (c) a change consisting in the rate of levy applicable to any supply ceasing to be, or becoming, the rate that is applicable to <sup>F86</sup>... reduced-rate supplies, or
- (d) the change consisting in the transition from 31st March 2001 to 1st April 2001.
- (2) Where—

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- (a) a supply affected by the change would apart from special provisions be treated under paragraph 30(2) or 33(2) as made wholly or partly at a time when it would not have been affected by the change, or
- (b) a supply not so affected would apart from special provisions be treated under paragraph 30(2) or 33(2) as made wholly or partly at a time when it would have been so affected,

the rate at which levy is chargeable on the supply, or any question whether it is a taxable supply, shall, if the person liable to account for any levy on the supply so elects, be determined without regard to the special provisions.

- (3) In this paragraph “special provisions” means the provisions of paragraphs 31, 32, 33(4) and 35.

#### Textual Amendments

**F86** Words in Sch. 6 para. 38(1)(c) repealed (1.11.2007) by [Finance Act 2006 \(c. 25\)](#), s. 172(10)(16), [Sch. 26 Pt. 8\(1\)](#); [S.I. 2007/2901](#), art. 2(1) (with art. 2(2)-(4))

*[<sup>F87</sup>Deemed supplies under paragraph 24A, 24B, 24C or 42D*

#### Textual Amendments

**F87** [Sch. 6 para. 38A](#) and cross-heading inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 11, 21](#)

- 38A (1) A deemed supply under paragraph 24A or 24B is treated as taking place when the quantity of the commodity is brought onto, or arrives at, the site at which the station is situated or the CHPQA site of the station (as the case may be).
- (2) A deemed supply under paragraph 24C or 42D is treated as taking place upon the later determination.]

#### *Regulations as to time of supply*

- 39 (1) The Commissioners may make provision by regulations as to the time at which a supply is to be treated as taking place—
- (a) in cases where the supply is for a consideration and the whole or part of the consideration—
    - (i) is determined or payable periodically, or from time to time, or at the end of any period, or
    - (ii) is determined at the time when the commodity is appropriated for any purpose;
  - (b) in the case of a supply otherwise than for consideration;
  - (c) in the case of any supply that is deemed to be made under paragraph 23 [<sup>F88</sup>, 24 [<sup>F89</sup>, 24A, 24B, 24C, 42D] or [<sup>F90</sup>43B]].
- (2) In any such case as is mentioned in sub-paragraph (1) the regulations may provide that a taxable commodity shall be treated as separately and successively supplied at prescribed times or intervals.

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- (3) Paragraphs 26 to 36 (main rules as to time of supply) [<sup>F91</sup>and 38A] have effect subject to any regulations under this paragraph.
- (4) The power to make regulations under this paragraph includes power to provide for specified provisions of the regulations to be treated as special provisions for the purposes of paragraph 38 (supplies spanning change of rate etc.).

#### Textual Amendments

- F88** Words in Sch. 6 para. 39(1)(c) substituted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 paras. 6, 13\(1\)](#); [S.I. 2007/2902](#), [art. 2\(1\)](#)
- F89** Words in Sch. 6 para. 39(1)(c) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 12\(2\), 21](#)
- F90** Word in Sch. 6 para. 39(1)(c) substituted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 30 para. 9](#)
- F91** Words in Sch. 6 para. 39(3) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 12\(3\), 21](#)

## PART IV

### PAYMENT AND RATE OF LEVY

#### *Persons liable to account for levy*

- 40 (1) The person liable to account for the levy charged on a taxable supply is, except in a case where sub-paragraph (2) [<sup>F92</sup>or (3)] applies, the person making the supply.
- (2) In the case of a taxable supply made by a person who—
- (a) is not resident in the United Kingdom, and
  - (b) is not a utility,
- the person liable to account for the levy charged on the supply is the person to whom the supply is made.
- [<sup>F93</sup>(3) In the case of levy charged on a taxable supply under paragraph 45B, the person liable to account for the levy is the operator of the facility to which the supply was made.]

#### Textual Amendments

- F92** Words in Sch. 6 para. 40(1) inserted (with effect in accordance with s. 118(2) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 59 para. 3\(2\)](#)
- F93** Sch. 6 para. 40(3) inserted (with effect in accordance with s. 118(2) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 59 para. 3\(3\)](#)

#### *Returns and payment of levy*

- 41 (1) The Commissioners may by regulations make provision—
- [<sup>F94</sup>(a) for persons liable to account for levy to do so—
    - (i) by reference to such periods (“accounting periods”) as may be determined by or under the regulations, or

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- (ii) in such other way as may be so determined;]
  - (b) for persons who are or are required to be registered for the purposes of the levy to be subject to such obligations to make returns for those purposes for such periods, at such times and in such form as may be so determined; and
  - (c) for persons who are required to account for levy <sup>F95</sup>... to become liable to pay the amounts due from them at such times and in such manner as may be so determined.
- (2) Without prejudice to the generality of the powers conferred by sub-paragraph (1), regulations under this paragraph may contain provision—
- (a) for levy falling in accordance with the regulations to be accounted for by reference to one accounting period to be treated in prescribed circumstances, and for prescribed purposes, as levy due for a different period;
  - (b) for the correction of errors made when accounting for levy by reference to any period;
  - (c) for the entries to be made in any accounts in connection with the correction of any such errors and for the financial adjustments to be made in that connection;
  - (d) for a person, for purposes connected with the making of any such entry or financial adjustment, to be required to provide to any prescribed person, or to retain, a document in the prescribed form containing prescribed particulars of the matters to which the entry or adjustment relates;
  - (e) for enabling the Commissioners, in such cases as they may think fit, to dispense with or relax a requirement imposed by regulations made by virtue of paragraph (d);
  - (f) for the amount of levy which, in accordance with the regulations, is treated as due for a later period than that by reference to which it should have been accounted for to be treated as increased by an amount representing interest at the rate applicable under section 197 of the Finance Act 1996 for such period as may be determined in accordance with the regulations.
- <sup>F96</sup>(2A) Paragraph 91(5) provides for the application of Part 7 of this Schedule (recovery and interest) in relation to cases where, by virtue of regulations under sub-paragraph (1) (a)(ii) above <sup>F97</sup>or by virtue of paragraph 45B(8)], a person is liable to account for levy otherwise than by reference to accounting periods.
- (2B) Regulations under this paragraph may provide for the application of any provision of this Schedule in relation to such cases.]
- (3) Subject to the following provisions of this paragraph, if any person (“the taxpayer”) fails—
- (a) to comply with so much of any regulations under this paragraph as requires him, at or before a particular time, to make a return for any accounting period, or
  - (b) to comply with so much of any regulations under this paragraph as requires him, at or before a particular time, to pay an amount of levy due from him,
- he shall be liable to a penalty of £250.
- (4) Liability to a penalty under sub-paragraph (3) shall not arise if the taxpayer satisfies the Commissioners or, on appeal, an appeal tribunal—
- (a) that there is a reasonable excuse for the failure to make the return or to pay the levy in accordance with the regulations; and

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- (b) that there is not an occasion after the last day on which the return or payment was required by the regulations to be made when there was a failure without a reasonable excuse to make it.
- (5) Where, by reason of any failure falling within paragraph (a) or (b) of sub-paragraph (3)—
- (a) a person is convicted of an offence (whether under this Schedule or otherwise), or
  - (b) a person is assessed to a penalty under paragraph 98 (penalty for evasion) [F98 or to a penalty for a deliberate inaccuracy under Schedule 24 to the Finance Act 2007 (penalties for errors)],
- that person shall not, by reason of that failure, be liable also to a penalty under that sub-paragraph (3).

**Textual Amendments**

- F94** Sch. 6 para. 41(1)(a) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 192\(2\)\(a\)](#)
- F95** Words in Sch. 6 para. 41(1)(c) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 192\(2\)\(b\), Sch. 43 Pt. 4\(2\)](#)
- F96** Sch. 6 para. 41(2A), (2B) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 192\(2\)\(c\)](#)
- F97** Words in Sch. 6 para. 41(2A) inserted (with effect in accordance with s. 118(2) of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 59 para. 4](#)
- F98** Words in Sch. 6 para. 41(5)(b) inserted (1.4.2009) by [The Finance Act 2008, Schedule 40 \(Appointed Day, Transitional Provisions and Consequential Amendments\) Order 2009 \(S.I. 2009/571\), art. 1\(1\), Sch. 1 para. 20\(2\)](#)

*Amount payable by way of levy*

- 42 (1) The amount payable by way of levy on a taxable supply is—
- (a) if the supply is [F99 not] a reduced-rate supply [F100 ...], the amount ascertained from the Table in accordance with sub-paragraph (2);
  - [F101](b) .....
  - [F102](ba) if the supply is a reduced-rate supply of electricity, [F103]8 per cent of the amount that would be payable if the supply were a supply to which paragraph (a) applies;]
  - [F104](bb) if the supply is a reduced-rate of supply of any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state, 23 per cent of the amount that would be payable if the supply were a supply to which paragraph (a) applies;]
  - (c) if the supply is [F105 any other] reduced-rate supply, [F106[F107]12] per cent.] of the amount that would be payable if the supply [F108 were a supply to which paragraph (a) applies;]
  - [F109](d) .....

[F110]TABLE

*Taxable commodity supplied*

*Rate at which levy payable if supply is not a reduced-rate supply*

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Electricity	£0.00775 per kilowatt hour
Gas supplied by a gas utility or any gas supplied in a gaseous state that is of a kind supplied by a gas utility	£0.00672 per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state	£0.02175 per kilogram
Any other taxable commodity	£0.05258 per kilogram]

<sup>F111</sup>(1ZA) .....

[<sup>F112</sup>(1A) Sub-paragraph (1) is subject to paragraph 45B.]

[<sup>F113</sup>(1B) Sub-paragraph (1) does not apply to a deemed supply under paragraph 24A or 24B.]

(2) The levy payable on a fraction of a quantity of a commodity is that fraction of the levy payable on that quantity of the commodity.

[<sup>F114</sup>(3) If a reduced-rate supply is part of an aid scheme within Article 25 of Commission Regulation (EC) No. 800/2008, sub-paragraph (4) cites the title and publication reference of that Regulation for the purpose of complying with Article 3(1) of that Regulation.

(4) That citation is Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation) (O.J. 2008 No. L214/3) (with the reference to Articles 87 and 88 being read, as a result of the Treaty of Lisbon, as a reference to Articles 107 and 108 of the Treaty on the Functioning of the European Union).]

#### Textual Amendments

**F99** Word in Sch. 6 para. 42(1)(a) substituted (1.11.2007) by Finance Act 2006 (c. 25), s. 172(11)(a)(16); S.I. 2007/2901, art. 2(1) (with art. 2(2)-(4))

**F100** Words in Sch. 6 para. 42(1)(a) omitted (1.4.2014) by virtue of Finance Act 2014 (c. 26), Sch. 20 paras. 3(2)(a), 10

**F101** Sch. 6 para. 42(1)(b) repealed (1.11.2007) by Finance Act 2006 (c. 25), s. 172(11)(b)(16), Sch. 26 Pt. 8(1); S.I. 2007/2901, art. 2(1) (with art. 2(2)-(4))

**F102** Sch. 6 para. 42(1)(ba) inserted (with effect in relation to supplies treated as taking place on or after 1.4.2013) by Finance Act 2012 (c. 14), Sch. 30 paras. 20(a), 23

**F103** Word in Sch. 6 para. 42(1)(ba) substituted (with effect in accordance with s. 92(5) of the amending Act) by Finance Act 2020 (c. 14), s. 92(3)(a)

**F104** Sch. 6 para. 42(1)(bb) inserted (with effect in accordance with s. 92(5) of the amending Act) by Finance Act 2020 (c. 14), s. 92(3)(b)

**F105** Words in Sch. 6 para. 42(1)(c) substituted (with effect in relation to supplies treated as taking place on or after 1.4.2013) by Finance Act 2012 (c. 14), Sch. 30 paras. 20(b), 23

**F106** Words in Sch. 6 para. 42(1)(c) substituted (with effect in relation to supplies treated as taking place on or after 1.4.2011) by Finance Act 2010 (c. 13), s. 18

**F107** Word in Sch. 6 para. 42(1)(c) substituted (with effect in relation to supplies treated as taking place on or after 1.4.2023) by Finance Act 2021 (c. 26), s. 110(3)(5)

**F108** Words in Sch. 6 para. 42(1)(c) substituted (with effect in relation to supplies of taxable commodities so far as the commodities are actually supplied on or after 1.4.2012) by Finance Act 2012 (c. 14), Sch. 30 paras. 10(a)(ii), 19

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- F109** Sch. 6 para. 42(1)(d) omitted (1.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 20 paras. 3\(2\)\(b\)](#), [10](#)
- F110** [Sch. 6 para. 42\(1\)](#) table substituted (with effect in relation to supplies treated as taking place on or after 1.4.2023) by [Finance Act 2021 \(c. 26\)](#), [s. 110\(2\)\(5\)](#)
- F111** Sch. 6 para. 42(1ZA) omitted (1.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 20 paras. 3\(3\)](#), [10](#)
- F112** Sch. 6 para. 42(1A) inserted (with effect where the certification period begins on or after 1.4.2009) by [Finance Act 2009 \(c. 10\)](#), [s. 118\(2\)](#), [Sch. 59 para. 5](#)
- F113** Sch. 6 para. 42(1B) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 13, 21](#)
- F114** Sch. 6 para. 42(3)(4) inserted (8.4.2010) by [Finance Act 2010 \(c. 13\)](#), [s. 67](#)

#### Modifications etc. (not altering text)

- C4** Sch. 6 para. 42 modified (retrospective to 1.4.2011) by [Finance Act 2011 \(c. 11\)](#), [s. 79\(2\)\(3\)\(6\)](#)

[<sup>F115</sup>42(1)] This paragraph applies to a deemed supply under paragraph 24A or 24B.

- (2) The amount payable by way of levy on the deemed supply is the amount ascertained by applying the relevant carbon price support rate; and the levy payable on a fraction of a kilowatt hour, kilogram or gigajoule is that fraction of the levy payable on a kilowatt hour, kilogram or gigajoule.

[<sup>F116</sup>(3)] The carbon price support rates are as follows.

<i>Carbon price support rate commodity</i>	<i>Carbon price support rate</i>
Any gas in a gaseous state that is of a kind supplied by a gas utility	£0.00331 per kilowatt hour
Any petroleum gas, or other gaseous hydrocarbon, in a liquid state	£0.05280 per kilogram
Any commodity falling within paragraph 3(1) (d) to (f)	£1.54790 per gigajoule]

- (4) Sub-paragraph (2) needs to be read with paragraphs 42B and 42C.

#### Textual Amendments

- F115** Sch. 6 paras. 42A-42D inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 14, 21](#)
- F116** Sch. 6 para. 42A(3) substituted (with effect in relation to supplies treated as taking place on or after 1.4.2016) by [Finance Act 2014 \(c. 26\)](#), [s. 98](#)

- 42B (1) This paragraph applies for the purposes of paragraph 42A(2) if the commodity deemed to be supplied is a quantity of a commodity falling within paragraph 3(1) (d) to (f).
- (2) The number of gigajoules in the quantity supplied is to be determined by reference to the total gross calorific value of that quantity.
- (3) Sub-paragraph (4) applies if there is included in that quantity any coal slurry taken from a slurry pit situated at the site of a coal mine (including a disused coal mine).
- (4) The gross calorific value of the coal slurry is to be left out of account in determining the total gross calorific value of that quantity.

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### Textual Amendments

**F115** Sch. 6 paras. 42A-42D inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 14, 21](#)

- 42C (1) Sub-paragraph (2) applies for the purposes of paragraph 42A(2) if, in the calendar year in which the deemed supply is treated as taking place, carbon capture and storage technology is operated in relation to carbon dioxide generated by the station in question in producing electricity.
- (2) In relation to the deemed supply, only C% of the relevant carbon price support rate is to be applied (instead of the full rate).
- (3) “C%” is 100% minus the station's carbon capture percentage for the calendar year.
- (4) The station's “carbon capture percentage” for the calendar year is the percentage of the station's generated carbon dioxide for that year which, through the operation of the carbon capture and storage technology, is—
- (a) captured, and
  - (b) then disposed of by way of permanent storage.
- (5) The station's “generated carbon dioxide” for the calendar year is the amount of carbon dioxide generated in the year by the station from the use of carbon price support rate commodities in producing electricity.
- (6) In this paragraph “carbon capture and storage technology” and “carbon dioxide” have the meaning given by section 7(3) and (4) of the Energy Act 2010.
- (7) Sub-paragraph (8) applies for the purposes of sub-paragraph (4) in relation to any carbon dioxide if—
- (a) the carbon dioxide is captured but then leaks out and therefore is not disposed of by way of permanent storage, but
  - (b) the leak does not occur—
    - (i) on the land on which the station is situated,
    - (ii) on any other land under the control of the station's owner or a person connected with the station's owner, or
    - (iii) from any pipeline or other facility or installation which is operated by the station's owner or a person connected with the station's owner.
- Section 1122 of the Corporation Tax Act 2010 (“connected” persons) applies for the purposes of paragraph (b).
- (8) The carbon dioxide is to be treated as if it had been disposed of by way of permanent storage.
- (9) If the percentage mentioned in sub-paragraph (4) is not a whole number, it is to be rounded to the nearest whole number (taking 0.5% as nearest to the next whole number).

### Textual Amendments

**F115** Sch. 6 paras. 42A-42D inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 14, 21](#)



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- 42D (1) This paragraph applies if—
- (a) an amount is determined to be payable by way of levy on a deemed supply of a quantity of a commodity under paragraph 24A or 24B, but
  - (b) it is later determined that that amount is too low.
- (2) For the purposes of this Schedule—
- (a) the person who made the deemed supply is deemed to make a further taxable supply to himself of the quantity of the commodity, and
  - (b) the amount payable by way of levy on that further deemed supply is—
    - (i) the total amount payable on the first deemed supply on the basis of the later determination mentioned in sub-paragraph (1)(b), less
    - (ii) the amount previously determined to be payable on the first deemed supply.]

**Textual Amendments**

**F115** Sch. 6 paras. 42A-42D inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 14, 21](#)

*Half-rate for supplies to horticultural producers*

**F117**<sup>43</sup> .....

**Textual Amendments**

**F117** Sch. 6 para. 43 repealed (1.11.2007) by [Finance Act 2006 \(c. 25\)](#), s. 172(12)(16), [Sch. 26 Pt. 8\(1\)](#); [S.I. 2007/2901](#), [art. 2\(1\)](#) (with [art. 2\(2\)-\(4\)](#))

*F118* ...

**Textual Amendments**

**F118** Sch. 6 para. 43A and cross-heading omitted (with effect in accordance with Sch. 20 para. 10(2)(3) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 20 paras. 4, 10\(1\)](#)

**F118** .....

*<sup>F119</sup>Supplies for use in scrap metal recycling and reduced-rate supplies: deemed supply*

**Textual Amendments**

**F119** Sch. 6 paras. 43A, 43B and cross-headings inserted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 30 para. 11](#)

- 43B (1) This paragraph applies where—
- (a) a taxable supply (“the original supply”) has been made to any person (“the recipient”),
  - <sup>F120</sup>(b) the original supply was made on the basis that it was, to any extent—

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- <sup>F121</sup>(i) . . . . .
- (ii) a reduced-rate supply of electricity, or
- (iii) a reduced-rate supply of any other taxable commodity,]
- (c) it is later determined that the original supply was (or was to some extent) a different kind of supply, and
- (d) the amount payable on the supply on the basis mentioned in paragraph (b) is less than the amount payable on the supply on the basis of the later determination.
- (2) For the purposes of this Schedule—
- (a) the recipient is deemed to make a taxable supply to itself of the taxable commodity, and
- (b) the amount payable by way of levy on that deemed supply is—
- (i) the amount payable on the original supply on the basis of the later determination mentioned in sub-paragraph (1)(c), less
- (ii) the amount payable on the original supply on the basis mentioned in sub-paragraph (1)(b).
- (3) This paragraph does not apply where a supply is treated as not being a reduced-rate supply by virtue of paragraph 45B.]

#### Textual Amendments

**F120** Sch. 6 para. 43B(1)(b) substituted (with effect in accordance with Sch. 30 para. 23 of the amending Act) by Finance Act 2012 (c. 14), **Sch. 30 para. 21**

**F121** Sch. 6 para. 43B(1)(b)(i) omitted (with effect in accordance with Sch. 20 para. 10(2)(3) of the amending Act) by virtue of Finance Act 2014 (c. 26), **Sch. 20 paras. 5, 10(1)**

#### *Reduced-rate for supplies covered by climate change agreement*

- <sup>F122</sup>44(1) For the purposes of this Schedule, a taxable supply is a reduced-rate supply if—
- (a) the taxable commodity is supplied to a facility specified in a certificate given by the <sup>F123</sup>Administrator] to the Commissioners as a facility which is to be taken as being covered by a climate change agreement for a period specified in the certificate, and
- (b) the supply is made at a time falling in that period.
- (2) Sub-paragraph (1) has effect subject to <sup>F124</sup>sub-paragraphs (2A) to (2D) and]<sup>F125</sup>paragraphs 45 and 45B].
- <sup>F126</sup>(2A) The <sup>F127</sup>Administrator] may—
- (a) give a certificate that includes provision specifying one or more descriptions of taxable commodity as being ineligible for reduced-rate supply,
- (b) vary a certificate so that it includes provision (or further provision) specifying one or more descriptions of taxable commodity as being ineligible for reduced-rate supply, or
- (c) vary a certificate so that it ceases to include the provision (or some of the provision) specifying one or more descriptions of taxable commodity as being ineligible for reduced-rate supply.

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- (2B) A taxable supply of a taxable commodity to a facility is not a reduced-rate supply if, at the time of the supply, the commodity falls within a description that is specified (by virtue of sub-paragraph (2A)(a) or (b)) in the certificate relating to the facility.
- (2C) The [<sup>F128</sup>Administrator] may only include provision in a certificate by virtue of sub-paragraph (2A)(a) or (b)—
- if the Treasury consents in writing to the specification before the specification is made, and
  - [<sup>F129</sup>in a case described in sub-paragraph (2CA),] if, and for as long as, the result is compatible with the common market by virtue of Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty establishing the European Community (General block exemption Regulation) (O.J. 2008 No. L214/3).

[ That case is where the result is required to be compatible with the common market  
<sup>F130</sup>(2CA) by virtue of relevant separation agreement law (as defined in section 7C(3) of the European Union (Withdrawal) Act 2018).]

- (2D) In sub-paragraphs (2A) to (2C) “certificate” means such a certificate as is mentioned in sub-paragraph (1)(a).]
- (3) The Commissioners may by regulations make provision for giving effect to sub-paragraph (1).
- (4) Regulations under this paragraph may, in particular, include provision for determining whether any taxable commodity is supplied to a facility.
- (5) The provision that may be made by virtue of sub-paragraph (4) includes, in particular, provision for a taxable commodity of any description specified in the regulations to be taken as supplied to a facility only if the commodity is delivered to the facility.]

#### Textual Amendments

- F122** Sch. 6 para. 44 substituted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 paras. 7, 13\(1\)](#); [S.I. 2007/2902, art. 2\(1\)](#) (with [art. 2\(2\)\(4\)](#))
- F123** Word in Sch. 6 para. 44(1)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 2](#) (with [Sch. 31 para. 11](#))
- F124** Words in Sch. 6 para. 44(2) inserted (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), [s. 117\(3\)\(a\)](#)
- F125** Words in Sch. 6 para. 44(2) substituted (with effect in accordance with s. 118(2) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 59 para. 6](#)
- F126** Sch. 6 para. 44(2A)-(2D) inserted (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), [s. 117\(2\)](#)
- F127** Word in Sch. 6 para. 44(2A) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 2](#) (with [Sch. 31 para. 11](#))
- F128** Word in Sch. 6 para. 44(2C) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 2](#) (with [Sch. 31 para. 11](#))
- F129** Words in [Sch. 6 para. 44\(2C\)\(b\)](#) inserted (31.12.2020) by [The Taxes \(State Aid\) \(Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1499\)](#), [regs. 1, 2\(2\)](#)
- F130** [Sch. 6 para. 44\(2CA\)](#) inserted (31.12.2020) by [The Taxes \(State Aid\) \(Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1499\)](#), [regs. 1, 2\(3\)](#)

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*[<sup>F131</sup>Reduced-rate supplies: variation of certificates under paragraph 44]*

**Textual Amendments**  
**F131** Sch. 6 para. 45 cross-heading substituted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 paras. 8\(6\), 13\(1\)](#); [S.I. 2007/2902, art. 2\(1\)](#)

- 45 (1) This paragraph applies where the [<sup>F132</sup>Administrator], after having given in respect of a facility such a certificate as is mentioned in paragraph 44(1) (“the original certificate”), gives a certificate (a “variation certificate”) to the Commissioners stating—
- (a) that, throughout the period (“the original period”) specified for the facility in the original certificate, the facility is to be taken as not being covered by a climate change agreement; or
  - (b) that, for so much of the original period as falls on or after a day specified in the variation certificate (being a day falling within the original period), the facility is to be taken as no longer being covered by a climate change agreement.

<sup>F133</sup>(2) .....

<sup>F133</sup>(3) .....

<sup>F133</sup>(4) .....

- (5) If—
- (a) the statement in the variation certificate in respect of the facility is of the type described in sub-paragraph (1)(a), and
  - (b) the day on which [<sup>F134</sup>the variation certificate is given] falls before the beginning of the original period,
- [<sup>F135</sup>the original certificate has effect as if the facility had never been specified in it].

- (6) If—
- (a) the statement in the variation certificate in respect of the facility is of the type described in sub-paragraph (1)(a), and
  - (b) the day on which [<sup>F136</sup>the variation certificate is given] falls during the original period,
- [<sup>F137</sup>the original certificate has effect as if the last day of the period specified for the facility in the original certificate were the day on which the variation certificate is given].

- (7) If the statement in the variation certificate in respect of the facility is of the type described in sub-paragraph (1)(b), [<sup>F138</sup>the original certificate has effect as if the last day of the period specified for the facility in the original certificate were the later of—
- (a) the day on which the variation certificate is given, and
  - (b) the day specified in the variation certificate.]

**Textual Amendments**  
**F132** Word in Sch. 6 para. 45(1) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 3](#) (with [Sch. 31 para. 11](#))

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- F133** Sch. 6 para. 45(2)-(4) repealed (1.11.2007) by Finance Act 2007 (c. 11), Sch. 2 paras. 8(2), 13(1), **Sch. 27 Pt. 1(2)**; S.I. 2007/2902, art. 2(1)
- F134** Words in Sch. 6 para. 45(5)(b) substituted (1.11.2007) by Finance Act 2007 (c. 11), **Sch. 2 paras. 8(3)(a)**, 13(1); S.I. 2007/2902, art. 2(1)
- F135** Words in Sch. 6 para. 45(5) substituted (1.11.2007) by Finance Act 2007 (c. 11), **Sch. 2 paras. 8(3)(b)**, 13(1); S.I. 2007/2902, art. 2(1)
- F136** Words in Sch. 6 para. 45(6)(b) substituted (1.11.2007) by Finance Act 2007 (c. 11), **Sch. 2 paras. 8(4)(a)**, 13(1); S.I. 2007/2902, art. 2(1)
- F137** Words in Sch. 6 para. 45(6) substituted (1.11.2007) by Finance Act 2007 (c. 11), **Sch. 2 paras. 8(4)(b)**, 13(1); S.I. 2007/2902, art. 2(1)
- F138** Words in Sch. 6 para. 45(7) substituted (1.11.2007) by Finance Act 2007 (c. 11), **Sch. 2 paras. 8(5)**, 13(1); S.I. 2007/2902, art. 2(1)

*[<sup>F139</sup>Reduced-rate supplies: deemed supply]*

**Textual Amendments**

- F139** Sch. 6 para. 45A and cross-heading inserted (1.11.2007) by Finance Act 2007 (c. 11), **Sch. 2 paras. 9**, 13(1); S.I. 2007/2902, art. 2(1) (with art. 2(3)(4))

<sup>F140</sup>45A .....

**Textual Amendments**

- F140** Sch. 6 para. 45A omitted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by virtue of Finance Act 2012 (c. 14), **Sch. 30 para. 12**

*[<sup>F141</sup>Removal of reduced rate where targets set by climate change agreement not met*

**Textual Amendments**

- F141** Sch. 6 para. 45B inserted (with effect in accordance with s. 118(2) of the amending Act) by Finance Act 2009 (c. 10), **Sch. 59 para. 1**

- 45B (1) This paragraph applies where, by virtue of such a certificate as is mentioned in paragraph 44(1), a facility is to be taken as being covered by a climate change agreement for a period specified in that certificate (“the certification period”).
- (2) If it appears to the [<sup>F142</sup>Administrator] that the progress made in the certification period towards meeting targets set for the facility by the agreement has been such as under the provisions of the agreement is unsatisfactory, the [<sup>F142</sup>Administrator] may issue a certificate under this paragraph.
- (3) The certificate must (in addition to specifying the facility, agreement and certification period to which it applies) specify—
- (a) T, that is, the value (expressed in terms of a reduction in tonnes of carbon dioxide equivalent) of achieving the targets set for the facility by the agreement, and

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- (b) P, that is, the value (expressed in the same terms) of the progress made by the facility, during the certification period, towards meeting those targets.
- (4) Where a certificate has been issued under this paragraph—
- (a) each taxable supply made to the facility at any time falling within the certification period is to be treated as not being a reduced-rate supply, and
- (b) accordingly, an amount (determined in accordance with sub-paragraph (5)) is payable by way of levy on that taxable supply.
- (5) The amount payable under this paragraph on a taxable supply is—
- $$\text{TPT} \times 0.8R$$
- where—
- T and P have the values mentioned in sub-paragraph (3), and
- R is the amount which would have been payable by way of levy on the supply (had it not been a reduced-rate supply) at the time that it was made, in accordance with paragraph 42(1)(a).
- (6) The [<sup>F143</sup>Administrator] must send the certificate to—
- (a) the Commissioners, and
- (b) the person who is the operator of the facility.
- (7) A certificate under this paragraph may be issued after the certification period ends.
- (8) A person liable to account for levy under this paragraph—
- (a) is liable to account for it otherwise than by reference to an accounting period, and
- (b) must not (by virtue of regulations under paragraph 41) become liable to pay it as from a date before the date on which the certificate under this paragraph is issued.
- (9) Levy due under this paragraph is payable in addition to any levy already payable on any supply made in the certification period.
- (10) In this paragraph—
- “certification period”, in a case where the certificate referred to in sub-paragraph (1) has been varied under paragraph 45, means the period for which that certificate has effect as varied;
- “tonne of carbon dioxide equivalent” has the meaning given in the Climate Change Act 2008.]

#### Textual Amendments

**F142** Word in Sch. 6 para. 45B(2) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 4](#) (with [Sch. 31 para. 11](#))

**F143** Word in Sch. 6 para. 45B(6) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 4](#) (with [Sch. 31 para. 11](#))

#### *Climate change agreements*

- 46 In this Schedule “climate change agreement” means—
- (a) an agreement that falls within paragraph 47, or

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- (b) a combination of agreements that falls within paragraph 48.

*Climate change agreements: direct agreement*<sup>F144</sup>...

#### Textual Amendments

**F144** Words in Sch. 6 para. 47 heading omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 5](#) (with [Sch. 31 para. 11](#))

- 47 (1) An agreement (including one entered into before the passing of this Act) falls within this paragraph if it is an agreement—
- (a) entered into with the [<sup>F145</sup>Administrator],
  - (b) expressed to be entered into for the purposes of the reduced rate of climate change levy,
  - (c) identifying the facilities to which it applies,
  - (d) to which a representative of each facility to which it applies is a party,
  - (e) setting, or providing for the setting of, targets for the facilities to which it applies,
  - (f) specifying certification periods (as to which see paragraph 49(1)) for the facilities to which it applies,<sup>F146</sup>...
  - (g) providing for [<sup>F147</sup>seven-yearly] (or more frequent) reviews by the Secretary of State [<sup>F148</sup>or the Administrator] of targets set by or under the agreement for those facilities and for giving effect to outcomes of such reviews [<sup>F149</sup>], and
  - (h) containing any terms required by regulations falling within paragraph 52E.]
- (2) In this paragraph and paragraph 48 “representative”, in relation to a facility to which an agreement applies, means—
- (a) the person who is the operator of the facility at—
    - (i) the time the agreement is entered into, or
    - (ii) if later, the time the facility last became a facility to which the agreement applies,
- or
- (b) a person authorised by that operator to agree to the facility being a facility to which the agreement applies.

#### Textual Amendments

**F145** Word in Sch. 6 para. 47(1)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 6\(a\)](#) (with [Sch. 31 para. 11](#))

**F146** Word in Sch. 6 para. 47(1) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 6\(b\)](#) (with [Sch. 31 para. 11](#))

**F147** Words in Sch. 6 para. 47(1)(g) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 6\(c\)](#) [\(i\)](#) (with [Sch. 31 para. 11](#))

**F148** Words in Sch. 6 para. 47(1)(g) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 6\(c\)\(ii\)](#) (with [Sch. 31 para. 11](#))

**F149** Sch. 6 para. 47(1)(h) and word inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 6\(d\)](#) (with [Sch. 31 para. 11](#))

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*Climate change agreement: combination of umbrella and underlying agreements*

- 48 (1) A combination of agreements falls within this paragraph if the following conditions are satisfied.
- (2) The first condition is that the combination is a combination of—
- (a) an umbrella agreement (including one entered into before the passing of this Act), and
  - (b) an agreement (including one entered into before the passing of this Act) that, in relation to the umbrella agreement, is an underlying agreement.
- (3) The second condition is that between them the two agreements—
- (a) set, or provide for the setting of, targets for the facilities to which the underlying agreement applies,
  - (b) specify certification periods (as to which see paragraph 49(1)) for the facilities to which the underlying agreement applies, and
  - (c) provide for [<sup>F150</sup>seven-yearly] (or more frequent) reviews by the Secretary of State [<sup>F151</sup>or the Administrator] of targets set by or under the agreements for those facilities and for giving effect to outcomes of such reviews.
- (4) For the purposes of this paragraph an “umbrella agreement” is an agreement—
- (a) entered into with the [<sup>F152</sup>Administrator],
  - (b) expressed to be entered into for the purposes of the reduced rate of climate change levy,
  - (c) identifying the facilities to which it applies, <sup>F153</sup> ...
  - (d) to which a representative of each facility to which it applies is a party [<sup>F154</sup>, and
  - (e) containing any terms required by regulations falling within paragraph 52E.]
- (5) For the purposes of this paragraph an agreement is an “underlying agreement” in relation to an umbrella agreement if it is an agreement—
- (a) expressed to be entered into for the purposes of the umbrella agreement,
  - [<sup>F155</sup>(b) entered into with the Administrator,]
  - <sup>F156</sup>(c) .....
  - (d) identifying which of the facilities to which the umbrella agreement applies are the facilities to which it applies, <sup>F157</sup> ...
  - (e) to which a representative of each facility to which it applies is a party [<sup>F158</sup>, and
  - (f) containing any terms required by regulations falling within paragraph 52E.]
- (6) In the case of a climate change agreement that is a combination of agreements that falls within this paragraph, references to the facilities to which the climate change agreement applies are references to the facilities to which the underlying agreement applies.

**Textual Amendments**

**F150** Words in Sch. 6 para. 48(3)(c) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 31 para. 7(2) (a) (with Sch. 31 para. 11)

**F151** Words in Sch. 6 para. 48(3)(c) inserted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 31 para. 7(2)(b) (with Sch. 31 para. 11)



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- F152** Words in Sch. 6 para. 48(4)(a) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 31 para. 7(3)(a) (with Sch. 31 para. 11)
- F153** Word in Sch. 6 para. 48(4) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 31 para. 7(3)(b) (with Sch. 31 para. 11)
- F154** Sch. 6 para. 48(4)(e) and word inserted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 31 para. 7(3)(c) (with Sch. 31 para. 11)
- F155** Sch. 6 para. 48(5)(b) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 31 para. 7(4)(a) (with Sch. 31 para. 11)
- F156** Sch. 6 para. 48(5)(c) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 31 para. 7(4)(b) (with Sch. 31 para. 11)
- F157** Word in Sch. 6 para. 48(5) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 31 para. 7(4)(c) (with Sch. 31 para. 11)
- F158** Sch. 6 para. 48(5)(f) and word inserted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 31 para. 7(4)(d) (with Sch. 31 para. 11)

*Climate change agreement: supplemental provisions*

- 49 (1) The first certification period specified by a climate change agreement for a facility to which it applies shall begin with the later of—
- (a) the date on which the agreement, so far as relating to the facility, is expressed to take effect, and
  - (b) 1st April 2001;
- and each subsequent certification period so specified shall begin immediately after the end of a previous certification period.
- (2) Where a climate change agreement (the “new agreement”) applies to a facility to which another climate change agreement previously applied, the first certification period specified by the new agreement for the facility shall be—
- (a) a period beginning as provided by sub-paragraph (1), or
  - (b) a period that—
    - (i) begins earlier than that, and
    - (ii) is a period that was a certification period specified for the facility by any climate change agreement that previously applied to the facility.
- A period such as is mentioned in paragraph (b) includes a period beginning, or beginning and ending, before the date on which the new agreement, so far as relating to the facility, is expressed to take effect.
- (3) For the purposes of giving certificates such as are mentioned in paragraphs 44(1) and 45(1), the [F159 Administrator] may take a facility as being covered by a climate change agreement for a period if the facility is one to which the agreement applies and either—
- (a) that period is the first certification period specified by the agreement for the facility, or
  - (b) that period is a subsequent certification period for the facility and it appears to the [F159 Administrator] that progress made in the immediately preceding certification period towards meeting targets set for the facility by the agreement or by a climate change agreement that previously applied to the facility is, or is likely to be, such as under the provisions of the agreement in question is to be taken as being satisfactory.

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- (4) For the purposes of sub-paragraph (3)(b) a climate change agreement may (in particular) provide that progress towards meeting any targets for a facility is to be taken as being satisfactory if, in the absence (or partial absence) of any such progress required under the agreement, alternative requirements provided for by the agreement are satisfied.
- (5) For the purposes of sub-paragraphs (2) and (3), the circumstances in which a facility to which a climate change agreement applies is one to which another such agreement previously applied include those where the facility is—
  - (a) a part, or a combination of parts, of a facility to which another such agreement previously applied,
  - (b) a combination of two or more such facilities,
  - (c) any combination of parts of such facilities, or
  - (d) any combination of such facilities and parts of such facilities.
- (6) Paragraphs 47 and 48 and sub-paragraph (4) above are not to be taken as meaning that an agreement, or combination of agreements, containing provision in addition to any mentioned in those paragraphs and that sub-paragraph is not a climate change agreement.
- (7) For the purposes of [<sup>F160</sup>this Part of this Schedule] “target”, in relation to a facility to which a climate change agreement applies, means a target relating to—
  - (a) energy, or energy derived from a source of any description, used in the facility or an identifiable group of facilities within which the facility falls, or
  - (b) emissions, or emissions of any description, from the facility or such a group of facilities;
 and for this purpose “identifiable group” means a group that is identified in the agreement or that at any relevant time can be identified under the agreement.
- (8) Nothing in this Schedule is to be taken as requiring the [<sup>F161</sup>Administrator] to—
  - (a) enter into any climate change agreement, [<sup>F162</sup>or]
  - (b) enter into a climate change agreement with any particular person or persons, in respect of any particular facility or facilities or on any particular terms.

<sup>F163</sup> ...

<sup>F163</sup>(c) .....

**Textual Amendments**

**F159** Word in Sch. 6 para. 49(3) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 8\(2\)](#) (with [Sch. 31 para. 11](#))

**F160** Words in Sch. 6 para. 49(7) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 8\(3\)](#) (with [Sch. 31 para. 11](#))

**F161** Word in Sch. 6 para. 49(8) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 8\(4\)\(a\)](#) (with [Sch. 31 para. 11](#))

**F162** Word in Sch. 6 para. 49(8) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 8\(4\)\(b\)](#) (with [Sch. 31 para. 11](#))

**F163** Sch. 6 para. 49(8)(c) and word omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 31 para. 8\(4\)\(c\)](#) (with [Sch. 31 para. 11](#))

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*Facilities to which climate change agreements can apply*

- 50 (1) This paragraph applies where, in connection with concluding or varying a climate change agreement, it falls to be determined whether a facility is to be, or is to continue to be, identified in the agreement as a facility to which the agreement applies.
- (2) For the purposes of such a determination “facility” is (subject to any regulations under sub-paragraph (3) or (4)) to be taken as meaning—
- (a) an installation covered by paragraph 51; or
  - (b) a site on which there is or are—
    - (i) such an installation or two or more such installations,
    - (ii) a part, or parts, of such an installation,
    - (iii) a part, or parts, of each of two or more such installations, or
    - (iv) any combination of such installations and parts of such installations.
- (3) The Secretary of State may by regulations make provision for an installation covered by paragraph 51 to be taken to be a facility for those purposes only if—
- (a) the taxable commodities supplied to the installation by taxable supplies are intended to be burned (or, in the case of electricity, consumed)—
    - (i) in the installation, or
    - (ii) on the site where the installation is situated but not in the installation,and
  - (b) the amounts of taxable commodities, and of any other commodities specified in the regulations, subject to each of those intentions are such that any conditions specified in the regulations are satisfied.
- (4) The Secretary of State may by regulations make provision for a site to be taken to be a facility for those purposes only if—
- (a) the taxable commodities supplied to the site by taxable supplies are intended to be burned (or, in the case of electricity, consumed)—
    - (i) in installations on the site that are covered by paragraph 51 (or in parts of such installations), or
    - (ii) on the site but not in any such installation (or part of such an installation),and
  - (b) the amounts of taxable commodities, and of any other commodities specified in the regulations, subject to each of those intentions are such that any conditions specified in the regulations are satisfied.
- (5) Regulations under sub-paragraph (3) or (4) may make provision for deeming, for the purposes of the regulations, commodities to be intended to be burned (or, in the case of electricity, consumed) in circumstances specified in the regulations.
- (6) In this paragraph and paragraph 51 “installation” means a stationary technical unit.

*Energy-intensive installations*

- 51 (1) An installation is covered by this paragraph if it falls within any one or more of the descriptions of installation set out in the Table.

[<sup>F164</sup>(2) Sub-paragraph (2A) applies where—

- (a) an installation falls within any one or more of those descriptions, and

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- (b) there is, on the same site as the installation, a location at which ancillary activities are carried out.
- (2A) The installation (taken alone) is not covered by this paragraph, but the combination—
- (a) of the installation and that location, or
  - (b) where there is more than one such location, of the installation and all of those locations,
- is to be taken as being an installation covered by this paragraph.
- (2B) In sub-paragraph (2) “ancillary activities” means activities that—
- (a) are directly associated with any of the primary activities carried out in the installation,
  - (b) have a technical connection with those primary activities, and
  - (c) could have an effect on environmental pollution.]
- (3) [F165 sub-paragraphs (1) to (2B)] are subject to any regulations under paragraph 52.
- F166(4) .....
- F166(5) .....
- (6) [F167 sub-paragraph (2B)]—
- “environmental pollution” has the same meaning as in the M9 Pollution Prevention and Control Act 1999;
  - “primary activity”, in relation to an installation falling within any one or more of the descriptions of installation set out in the Table, means an activity the carrying out of which at the installation results in the installation falling within one or more of those descriptions.

TABLE

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[F168 Installations regulated under [F169 the Environmental Permitting (England and Wales) Regulations 2016]]

[F170] 1. Part A installations.

*Installations that would be so regulated but for a threshold or exception*

- 2 Installations that would be Part A installations but for—
- (a) a relevant numeric threshold, or
  - (b) a relevant exception.

*Installations that would be so regulated if certain modifications were made to the Regulations*

- 3 Installations that would be Part A installations if the relevant modifications were made.

*Corresponding installations in Scotland and Northern Ireland*

- 4 Installations that are situated in Scotland or Northern Ireland, but if situated in England and Wales—
- (a) would be Part A installations,
  - (b) would be Part A installations but for—
    - (i) a relevant numeric threshold, or

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- (ii) a relevant exception, or
- (c) would be Part A installations if the relevant modifications were made.

*Interpretation of entries 1 to 4*

5 <sup>F171</sup>(1) In this entry “the Schedule” means Schedule 1 to <sup>F172</sup>the Environmental Permitting (England and Wales) Regulations 2016 (S.I. 2016/1154).]

(2) In entries 1 to 4—

<sup>F173</sup>(a) “Part A installation” has the meaning given in <sup>F174</sup>paragraph 1 of Part 1 of Schedule 1 to <sup>F175</sup>the Environmental Permitting (England and Wales) Regulations 2016];]

(b) “relevant exception” means—

(i) the exception in paragraph (b)(i) <sup>F176</sup>or (ii)] of Part A(1) of Section 2.1 of <sup>F177</sup>Part 2 of the Schedule],

<sup>F178</sup>(ii) .....

<sup>F178</sup>(iii) .....

(c) “the relevant modifications” means the omission of the following provisions of <sup>F177</sup>Part 2 of the Schedule]:

(i) the final twelve words of paragraph (b) of Part A(1) of Section 4.4;

(ii) the final twelve words of paragraph (b) of Part A(1) of Section 4.5;

<sup>F179</sup>(iii) [ in the interpretation of Section 5.1, in relation to the definitions of “co-incineration plant” and “incineration plant”, the final nine words in the sentence beginning “This definition covers;]

<sup>F180</sup>(ii) paragraph 1 of the Interpretation and application of Part A(1) of Section 5.4;]

(iv) the final fourteen words of paragraph (c) of Part A(1) of Section 6.1;

(v) the final fourteen words of paragraph (c) of Part A(1) of Section 6.4; and

(vi) the final fourteen words of paragraph (f)(ii) of Part A(1) of Section 6.8; and

(d) “relevant numeric threshold” means a numeric threshold specified in any of the following provisions of <sup>F177</sup>Part 2 of the Schedule]:

(i) paragraphs (c) and (d) of Part A(1) of Section 2.1;

(ii) Part A(2) of Section 2.1;

(iii) paragraph (b) of Part A(1) of Section 2.2;

(iv) Part A(1) of Section 2.3;

(v) paragraph (b) of Part A(1) of Section 3.1;

(vi) paragraph (b) of Part A(2) of Section 3.1;

(vii) paragraph (b) of Part A(1) of Section 3.3;

(viii) Part A(2) of Section 3.3;

(ix) paragraph (a) of Part A(1) of Section 3.4;

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- [ Part A(1) of Section 3.6;]
- <sup>F181</sup>(ixa)
- (x) Part A(2) of Section 3.6;
- (xi) paragraphs (c) and (d) of Part A(1) of Section 4.1;
- (xii) paragraphs [<sup>F182</sup>(c)] and (e) of Part A(1) of Section 5.1;
- [ paragraphs (a) and (c) of Part A(2) of Section 5.1;]
- <sup>F183</sup>(xi ai)
- (xiii) Part A(1) of Section 5.2;
- (xiv) Part A(1) of Section 5.3;
- (xv) paragraph (c) of Part A(1) of Section 5.4;
- (xvi) paragraph (b) of Part A(1) of Section 6.1;
- (xvii) Part A(1) of Section 6.3;
- (xviii) paragraphs (a) and (b) of Part A(1) of Section 6.4;
- (xix) Part A(2) of Section 6.4;
- (xx) Part A(2) of Section 6.7;
- (xxi) paragraphs (a) to (e) of Part A(1) of Section 6.8;
- (xxii) Part A(2) of Section 6.8; and
- (xxiii) Part A(1) of Section 6.9; and
- (e) any reference to a part of the United Kingdom includes the territorial waters adjacent to that part.]

### Textual Amendments

- F164** Sch. 6 para. 51(2)(2A)(2B) substituted for Sch. 6 para. 51(2) (23.3.2001) by [S.I. 2001/1139](#), **reg. 2(2)**
- F165** Words in Sch. 6 para. 51(3) substituted (23.3.2001) by [S.I. 2001/1139](#), **reg. 2(3)**
- F166** Sch. 6 para. 51(4)(5) omitted (23.3.2001) by [S.I. 2001/1139](#), **reg. 2(4)**
- F167** Words in Sch. 6 para. 51(6) substituted (23.3.2001) by [S.I. 2001/1139](#), **reg. 2(5)**
- F168** Sch. 6 para. 51 Table cross-heading substituted (E.W.) (6.4.2010) by [The Environmental Permitting \(England and Wales\) Regulations 2010 \(S.I. 2010/675\)](#), **reg. 1(1)(b)**, **Sch. 26 Pt. 1 para. 16** (with **reg. 1(2)**, **Sch. 4**)
- F169** Words in Sch. 6 para. 51(6) substituted (E.W.) (1.1.2017) by [The Environmental Permitting \(England and Wales\) Regulations 2016 \(S.I. 2016/1154\)](#), **reg. 1(1)**, **Sch. 29 para. 15(a)** (with **regs. 1(3)**, **77-79**, **Sch. 4**)
- F170** Sch. 6 para. 51: Table entries 1-5 substituted for entries 1-33 (23.3.2001) by [S.I. 2001/1139](#), **reg. 2(6)**
- F171** Sch. 6 para. 51 Table entry 5 substituted (E.W.) (6.4.2008) by [The Environmental Permitting \(England and Wales\) Regulations 2007 \(S.I. 2007/3538\)](#), **reg. 1(1)(b)**, **Sch. 21 para. 27(2)(b)** (with **reg. 72**, **Sch. 4**)
- F172** Words in Sch. 6 para. 51(6) entry 5(1) substituted (E.W.) (1.1.2017) by [The Environmental Permitting \(England and Wales\) Regulations 2016 \(S.I. 2016/1154\)](#), **reg. 1(1)**, **Sch. 29 para. 15(b)** (with **regs. 1(3)**, **77-79**, **Sch. 4**)
- F173** Sch. 6 para. 51 Table entry 5 substituted (E.W.) (6.4.2008) by [The Environmental Permitting \(England and Wales\) Regulations 2007 \(S.I. 2007/3538\)](#), **reg. 1(1)(b)**, **Sch. 21 para. 27(2)(c)** (with **reg. 72**, **Sch. 4**)
- F174** Words in Sch. 6 para. 51 Table entry 5 substituted (E.W.) (6.4.2010) by [The Environmental Permitting \(England and Wales\) Regulations 2010 \(S.I. 2010/675\)](#), **reg. 1(1)(b)**, **Sch. 26 Pt. 1 para. 16(b)** (with **reg. 1(2)**, **Sch. 4**)
- F175** Words in Sch. 6 para. 51(6) entry 5(1) substituted (E.W.) (1.1.2017) by [The Environmental Permitting \(England and Wales\) Regulations 2016 \(S.I. 2016/1154\)](#), **reg. 1(1)**, **Sch. 29 para. 15(c)** (with **regs. 1(3)**, **77-79**, **Sch. 4**)
- F176** Words in Sch. 6 para. 51 Table entry 5 inserted (12.7.2006) by [The Climate Change Agreements \(Miscellaneous Amendments\) Regulations 2006 \(S.I. 2006/1848\)](#), **regs. 1, 2(2)**

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- F177** Words in Sch. 6 para. 51 Table entry 5 substituted (E.W.) (6.4.2008) by [The Environmental Permitting \(England and Wales\) Regulations 2007 \(S.I. 2007/3538\)](#), reg. 1(1)(b), **Sch. 21 para. 27(2)(d)** (with reg. 72, Sch. 4)
- F178** Sch. 6 para. 51 Table entry 5 omitted (12.7.2006) by virtue of [The Climate Change Agreements \(Miscellaneous Amendments\) Regulations 2006 \(S.I. 2006/1848\)](#), regs. 1, **2(3)**
- F179** Words in Sch. 6 para. 51 Table entry 5 inserted (12.7.2006) by [The Climate Change Agreements \(Miscellaneous Amendments\) Regulations 2006 \(S.I. 2006/1848\)](#), regs. 1, **2(4)**
- F180** Sch. 6 para. 51 Table entry 5 substituted (E.W.) (6.4.2008) by [The Environmental Permitting \(England and Wales\) Regulations 2007 \(S.I. 2007/3538\)](#), reg. 1(1)(b), **Sch. 21 para. 27(2)(e)** (with reg. 72, Sch. 4)
- F181** Words in Sch. 6 para. 51 Table entry 5 inserted (12.7.2006) by [The Climate Change Agreements \(Miscellaneous Amendments\) Regulations 2006 \(S.I. 2006/1848\)](#), regs. 1, **2(5)**
- F182** Word in Sch. 6 para. 51 Table entry 5 substituted (12.7.2006) by [The Climate Change Agreements \(Miscellaneous Amendments\) Regulations 2006 \(S.I. 2006/1848\)](#), regs. 1, **2(6)**
- F183** Words in Sch. 6 para. 51 Table entry 5 inserted (12.7.2006) by [The Climate Change Agreements \(Miscellaneous Amendments\) Regulations 2006 \(S.I. 2006/1848\)](#), regs. 1, **2(7)**

#### Marginal Citations

**M9** 1999 c. 24.

#### *Power to vary the installations covered by paragraph 51*

- 52 (1) The Treasury may make provision by regulations for varying the installations covered by paragraph 51.
- (2) The provision that may be made by regulations under this paragraph includes, in particular, provision—
- for the installations covered by paragraph 51 to include, or not to include, any installation of a description specified in the regulations;
  - amending the Table in paragraph 51 by adding a description of installation to the Table, removing a description of installation from the Table or altering a description of installation set out in the Table;
  - amending paragraph 51.

<sup>F184</sup>*The Administrator etc*

#### Textual Amendments

**F184** Sch. 6 paras. 52A-52F and cross-heading inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), **Sch. 31 para. 9** (with [Sch. 31 para. 11](#))

- 52A (1) In this Part of this Schedule references to “the Administrator” are to the body appointed as such by regulations made by the Secretary of State.
- (2) The body appointed must be a body established by an enactment (as defined in section 97 of the Climate Change Act 2008).
- (3) Different bodies may be appointed in relation to facilities in different parts of the United Kingdom.
- 52B (1) The Administrator is responsible for administering the scheme set out in paragraphs 44 to 52.
- (2) This covers (in particular) the administration of climate change agreements.

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- (3) In this Part of this Schedule “administrative function” means—
- (a) the Administrator's function imposed by sub-paragraph (1), or
  - (b) any other power or duty of the Administrator conferred or imposed by or under a provision of this Part of this Schedule.
- 52C (1) The Administrator may require persons falling within sub-paragraph (2) to pay to the Administrator such charges as may from time to time be specified to cover any costs incurred by the Administrator in carrying out any administrative function.
- (2) The persons falling within this sub-paragraph are parties or potential or former parties to agreements falling within paragraph 47 or to umbrella or underlying agreements within the meaning of paragraph 48.
- (3) In sub-paragraph (1) “specified” means specified in, or determined in accordance with, a scheme made by the Administrator for the purposes of this paragraph.
- (4) A scheme may provide for the times at which, and the manner in which, charges are to be paid.
- (5) Paragraph 146(7) applies in relation to the Administrator's power to make a scheme under this paragraph as it applies in relation to a power to make regulations under this Schedule.
- (6) A scheme may revoke or vary any previous scheme.
- (7) A scheme may be made only with the consent of the Secretary of State.
- (8) Charges received by the Administrator must be paid to the Secretary of State who must pay them into the Consolidated Fund.
- (9) Sub-paragraph (8) does not apply if the Administrator is the Environment Agency.
- 52D (1) The Secretary of State may by regulations make provision about the administration of the scheme set out in paragraphs 44 to 52.
- (2) Sub-paragraph (1) covers (in particular)—
- (a) provision about climate change agreements, and
  - (b) provision about how the Administrator is to carry out any administrative function.
- (3) Without prejudice to the generality of sub-paragraphs (1) and (2), regulations may contain any provision falling within paragraph 52E or 52F.
- (4) Regulations may—
- (a) require the Administrator to obtain the Secretary of State's consent to any course of action,
  - (b) confer or impose other powers or duties on the Secretary of State or the Administrator, or
  - (c) confer or impose powers or duties on other persons.
- (5) The Secretary of State may give directions to the Administrator about how the Administrator is to carry out any administrative function (and this power to give directions includes power to vary or revoke directions previously given).



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- (6) The Secretary of State may issue guidance to the Administrator about how the Administrator is to carry out any administrative function; and the Administrator must have regard to any guidance issued.
- 52E (1) Regulations may—
- (a) specify terms which must be included in agreements falling within paragraph 47 or in umbrella or underlying agreements within the meaning of paragraph 48, and
  - (b) confer power on the Administrator to vary such agreements to take account of any changes in the terms specified under paragraph (a) from time to time.
- (2) The terms which may be specified under sub-paragraph (1)(a) include (in particular) terms falling within paragraph 49(4) under which the absence (or partial absence) of any progress towards meeting any targets for a facility may be made up for by the payment to the Administrator of a sum specified in, or determined in accordance with, the regulations.
- (3) Sums received by the Administrator must be paid to the Secretary of State who must pay them into the Consolidated Fund.
- 52F (1) Regulations may confer power on the Administrator—
- (a) to impose a financial penalty of a specified amount on a person who, as a representative of a facility to which a climate change agreement applies, contravenes a term of the agreement, and
  - (b) to terminate, with effect from a specified date, the agreement so far as it applies to the facility if—
    - (i) the financial penalty is not paid to the Administrator within a specified period, or
    - (ii) the contravention is not remedied to the Administrator's satisfaction within a specified period.
- (2) Regulations may also confer power on the Administrator to terminate, with effect from a specified date and without first imposing a financial penalty, a climate change agreement so far as it applies to a facility if there is a contravention of the agreement by a person who is a representative of the facility.
- (3) Neither sub-paragraph (1)(a) nor sub-paragraph (2) covers a failure to meet, or to make progress towards meeting, any targets set for a facility under a climate change agreement.
- (4) If regulations falling within sub-paragraph (1) or (2) are made, the regulations must also—
- (a) confer rights of appeal against a decision taken by the Administrator to impose a financial penalty or to terminate a climate change agreement (as the case may be), and
  - (b) specify the court, tribunal or person who is to hear and determine the appeal.
- (5) The Secretary of State may be specified for the purposes of sub-paragraph (4)(b).
- (6) Penalties received by the Administrator must be paid to the Secretary of State who must pay them into the Consolidated Fund.

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- (7) Regulations may confer power on the Administrator to terminate, with effect from a specified date, a climate change agreement so far as it applies to a facility in specified circumstances not involving a contravention of the agreement.
- (8) In sub-paragraphs (1) to (7)—  
     “representative” has the meaning given by paragraph 47(2), and  
     “specified” means specified in, or determined in accordance with, the regulations.
- (9) Sub-paragraph (10) or (11) (as the case may be) applies if a climate change agreement is terminated in respect of a facility before the start of, or during, a period specified for the facility in such a certificate as is mentioned in paragraph 44(1).
- (10) If the termination is before the start of the specified period, the Administrator must, in respect of the facility, give a variation certificate within paragraph 45(1)(a) in relation to the specified period.
- (11) If the termination is during the specified period, the Administrator must, in respect of the facility, give a variation certificate within paragraph 45(1)(b) in relation to the specified period specifying the day of the termination.]

PROSPECTIVE

## PART V

### REGISTRATION

#### *Requirement to be registered*

- 53 (1) A person is required to be registered with the Commissioners for the purposes of the levy if a taxable supply is made in respect of which he is the person liable to account for the levy charged.
- (2) The Commissioners shall, for the purposes of sub-paragraph (1) and in accordance with the provisions of this Part of this Schedule, establish and maintain a register of persons liable to account for levy.
- (3) The Commissioners shall keep such information in the register as they consider appropriate for the care and management of the levy.
- [<sup>F185</sup>(4) Regulations made by the Commissioners may provide that, in such cases or circumstances and subject to such conditions or requirements as may be prescribed in the regulations, the Commissioners may exempt a person from the requirement to be registered.]

#### Textual Amendments

**F185** Sch. 6 para. 53(4) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 192\(3\)](#)

**Status:** Point in time view as at 01/04/2023. This version of this schedule contains provisions that are prospective.

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### *Interpretation of Part V*

- 54 In this Part of this Schedule—
- (a) references to the register are references to the register maintained under paragraph 53(2);
  - (b) references to registering a person are references to registering him in that register; and
  - (c) references to a person’s registration are references to his registration in that register.

### *Notification of registrability etc.*

- 55 (1) A person who—
- (a) intends to make, or have made to him, any taxable supply in respect of which (if made) he will be the person liable to account for the levy charged, or
  - [<sup>F186</sup>(aa) expects to be deemed to make a taxable supply to himself under paragraph 24A or 24B, or]
  - (b) is required to be registered for the purposes of the levy,
- shall (if he is not so registered) notify the Commissioners of that fact.

<sup>F187</sup>(2) .....

<sup>F187</sup>(3) .....

<sup>F187</sup>(4) .....

<sup>F187</sup>(5) .....

<sup>F187</sup>(6) .....

#### **Textual Amendments**

**F186** Sch. 6 para. 55(1)(aa) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 15, 21](#)

**F187** Sch. 6 para. 55(2)-(6) omitted (with effect in accordance with art. 3 of the commencing S.I.) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 123(2), [Sch. 41 para. 25\(k\)\(ii\)](#); S.I. 2009/511, art. 2 (with art. 4)

### *Form of registration*

- 56 (1) The Commissioners shall register a person if—
- (a) they receive from him a notification given in pursuance of paragraph 55, or
  - (b) although they have not received from him such a notification, it appears to them that he is required to be registered.

Where the Commissioners register a person who is required to be registered, they shall register him with effect from the time when the requirement arose.

- (2) Where any two or more bodies corporate are members of the same group they shall be registered together as one person in the name of the representative member.
- (3) The registration of a body corporate carrying on a business in several divisions may, if the body corporate so requests and the Commissioners see fit, be in the names of those divisions.

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- (4) The registration of—
- (a) any two or more persons carrying on a business in partnership, or
  - (b) an unincorporated body,
- may be in the name of the firm or body concerned.

*Notification of loss or prospective loss of registrability*

- 57 (1) Where a person who has become liable to give a notification by virtue of paragraph 55 ceases (whether before or after being registered for the purposes of the levy) to intend to make, or to intend to have made to him, taxable supplies in respect of which (if made) he would be the person liable to account for the levy charged, he shall notify the Commissioners of that fact.
- (2) A person who fails to comply with sub-paragraph (1) shall be liable to a penalty of £250.

*Cancellation of registration*

- 58 (1) If the Commissioners are satisfied that a registered person—
- (a) has ceased to make, or have made to him, taxable supplies on which he is liable to account for the levy charged, and
  - (b) does not intend to make, or have made to him, any such supplies,
- they may cancel his registration with effect from such time after he last made, or had made to him, taxable supplies as appears to them to be appropriate.
- (2) Sub-paragraph (1) applies whether or not the registered person has notified the Commissioners under paragraph 57.
- (3) The Commissioners shall be under a duty to exercise the power conferred by sub-paragraph (1) with effect from any time if, where the power is exercisable, they are satisfied that the conditions specified in sub-paragraph (4) are satisfied and were or will be satisfied at that time.
- (4) Those conditions are—
- (a) that the person in question has given a notification under paragraph 57;
  - (b) that no levy due from that person, and no amount recoverable as if it were levy, remains unpaid;
  - (c) that no tax credit to which that person is entitled by virtue of any tax credit regulations is outstanding; and
  - (d) that that person is not subject to any outstanding liability to make a return for the purposes of the levy.
- (5) Where—
- (a) a registered person notifies the Commissioners under paragraph 57, and
  - (b) they are satisfied that (if he had not been registered) he would not have been required to be registered at any time since the time when he was registered,
- they shall cancel his registration with effect from the date of his registration.

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*Correction of the register etc.*

- 59 (1) The Commissioners may by regulations make provision for and with respect to the correction of entries in the register.
- (2) Regulations under this paragraph may, to such extent as appears to the Commissioners appropriate for keeping the register up to date, make provision requiring—
- (a) registered persons, and
  - (b) persons who are required to be registered,
- to notify the Commissioners of changes in circumstances relating to themselves, their businesses or any other matter with respect to which particulars are contained in the register (or would be, were the person registered).

*Supplemental regulations about notifications*

- 60 (1) For the purposes of any provision made by or under this Part of this Schedule for any matter to be notified to the Commissioners, regulations made by the Commissioners may make provision—
- (a) as to the time within which the notification is to be given;
  - (b) as to the form and manner in which the notification is to be given; and
  - (c) as to the information and other particulars to be contained in or provided with any notification.
- (2) For those purposes the Commissioners may also by regulations impose obligations requiring a person who has given a notification to notify the Commissioners if any information contained in or provided in connection with that notification is or becomes inaccurate.
- (3) The power under this paragraph to make regulations as to the time within which any notification is to be given shall include power to authorise the Commissioners to extend the time for the giving of a notification.

*Publication of information on the register*

- 61 (1) The Commissioners may publish, by such means as they think fit, any information which—
- (a) is derived from the register; and
  - (b) falls within any of the descriptions set out below.
- (2) The descriptions are—
- (a) the names of registered persons;
  - (b) the fact (where it is the case) that the registered person is a body corporate which is a member of a group;
  - (c) the names of the other bodies corporate which are members of the group.
- (3) Information may be published in accordance with this paragraph notwithstanding any obligation not to disclose the information that would otherwise apply.

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## PART VI

### CREDITS AND REPAYMENTS

#### *Tax credits*

- 62 (1) The Commissioners may, in accordance with the following provisions of this paragraph, by regulations make provision in relation to cases where—
- (a) after a taxable supply has been made, there is such a change in circumstances or any person’s intentions that, if the changed circumstances or intentions had existed at the time the supply was made, the supply would not have been a taxable supply;
  - (b) after a supply of a taxable commodity is made on the basis that it is a taxable supply, it is determined that the supply was not (to any extent) a taxable supply;
  - <sup>F188</sup>(ba) a quantity of a carbon price support rate commodity is the subject of a deemed supply under paragraph 24A or 24B but afterwards the quantity—
    - (i) is not used as mentioned in paragraph 24A(1)(b) or 24B(1)(b) (as the case may be), and
    - (ii) is removed from the site at which the station is situated or from the CHPQA site of the station (as the case may be);
  - (bb) after—
    - (i) a determination is made under regulations falling within paragraph 24B(3) that a quantity, or a proportion of a quantity, of a carbon price support rate commodity is referable to the production of electricity <sup>F189</sup>to which paragraph 24B(2A) does not apply], and
    - (ii) it is accordingly determined that the quantity or proportion of a quantity is the subject of a deemed supply under paragraph 24B, it is determined that the quantity or proportion of a quantity was not referable to the production of electricity <sup>F189</sup>to which paragraph 24B(2A) does not apply];
  - (bc) after an amount is determined to be payable by way of levy on a deemed supply under paragraph 24A or 24B, it is determined that that amount is too high;]
  - (c) after a taxable supply has been made on the basis that it was <sup>F190</sup>not] a reduced-rate supply, it is determined that the supply was (to any extent) a <sup>F191</sup>... reduced-rate supply;
  - <sup>F192</sup>(ca) .....
  - <sup>F192</sup>(cb) .....
  - <sup>F193</sup>(d) .....
  - (e) after a charge to levy has arisen on a supply of a taxable commodity (“the original commodity”) to a person who uses the commodity supplied in producing taxable commodities primarily for his own consumption, that person makes supplies of any of the commodities in whose production he has used the original commodity;
  - (f) after a person has become entitled to a debt as a result of making a taxable supply, the debt turns out to be bad (in whole or in part);
  - (g) the making of a taxable supply gives rise to a double charge to levy within the meaning of paragraph 21.

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- (2) The provision that may be made in relation to any such case as is mentioned in sub-paragraph (1) is provision—
- (a) for such person as may be specified in the regulations to be entitled to a tax credit in respect of any levy charged on the supply (or, in such a case as is mentioned in sub-paragraph (1)(g), one of the supplies) in question;
  - (b) for a tax credit to which any person is entitled under the regulations to be brought into account when he is accounting for [<sup>F194</sup>such levy due from him] as may be determined in accordance with the regulations; and
  - (c) for a person entitled to a tax credit to be entitled, in any prescribed case where he cannot bring the tax credit into account so as to set it against a liability to levy, to a repayment of levy of an amount so determined.
- (3) Regulations under this paragraph may contain any or all of the following provisions—
- (a) provision making any entitlement to a tax credit conditional on the making of a claim by such person, within such period and in such manner as may be prescribed;
  - (b) provision making entitlement to bring a tax credit into account, or to receive a repayment in respect of such a credit, conditional on compliance with such requirements (including the making of a claim) as may be determined in accordance with the regulations;
  - (c) provision requiring a claim for a tax credit to be evidenced and quantified by reference to such records and other documents as may be so determined;
  - (d) provision requiring a person claiming any entitlement to a tax credit to keep, for such period and in such form and manner as may be so determined, those records and documents and a record of such information relating to the claim as may be so determined;
  - (e) provision for the withdrawal of a tax credit where any requirement of the regulations is not complied with;
  - (f) provision for interest at the rate applicable under section 197 of the Finance Act 1996 to be treated as added, for such period and for such purposes as may be prescribed, to the amount of any tax credit;
  - (g) provision for determining whether, and to what extent, a debt is to be taken as bad;
  - (h) provision for the withdrawal of a tax credit to which a person has become entitled in a case within sub-paragraph (1)(f) where any part of the debt that has been taken to be bad falls to be regarded as not having been bad;
  - (i) provision for determining whether, and to what extent, any part of a debt that has been taken to be bad should be regarded as not having been bad;
  - (j) provision for anything falling to be determined in accordance with the regulations to be determined by reference to a general or specific direction given in accordance with the regulations by the Commissioners.
- (4) Regulations made under this paragraph shall have effect subject to the provisions of paragraph 64.

#### Textual Amendments

**F188** Sch. 6 para. 62(1)(ba)-(bc) inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 16, 21](#)

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- F189** Words in Sch. 6 para. 62(1)(bb) inserted (with effect in accordance with s. 63(5) of the amending Act) by Finance Act 2015 (c. 11), s. 63(4)
- F190** Word in Sch. 6 para. 62(1)(c) substituted (1.11.2007) by Finance Act 2006 (c. 25), s. 172(13)(a)(i)(16); S.I. 2007/2901, art. 2(1) (with art. 2(2)-(4))
- F191** Words in Sch. 6 para. 62(1)(c) repealed (1.11.2007) by Finance Act 2006 (c. 25), s. 172(13)(a)(ii)(16), Sch. 26 Pt. 8(1); S.I. 2007/2901, art. 2(1) (with art. 2(2)-(4))
- F192** Sch. 6 para. 62(1)(ca)(cb) omitted (with effect in accordance with Sch. 20 para. 10(2)(3) of the amending Act) by virtue of Finance Act 2014 (c. 26), Sch. 20 paras. 6, 10(1)
- F193** Sch. 6 para. 62(1)(d) repealed (1.11.2007) by Finance Act 2006 (c. 25), s. 172(13)(b)(16), Sch. 26 Pt. 8(1); S.I. 2007/2901, art. 2(1) (with art. 2(2)-(4))
- F194** Words in Sch. 6 para. 62(2)(b) substituted (10.7.2003) by Finance Act 2003 (c. 14), s. 192(4)

#### *Repayments of overpaid levy*

- 63 (1) Where a person has paid an amount to the Commissioners by way of levy which was not levy due to them, they shall be liable to repay the amount to him.
- (2) The Commissioners shall not be liable to repay an amount under this paragraph if, or to the extent that, any person has become entitled to a tax credit in respect of that amount by virtue of tax credit regulations.
- (3) The Commissioners shall not be liable to repay an amount under this paragraph except on the making of a claim for that purpose.
- (4) A claim under this paragraph must be made in such form and manner, and must be supported by such documentary evidence, as may be required by regulations made by the Commissioners.
- (5) The preceding provisions of this paragraph are subject to the provisions of paragraph 64.
- (6) Except as provided by this paragraph or tax credit regulations, the Commissioners shall not, by virtue of the fact that it was not levy due to them, be liable to repay any amount paid to them by way of levy.

#### *Supplemental provisions about repayments etc.*

- 64 (1) The Commissioners shall not be liable, on any claim for a repayment of levy, to repay any amount paid to them more than [<sup>F195</sup>4 years] before the making of the claim.
- (2) It shall be a defence to any claim for a repayment of an amount of levy that the repayment of that amount would unjustly enrich the claimant.
- (3) Sub-paragraph (4) applies for the purposes of sub-paragraph (2) where—
- (a) there is an amount paid by way of levy which (apart from sub-paragraph (2)) would fall to be the subject of a repayment of levy to any person (“person A”); and
  - (b) the whole or a part of the cost of the payment of that amount to the Commissioners has, for practical purposes, been borne by a person other than person A.
- (4) Where, in a case to which this sub-paragraph applies, loss or damage has been or may be incurred by person A as a result of mistaken assumptions made in his case about the operation of any provisions relating to levy, that loss or damage shall be



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disregarded, except to the extent of the quantified amount, in the making of any determination as to—

- (a) whether or to what extent the repayment of an amount to person A would enrich him; or
- (b) whether or to what extent any enrichment of person A would be unjust.

(5) In sub-paragraph (4) “the quantified amount” means the amount (if any) which is shown by person A to constitute the amount that would appropriately compensate him for loss or damage shown by him to have resulted, for any business carried on by him, from the making of the mistaken assumptions.

(6) The reference in sub-paragraph (4) to provisions relating to levy is a reference to any provisions of—

- (a) any enactment or subordinate legislation (whether or not still in force) which relates to the levy or to any matter connected with it; or
- (b) any notice published by the Commissioners under or for the purposes of any enactment or subordinate legislation relating to the levy.

#### **Textual Amendments**

**F195** Words in Sch. 6 para. 64(1) substituted (1.4.2010) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 33](#); [S.I. 2010/867, art. 2\(1\)](#) (with [art. 16](#))

#### *Reimbursement arrangements*

65 (1) The Commissioners may by regulations make provision for reimbursement arrangements made by any person to be disregarded for the purposes of paragraph 64(2) except where the arrangements—

- (a) contain such provision as may be required by the regulations; and
- (b) are supported by such undertakings to comply with the provisions of the arrangements as may be required by the regulations to be given to the Commissioners.

(2) In this paragraph “reimbursement arrangements” means any arrangements for the purposes of a claim to a repayment of levy which—

- (a) are made by any person for the purpose of securing that he is not unjustly enriched by the repayment of any amount in pursuance of the claim; and
- (b) provide for the reimbursement of persons who have for practical purposes borne the whole or any part of the cost of the original payment of that amount to the Commissioners.

(3) Without prejudice to the generality of sub-paragraph (1), the provision that may be required by regulations under this paragraph to be contained in reimbursement arrangements includes—

- (a) provision requiring a reimbursement for which the arrangements provide to be made within such period after the repayment to which it relates as may be specified in the regulations;
- (b) provision for the repayment of amounts to the Commissioners where those amounts are not reimbursed in accordance with the arrangements;
- (c) provision requiring interest paid by the Commissioners on any amount repaid by them to be treated in the same way as that amount for the purposes

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- of any requirement under the arrangements to make reimbursement or to repay the Commissioners;
- (d) provision requiring such records relating to the carrying out of the arrangements as may be described in the regulations to be kept and produced to the Commissioners, or to an officer of theirs.
- (4) Regulations under this paragraph may impose obligations on such persons as may be specified in the regulations—
- (a) to make the repayments to the Commissioners that they are required to make in pursuance of any provisions contained in any reimbursement arrangements by virtue of sub-paragraph (3)(b) or (c);
- (b) to comply with any requirements contained in any such arrangements by virtue of sub-paragraph (3)(d).
- (5) Regulations under this paragraph may make provision for the form and manner in which, and the times at which, undertakings are to be given to the Commissioners in accordance with the regulations; and any such provision may allow for those matters to be determined by the Commissioners in accordance with the regulations.

*Interest payable by the Commissioners*

- 66 (1) Where, due to an error on the part of the Commissioners, a person—
- (a) has paid to them by way of levy an amount which was not levy due and which they are in consequence liable to repay to him,
- (b) has failed to claim a repayment of levy to which he was entitled, under any tax credit regulations, in respect of any tax credits, or
- (c) has suffered delay in receiving payment of an amount due to him from them in connection with levy,
- then, if and to the extent that they would not be liable to do so apart from this paragraph, they shall (subject to the following provisions of this paragraph) pay interest to him on that amount for the applicable period.
- (2) In sub-paragraph (1), the reference in paragraph (a) to an amount which the Commissioners are liable to repay in consequence of the making of a payment that was not due is a reference to only so much of that amount as is the subject of a claim that the Commissioners are required to satisfy or have satisfied.
- (3) In that sub-paragraph the amounts referred to in paragraph (c)—
- (a) do not include any amount payable under this paragraph;
- (b) do not include the amount of any interest for which provision is made by virtue of paragraph 62(3)(f); but
- (c) do include any amount due (in respect of an adjustment of overpaid interest) by way of a repayment under paragraph 87(3) or 110(3).
- (4) The applicable period, in a case falling within sub-paragraph (1)(a), is the period—
- (a) beginning with the date on which the payment is received by the Commissioners; and
- (b) ending with the date on which they authorise payment of the amount on which the interest is payable.
- (5) The applicable period, in a case falling within sub-paragraph (1)(b) or (c), is the period—

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- (a) beginning with the date on which, apart from the error, the Commissioners might reasonably have been expected to authorise payment of the amount on which the interest is payable; and
  - (b) ending with the date on which they in fact authorise payment of that amount.
- (6) In determining the applicable period for the purposes of this paragraph there shall be left out of account any period by which the Commissioners' authorisation of the payment of interest is delayed by circumstances beyond their control.
- (7) The reference in sub-paragraph (6) to a period by which the Commissioners' authorisation of the payment of interest is delayed by circumstances beyond their control includes, in particular, any period which is referable to—
  - (a) any unreasonable delay in the making of any claim for the payment or repayment of the amount on which interest is claimed;
  - (b) any failure by any person to provide the Commissioners—
    - (i) at or before the time of the making of a claim, or
    - (ii) subsequently in response to a request for information by the Commissioners,with all the information required by them to enable the existence and amount of the claimant's entitlement to a payment or repayment, and to interest on that payment or repayment, to be determined; and
  - (c) the making, as part of or in association with any claim for the payment or repayment of the amount on which interest is claimed, of a claim to anything to which the claimant was not entitled.
- (8) In determining for the purposes of sub-paragraph (7) whether any period of delay is referable to a failure by any person to provide information in response to a request by the Commissioners, there shall be taken to be so referable, except so far as may be provided for by regulations, any period which—
  - (a) begins with the date on which the Commissioners require that person to provide information which they reasonably consider relevant to the matter to be determined; and
  - (b) ends with the earliest date on which it would be reasonable for the Commissioners to conclude—
    - (i) that they have received a complete answer to their request for information;
    - (ii) that they have received all that they need in answer to that request; or
    - (iii) that it is unnecessary for them to be provided with any information in answer to that request.
- (9) The Commissioners shall not be liable to pay interest under this paragraph except on the making of a claim for that purpose.
- (10) A claim under this paragraph must be in writing and must be made not more than [<sup>F196</sup>4 years] after the end of the applicable period to which it relates.
- (11) References in this paragraph—
  - (a) to receiving payment of any amount from the Commissioners, or
  - (b) to the authorisation by the Commissioners of the payment of any amount,include references to the discharge by way of set-off (whether in accordance with regulations under paragraph 73 or 74 or otherwise) of the Commissioners' liability to pay that amount.

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- (12) Interest under this paragraph shall be payable at the rate applicable under section 197 of the <sup>M10</sup>Finance Act 1996.

#### Textual Amendments

**F196** Words in Sch. 6 para. 66(10) substituted (1.4.2010) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 34; S.I. 2010/867, art. 2\(1\)](#) (with art. 17)

#### Marginal Citations

**M10** 1966 c. 8.

#### *Assessment for excessive repayment*

- 67 (1) Where—
- (a) any amount has been paid at any time to any person by way of a repayment of levy, and
  - (b) the amount paid exceeded the amount which the Commissioners were liable at that time to repay to that person,
- the Commissioners may, to the best of their judgement, assess the excess paid to that person and notify it to him.
- (2) Where—
- (a) any amount has been paid to any person by way of repayment of levy,
  - (b) the repayment is in respect of a tax credit entitlement to which arose in a case falling within paragraph 62(1)(f) (tax credit where all or part of a debt is bad),
  - (c) the whole or any part of the credit is withdrawn on account of any part of the debt taken as bad falling to be regarded as not having been bad, and
  - (d) the amount paid exceeded the amount which the Commissioners would have been liable to repay to that person had that withdrawal been taken into account,
- the Commissioners may, to the best of their judgement, assess the excess paid to that person and notify it to him.
- (3) Where any person is liable to pay any amount to the Commissioners in pursuance of an obligation imposed by virtue of paragraph 65(4)(a), the Commissioners may, to the best of their judgement, assess the amount due from that person and notify it to him.
- (4) Subject to sub-paragraph (5), where—
- (a) an assessment is made on any person under this paragraph in respect of a repayment of levy made in relation to any accounting period, and
  - (b) the Commissioners have power under Part VII of this Schedule to make an assessment on that person to an amount of levy due from that person for that period,
- the assessments may be combined and notified to him as one assessment.
- (5) A notice of a combined assessment under sub-paragraph (4) must separately identify the amount being assessed in respect of repayments of levy.

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### *Assessment for overpayments of interest*

- 68 Where—
- (a) any amount has been paid to any person by way of interest under paragraph 66, but
  - (b) that person was not entitled to that amount under that paragraph,
- the Commissioners may, to the best of their judgement, assess the amount so paid to which that person was not entitled and notify it to him.

### *Assessments under paragraphs 67 and 68*

- 69 (1) An assessment under paragraph 67 or 68 shall not be made more than two years after the time when evidence of facts sufficient in the opinion of the Commissioners to justify the making of the assessment comes to the knowledge of the Commissioners.
- (2) Where an amount has been assessed and notified to any person under paragraph 67 or 68, it shall be recoverable as if it were levy due from him.
  - (3) Sub-paragraph (2) does not have effect if, or to the extent that, the assessment in question has been withdrawn or reduced.

### *Interest on amounts assessed*

- 70 (1) Where an assessment is made under paragraph 67 or 68, the whole of the amount assessed shall carry interest, for the period specified in sub-paragraph (2), as follows—
- (a) so much of that amount as represents the amount of a tax credit claimed by a person who was not entitled to it (but not any amount assessed under paragraph 67(2)) shall carry penalty interest;
  - (b) so much of that amount as does not carry penalty interest under paragraph (a) shall carry interest at the rate applicable under section 197 of the <sup>M11</sup>Finance Act 1996.
- (2) That period is the period which—
- (a) begins with the day after that on which the person is notified of the assessment; and
  - (b) ends with the day before that on which payment is made of the amount assessed.
- (3) Interest under this paragraph shall be paid without any deduction of income tax.
- (4) Penalty interest under this paragraph shall be compound interest calculated—
- (a) at the penalty rate, and
  - (b) with monthly rests.
- (5) For this purpose the penalty rate is the rate found by—
- (a) taking the rate applicable under section 197 of the Finance Act 1996 for the purposes of sub-paragraph (1)(b); and
  - (b) adding 10 percentage points to that rate.
- (6) Where a person is liable under this paragraph to pay any penalty interest, the Commissioners or, on appeal, an appeal tribunal may reduce the amount payable to such amount (including nil) as they think proper.

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- (7) Subject to sub-paragraph (8), where the person concerned satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the conduct giving rise to the liability to pay penalty interest, that is a matter which (among other things) may be taken into account under sub-paragraph (6).
- (8) In determining whether there is a reasonable excuse for the purposes of sub-paragraph (7), no account shall be taken of any of the following matters, that is to say—
- (a) the insufficiency of the funds available to any person for paying any levy due or for paying the amount of the interest;
  - (b) the fact that there has, in the case in question or in that case taken with any other cases, been no or no significant loss of levy;
  - (c) the fact that the person liable to pay the interest or a person acting on his behalf has acted in good faith.
- (9) In the case of interest reduced by the Commissioners under sub-paragraph (6) an appeal tribunal, on an appeal relating to the interest, may cancel the whole or any part of the reduction made by the Commissioners.

#### Marginal Citations

M11 1996 c. 8.

#### *Assessments to interest under paragraph 70*

- 71 (1) Where any person is liable to interest under paragraph 70 the Commissioners may assess the amount due by way of interest and notify it to him accordingly.
- (2) Without prejudice to the power to make assessments under this paragraph for later periods, the interest to which an assessment under this paragraph may relate shall be confined to interest for a period of no more than two years ending with the time when the assessment under this paragraph is made.
- (3) Where an amount has been assessed and notified to any person under this paragraph it shall be recoverable as if it were levy due from him.
- (4) Sub-paragraph (3) does not have effect if, or to the extent that, the assessment in question has been withdrawn or reduced.
- (5) Where an assessment is made under this paragraph to an amount of interest under paragraph 70—
- (a) the notice of assessment shall specify a date, not later than the date of the notice of assessment, to which the amount of interest which is assessed is calculated; and
  - (b) if the interest continues to accrue after that date, a further assessment or further assessments may be made under this paragraph in respect of the amounts so accruing.
- (6) Where—
- (a) an assessment to interest is made specifying a date for the purposes of sub-paragraph (5)(a), and

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- (b) within such period as may for the purposes of this sub-paragraph have been notified by the Commissioners to the person liable for the interest, the amount on which the interest is payable is paid,  
that amount shall be deemed for the purposes of any further liability to interest to have been paid on the specified date.

#### *Supplementary assessments*

- 72 If it appears to the Commissioners that the amount which ought to have been assessed in an assessment under paragraph 67, 68 or 71 exceeds the amount which was so assessed, then—
- (a) under the same paragraph as that assessment was made, and  
(b) on or before the last day on which that assessment could have been made, the Commissioners may make a supplementary assessment of the amount of the excess and notify the person concerned accordingly.

#### *Set-off of or against amounts due under this Schedule*

- 73 (1) The Commissioners may by regulations make provision in relation to any case where—
- (a) a person is under a duty to pay to the Commissioners at any time an amount or amounts in respect of levy; and  
(b) the Commissioners are under a duty to pay to that person at the same time an amount or amounts in respect of levy or any of the other taxes under their care and management.
- (2) Regulations under this paragraph may provide that if the total of the amount or amounts mentioned in sub-paragraph (1)(a) exceeds the total of the amount or amounts mentioned in sub-paragraph (1)(b), the latter shall be set off against the former.
- (3) Regulations under this paragraph may provide that if the total of the amount or amounts mentioned in sub-paragraph (1)(b) exceeds the total of the amount or amounts mentioned in sub-paragraph (1)(a), the Commissioners may set off the latter in paying the former.
- (4) Regulations under this paragraph may provide that if the total of the amount or amounts mentioned in sub-paragraph (1)(a) is the same as the total of the amount or amounts mentioned in sub-paragraph (1)(b) no payment need be made in respect of the former or the latter.
- (5) Regulations under this paragraph may provide for any limitation on the time within which the Commissioners are entitled to take steps for recovering any amount due to them in respect of levy to be disregarded, in such cases as may be described in the regulations, in determining whether any person is under such a duty to pay as is mentioned in sub-paragraph (1)(a).
- (6) Regulations under this paragraph may include provision treating any duty to pay mentioned in sub-paragraph (1) as discharged accordingly.
- (7) References in sub-paragraph (1) to an amount in respect of a particular tax include references not only to an amount of tax itself but also to other amounts such as interest and penalties that are or may be recovered as if they were amounts of tax.

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(8) In this paragraph “tax” includes duty.

*Set-off of or against other taxes and duties*

- 74 (1) The Commissioners may by regulations make provision in relation to any case where—
- (a) a person is under a duty to pay to the Commissioners at any time an amount or amounts in respect of any tax (or taxes) under their care and management other than levy; and
  - (b) the Commissioners are under a duty, at the same time, to make any repayment of levy to that person or to make any other payment to him of any amount or amounts in respect of levy.
- (2) Regulations under this paragraph may provide that if the total of the amount or amounts mentioned in sub-paragraph (1)(a) exceeds the total of the amount or amounts mentioned in sub-paragraph (1)(b), the latter shall be set off against the former.
- (3) Regulations under this paragraph may provide that if the total of the amount or amounts mentioned in sub-paragraph (1)(b) exceeds the total of the amount or amounts mentioned in sub-paragraph (1)(a), the Commissioners may set off the latter in paying the former.
- (4) Regulations under this paragraph may provide that if the total of the amount or amounts mentioned in sub-paragraph (1)(a) is the same as the total of the amount or amounts mentioned in sub-paragraph (1)(b) no payment need be made in respect of the former or the latter.
- (5) Regulations under this paragraph may provide for any limitation on the time within which the Commissioners are entitled to take steps for recovering any amount due to them in respect of any of the taxes under their care and management to be disregarded, in such cases as may be described in the regulations, in determining whether any person is under such a duty to pay as is mentioned in sub-paragraph (1) (a).
- (6) Regulations under this paragraph may include provision treating any duty to pay mentioned in sub-paragraph (1) as discharged accordingly.
- (7) References in sub-paragraph (1) to an amount in respect of a particular tax include references not only to an amount of tax itself but also to other amounts such as interest and penalties that are or may be recovered as if they were amounts of tax.
- (8) In this paragraph “tax” includes duty.

*Restriction on powers to provide for set-off*

- 75 (1) Regulations made under paragraph 73 or 74 shall not require any such amount or amounts as are mentioned in sub-paragraph (1)(b) of that paragraph (“the credit”) to be set against any such amount or amounts as are mentioned in sub-paragraph (1)(a) of that paragraph (“the debit”) in any case where—
- (a) an insolvency procedure has been applied to the person entitled to the credit;
  - (b) the credit became due after that procedure was so applied; and
  - (c) the liability to pay the debit either arose before that procedure was so applied or (having arisen afterwards) relates to, or to matters occurring in the course



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of, the carrying on of any business at times before the procedure was so applied.

(2) For the purposes of this paragraph, an insolvency procedure is applied to a person if—

- (a) a bankruptcy order, winding-up order or administration order is made [<sup>F197</sup>or an administrator is appointed] in relation to that person or an award of sequestration is made on that person's estate;
- (b) that person is put into administrative receivership;
- (c) that person passes a resolution for voluntary winding up;
- (d) any voluntary arrangement approved in accordance with—
  - (i) Part I or VIII of the <sup>M12</sup>Insolvency Act 1986, or
  - (ii) Part II or Chapter II of Part VIII of the <sup>M13</sup>Insolvency (Northern Ireland) Order 1989,

comes into force in relation to that person;

- (e) a deed of arrangement registered in accordance with—

<sup>F198</sup>(i) .....

(ii) Chapter I of Part VIII of that Order,

takes effect in relation to that person;

- (f) a person is appointed as the interim receiver of some or all of that person's property under section 286 of the Insolvency Act 1986 or Article 259 of the Insolvency (Northern Ireland) Order 1989;
- (g) a person is appointed as the provisional liquidator in relation to that person under section 135 of that Act or Article 115 of that Order;
- (h) an interim order is made under Part VIII of that Act, or Chapter II of Part VIII of that Order, in relation to that person; or
- (i) that person's estate becomes vested in any other person as that person's trustee under a trust deed (within the meaning of the Bankruptcy (Scotland) Act [<sup>F199</sup>2016]).

(3) In this paragraph references, in relation to any person, to the application of an insolvency procedure to that person shall not include—

- (a) the making of a bankruptcy order, winding-up order <sup>F200</sup>... or award of sequestration [<sup>F201</sup>or the appointment of an administrator] at a time when any such arrangement or deed as is mentioned in paragraph (d), (e) or (i) of sub-paragraph (2) is in force in relation to that person;
- (b) the making of a winding-up order at any of the following times, that is to say—
  - [<sup>F202</sup>(i) immediately upon the appointment of an administrator in respect of the person ceasing to have effect;]
  - (ii) when that person is being wound up voluntarily;
  - (iii) when that person is in administrative receivership;

or

- (c) the making of an administration order in relation to that person at any time when that person is in administrative receivership.

(4) For the purposes of this paragraph a person shall be regarded as being in administrative receivership throughout any continuous period for which

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(disregarding any temporary vacancy in the office of receiver) there is an administrative receiver of that person.

(5) In this paragraph—

“administration order” means an administration order under [F203 Schedule B1 to] the M14 Insolvency Act 1986 or Article 21 of the M15 Insolvency (Northern Ireland) Order 1989;

“administrative receiver” means an administrative receiver within the meaning of section 251 of that Act or Article 5(1) of that Order.

#### Textual Amendments

- F197** Words in Sch. 6 para. 75(2)(a) inserted (15.9.2003) by Enterprise Act 2002 (Insolvency) Order 2003 (S.I. 2003/2096), art. 1(1), **Sch. para. 32(a)** (with art. 6)
- F198** Sch. 6 para. 75(2)(e)(i) omitted (1.10.2015) by virtue of Deregulation Act 2015 (c. 20), s. 115(7), **Sch. 6 para. 2(14)(a)** (with Sch. 6 para. 3); S.I. 2015/1732, art. 2(e)(i)
- F199** Word in Sch. 6 para. 75(2)(i) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 23(a)**
- F200** Words in Sch. 6 para. 75(3)(a) omitted (15.9.2003) by virtue of Enterprise Act 2002 (Insolvency) Order 2003 (S.I. 2003/2096), art. 1(1), **Sch. para. 32(b)(i)** (with art. 6)
- F201** Words in Sch. 6 para. 75(3)(a) inserted (15.9.2003) by Enterprise Act 2002 (Insolvency) Order 2003 (S.I. 2003/2096), art. 1(1), **Sch. para. 32(b)(ii)** (with art. 6)
- F202** Sch. 6 para. 75(3)(b)(i) substituted (15.9.2003) by Enterprise Act 2002 (Insolvency) Order 2003 (S.I. 2003/2096), art. 1(1), **Sch. para. 32(c)** (with art. 6)
- F203** Words in Sch. 6 para. 75(5) substituted (15.9.2003) by Enterprise Act 2002 (Insolvency) Order 2003 (S.I. 2003/2096), art. 1(1), **Sch. para. 32(d)** (with art. 6)

#### Marginal Citations

- M12** 1986 c. 45.
- M13** S.I. 1989/2405 (N.I. 19.).
- M14** 1986 c. 45.
- M15** S.I. 1989/2405 (N.I. 19.).

### Part VI: supplemental provisions

- 76 (1) Any notification of an assessment under any provision of this Part of this Schedule to a person’s representative shall be treated for the purposes of this Schedule as notification to the person in relation to whom the representative acts.
- (2) In this paragraph “representative”, in relation to any person, means—
- any of that person’s personal representatives;
  - that person’s trustee in bankruptcy or liquidator;
  - any person holding office as a receiver in relation to that person or any of his property;
  - that person’s tax representative or any other person for the time being acting in a representative capacity in relation to that person.
- (3) In this paragraph “trustee in bankruptcy” includes, as respects Scotland—
- [F204(a) a trustee or interim trustee in the sequestration, under the Bankruptcy (Scotland) Act 2016, of a person’s estate;] and
  - a trustee acting under a trust deed (within the meaning of that Act).

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- (4) The powers conferred by paragraphs 73 and 74 are without prejudice to any power of the Commissioners to provide by tax credit regulations for any amount to be set against another.

#### Textual Amendments

**F204** Sch. 6 para. 76(3)(a) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, Sch. 1 para. 23(b)

## PART VII

### RECOVERY AND INTEREST

#### *Recovery of levy as debt due*

- 77 Levy shall be recoverable as a debt due to the Crown.

#### *Assessments of amounts of levy due*

- 78 (1) Where it appears to the Commissioners—
- (a) that any period is an accounting period by reference to which a person is liable to account for levy,
  - (b) that any levy for which that person is liable to account by reference to that period has become due, and
  - (c) that there has been a default by that person that falls within sub-paragraph (2),

they may assess the amount of levy due from that person for that period to the best of their judgement and notify that amount to that person.

- [<sup>F205</sup>(1A) Where it appears to the Commissioners—

- (a) that any levy for which a person is liable to account otherwise than by reference to an accounting period has become due, and
- (b) that there has been a default by that person that falls within sub-paragraph (2),

they may assess the amount of that levy to the best of their judgement and notify it to him.]

- (2) The defaults falling within this sub-paragraph are—
- (a) any failure to make a return required to be made by any provision made by or under this Schedule;
  - (b) any failure to keep any documents necessary to verify returns required to be made under any such provision;
  - (c) any failure to afford the facilities necessary to verify returns required to be made under any such provision;
  - (d) the making, in purported compliance with any requirement of any such provision to make a return, of an incomplete or incorrect return;
  - (e) any failure to comply with a requirement imposed by or under Part V of this Schedule (registration).

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- (3) Where it appears to the Commissioners that a default falling within sub-paragraph (2) is a default by a person on whom the requirement to make a return is imposed in his capacity as the representative of another person, sub-paragraph (1) shall apply as if the reference to the amount of levy due included a reference to any levy due from that other person.
- (4) In a case where—
- (a) the Commissioners have made an assessment for any accounting period as a result of any person's failure to make a return for that period,
  - (b) the levy assessed has been paid but no proper return has been made for that period,
  - (c) as a result of a failure (whether by that person or a representative of his) to make a return for a later accounting period, the Commissioners find it necessary to make another assessment under this paragraph in relation to the later period, and
  - (d) the Commissioners think it appropriate to do so in the light of the absence of a proper return for the earlier period,
- they may, in the assessment in relation to the later period, specify an amount of levy due that is greater than the amount that they would have considered to be appropriate had they had regard only to the later period.
- (5) Where an amount has been assessed and notified to any person under this paragraph, it shall be recoverable on the basis that it is an amount of levy due from him.
- (6) Sub-paragraph (5) does not have effect if, or to the extent that, the assessment in question has been withdrawn or reduced.

#### Textual Amendments

**F205** Sch. 6 para. 78(1A) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 192\(5\)](#)

#### *Supplementary assessments*

- 79 (1) If, where an assessment has been notified to any person under paragraph 78 or this paragraph, it appears to the Commissioners that the amount which ought to have been assessed as due for any accounting period exceeds the amount that has already been assessed, the Commissioners may make a supplementary assessment of the amount of the excess and notify that person accordingly.
- (2) Where an amount has been assessed and notified to any person under this paragraph it shall be recoverable on the basis that it is an amount of levy due from him.
- (3) Sub-paragraph (2) does not have effect if, or to the extent that, the assessment in question has been withdrawn or reduced.

#### *Time limits for assessments*

- 80 (1) An assessment under paragraph 78 or 79 of an amount of levy due for any accounting period—
- (a) shall not be made more than two years after the end of the accounting period unless it is made within the period mentioned in sub-paragraph (2); and

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- (b) subject to sub-paragraph (3), shall not in any event be made more than [<sup>F206</sup>4 years] after the end of that accounting period.
- (2) The period referred to in sub-paragraph (1)(a) is the period of one year after evidence of facts sufficient in the Commissioners' opinion to justify the making of the assessment first came to their knowledge.
- [<sup>F207</sup>(3) An assessment of an amount due from a person in a case involving a loss of levy—
  - (a) brought about deliberately by the person (or by another person acting on that person's behalf), or
  - (b) attributable to a failure by the person to comply with an obligation under paragraph 53 or 55,may be made at any time not more than 20 years after the end of the accounting period to which it relates (subject to sub-paragraph (4)).
- (3A) In sub-paragraph (3)(a) the reference to a loss brought about deliberately by the person includes a loss brought about as a result of a deliberate inaccuracy in a document given to Her Majesty's Revenue and Customs by or on behalf of that person.]
- (4) Where, after a person's death, the Commissioners propose to assess an amount of levy as due by reason of some conduct of the deceased—
  - (a) the assessment shall not be made more than [<sup>F208</sup>4 years] after the death; <sup>F209</sup> ...
  - <sup>F209</sup>(b) .....
- (5) Nothing in this paragraph shall prejudice the powers of the Commissioners under paragraph 78(4).

**Textual Amendments**

- F206** Words in Sch. 6 para. 80(1)(b) substituted (1.4.2010) by Finance Act 2009 (c. 10), s. 99(2), **Sch. 51 para. 35(2)**; S.I. 2010/867, art. 2(1) (with art. 18)
- F207** Sch. 6 para. 80(3)(3A) substituted for Sch. 6 para. 80(3) (1.4.2010) by Finance Act 2009 (c. 10), s. 99(2), **Sch. 51 para. 35(3)**; S.I. 2010/867, art. 2(1) (with art. 19)
- F208** Words in Sch. 6 para. 80(4)(a) substituted (1.4.2010) by Finance Act 2009 (c. 10), s. 99(2), **Sch. 51 para. 35(4)(a)**; S.I. 2010/867, art. 2(1) (with art. 20)
- F209** Sch. 6 para. 80(4)(b) and word omitted (1.4.2010) by virtue of Finance Act 2009 (c. 10), s. 99(2), **Sch. 51 para. 35(4)(b)**; S.I. 2010/867, art. 2(1) (with art. 20)

*Ordinary interest on overdue levy paid before assessment*

- 81 (1) Where—
- (a) the circumstances are such that an assessment could have been made under paragraph 78 or 79 of an amount of levy due from any person, but
  - (b) before such an assessment was made and notified to that person that amount was paid (so that no such assessment was necessary),
- the whole of the amount paid shall carry interest for the period specified in sub-paragraph (2).
- (2) That period is the period which—

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- (a) begins with the day after that on which the person is required in accordance with regulations under paragraph 41 to pay levy due from him for the accounting period to which the amount paid relates; and
  - (b) ends with the day before that on which the amount is paid.
- (3) Interest under this paragraph shall be payable at the rate applicable under section 197 of the <sup>M16</sup>Finance Act 1996.

#### Marginal Citations

M16 1966 c. 8.

#### *Penalty interest on unpaid levy*

- 82 (1) Where—
- (a) a person makes a return for the purposes of any regulations made under paragraph 41 (whether or not at the time required by the regulations), and
  - (b) the return shows that an amount of levy is due from him for the accounting period for which the return is made,
- that amount shall carry penalty interest for the period specified in sub-paragraph (2).
- (2) That period is the period which—
- (a) begins with the day after that on which the person is required in accordance with regulations under paragraph 41 to pay levy due from him for the accounting period in question; and
  - (b) ends with the day before that on which the amount shown in the return is paid.

#### *Penalty interest on levy where no return made*

- 83 (1) Where—
- (a) the Commissioners make an assessment under paragraph 78 or 79 of an amount of levy due from any person for any accounting period and notify it to him, and
  - (b) the assessment is made at a time after the time by which a return is required by regulations under paragraph 41 to be made by that person for that accounting period and before any such return has been made,
- that amount shall carry penalty interest for the period specified in sub-paragraph (2).
- (2) That period is the period which—
- (a) begins with the day after that on which the person is required in accordance with regulations under paragraph 41 to pay levy due from him for the accounting period in question; and
  - (b) ends with the day before that on which the assessed amount is paid.
- (3) Where the person, after the assessment is made, makes for the purposes of any regulations under paragraph 41 a return for the accounting period in question, the assessed amount shall not carry penalty interest under this paragraph to the extent that that amount is shown in the return as an amount of levy due from him for that accounting period (and, accordingly, carries penalty interest under paragraph 82).

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*Ordinary and penalty interest on under-declared levy*

- 84 (1) Subject to sub-paragraph (4), where—
- (a) the Commissioners make an assessment under paragraph 78 or 79 of an amount of levy due from any person for any accounting period and notify it to him,
  - (b) the assessment is made after a return for the purposes of any regulations under paragraph 41 has been made by that person for that accounting period, and
  - (c) the assessment is made on the basis that the amount (“the additional amount”) is due from him in addition to any amount shown in the return, or in a previous assessment made in relation to the accounting period,
- the additional amount shall carry interest for the period specified in sub-paragraph (2).
- (2) That period is the period which—
- (a) begins with the day after that on which the person is required in accordance with regulations under paragraph 41 to pay levy due from him for the accounting period in question; and
  - (b) ends with the day before the day on which the additional amount is paid.
- (3) Interest under this paragraph—
- (a) in respect of so much of the period specified in sub-paragraph (2) as falls before the day on which the assessment is notified to the person in question, shall be payable at the rate applicable under section 197 of the <sup>M17</sup>Finance Act 1996 for the purposes of paragraph 81(3); and
  - (b) in respect of the remainder (if any) of that period, shall be penalty interest.
- (4) Where—
- (a) the Commissioners make an assessment under paragraph 78 or 79 of an amount of levy due from any person for any accounting period and notify it to him,
  - (b) they also specify a date for the purposes of this sub-paragraph, and
  - (c) the amount assessed is paid on or before that date,
- the only interest carried by that amount under this paragraph shall be interest, at the rate given by sub-paragraph (3)(a), for the period before the day on which the assessment is notified.

**Marginal Citations**

M17 1996 c. 8.

*Penalty interest on unpaid ordinary interest*

- 85 (1) Subject to sub-paragraph (2), where the Commissioners make an assessment under paragraph 88 of an amount of interest payable at the rate given by paragraph 81(3), that amount shall carry penalty interest for the period which—
- (a) begins with the day on which the assessment is notified to the person on whom the assessment is made; and
  - (b) ends with the day before the day on which the assessed interest is paid.

*Status: Point in time view as at 01/04/2023. This version of this schedule contains provisions that are prospective.*

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- (2) Where—
- (a) the Commissioners make an assessment under paragraph 88 of an amount of interest due from any person,
  - (b) they also specify a date for the purposes of this sub-paragraph, and
  - (c) the amount of interest assessed is paid on or before that date,
- the amount paid before that date shall not carry penalty interest under this paragraph.

*Penalty interest*

- 86 (1) Penalty interest under any of paragraphs 82 to 85 shall be compound interest calculated—
- (a) at the penalty rate, and
  - (b) with monthly rests.
- (2) For this purpose the penalty rate is the rate found by—
- (a) taking the rate applicable under section 197 of the <sup>M18</sup>Finance Act 1996 for the purposes of paragraph 81(3); and
  - (b) adding 10 percentage points to that rate.
- (3) Where a person is liable under any of paragraphs 82 to 85 to pay any penalty interest, the Commissioners or, on appeal, an appeal tribunal may reduce the amount payable to such amount (including nil) as they think proper.
- (4) Subject to sub-paragraph (5), where the person concerned satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the conduct giving rise to the liability to pay penalty interest, that is a matter which (among other things) may be taken into account under sub-paragraph (3).
- (5) In determining whether there is a reasonable excuse for the purposes of sub-paragraph (4), no account shall be taken of any of the following matters, that is to say—
- (a) the insufficiency of the funds available to any person for paying any levy due or for paying the amount of the interest;
  - (b) the fact that there has, in the case in question or in that case taken with any other cases, been no or no significant loss of levy;
  - (c) the fact that the person liable to pay the interest or a person acting on his behalf has acted in good faith.
- (6) In the case of interest reduced by the Commissioners under sub-paragraph (3) an appeal tribunal, on an appeal relating to the interest, may cancel the whole or any part of the reduction made by the Commissioners.

**Marginal Citations**

**M18** 1996 c. 8.

*Supplemental provisions about interest*

- 87 (1) Interest under any of paragraphs 81 to 85 shall be paid without any deduction of income tax.



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- (2) Sub-paragraph (3) applies where—
- (a) an amount carries interest under any of paragraphs 81 to 85 (or would do so apart from that sub-paragraph); and
  - (b) all or part of the amount turns out not to be due.
- (3) In such a case—
- (a) the amount or part that turns out not to be due shall not carry interest under the applicable paragraph and shall be treated as never having done so; and
  - (b) all such adjustments as are reasonable shall be made, including (subject to paragraphs 64 to 76) adjustments by way of repayment.

#### *Assessments to interest*

- 88 (1) Where a person is liable for interest under any of paragraphs 81 to 85, the Commissioners may assess the amount due by way of interest and notify it to him accordingly.
- (2) If, where an assessment has been notified to any person under sub-paragraph (1) or this sub-paragraph, it appears to the Commissioners that the amount which ought to have been assessed exceeds the amount that has already been assessed, the Commissioners may make a supplementary assessment of the amount of the excess and shall notify that person accordingly.
- (3) Where an amount has been assessed and notified to any person under this paragraph, it shall be recoverable as if it were levy due from him.
- (4) Sub-paragraph (3)—
- (a) shall not apply so as to require any interest to be payable on interest except—
    - (i) in accordance with paragraph 85, or
    - (ii) in so far as it falls to be compounded in accordance with paragraph 86;and
  - (b) shall not have effect if, or to the extent that, the assessment in question has been withdrawn or reduced.
- (5) Paragraph 80 shall apply in relation to assessments under this paragraph as if any assessment to interest were an assessment under paragraph 78 to levy due for the period which is the relevant accounting period in relation to that interest.
- (6) Subject to sub-paragraph (7), where a person—
- (a) is assessed under this paragraph to an amount due by way of any interest, and
  - (b) is also assessed under paragraph 78 or 79 for the accounting period which is the relevant accounting period in relation to that interest,
- the assessments may be combined and notified to him as one assessment.
- (7) A notice of a combined assessment under sub-paragraph (6) must separately identify the interest being assessed.
- (8) The relevant accounting period for the purposes of this paragraph is—
- (a) in the case of interest on levy due for any accounting period, that accounting period; and

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- (b) in the case of interest on interest (whether under paragraph 85 or by virtue of any compounding under paragraph 86), the period which is the relevant accounting period for the interest on which the interest is payable.
- (9) In a case where—
- (a) the amount of any interest falls to be calculated by reference to levy which was not paid at the time when it should have been, and
- (b) that levy cannot be readily attributed to any one or more accounting periods, that levy shall be treated for the purposes of interest on any of that levy as levy due for such period or periods as the Commissioners may determine to the best of their judgement and notify to the person liable.

*Further assessments to penalty interest*

- 89 (1) Where an assessment is made under paragraph 88 to an amount of penalty interest under any of paragraphs 82 to 85—
- (a) the notice of assessment shall specify a date, not later than the date of the notice of assessment, to which the amount of interest which is assessed is calculated; and
- (b) if the interest continues to accrue after that date, a further assessment or further assessments may be made under paragraph 88 in respect of the amounts so accruing.
- (2) Where—
- (a) an assessment to penalty interest is made specifying a date for the purposes of sub-paragraph (1)(a), and
- (b) within such period as may for the purposes of this sub-paragraph have been notified by the Commissioners to the person liable for the interest, the amount on which the interest is payable is paid,
- that amount shall be deemed for the purposes of any further liability to interest to have been paid on the specified date.

*Controlled goods agreements*

F21089A .....

**Textual Amendments**

**F210** Sch. 6 para. 89A (which was inserted (6.4.2014) by 2007 c. 15, s. 148, **Sch. 13 para. 136** (with s. 89); S.I. 2014/768, **art. 2(1)(b)**) omitted (6.4.2014) by Finance Act 2008 (c. 9), s. 129(4), **Sch. 43 para. 7**; S.I. 2014/906, **art. 2**

*Walking possession agreements*

- 90 (1) This paragraph applies where—
- (a) in accordance with regulations under section 51 of the <sup>M19</sup>Finance Act 1997 (enforcement by distress), a distress is authorised to be levied on the goods and chattels of a person (“the person in default”) who has refused or neglected to pay an amount of levy due from him or an amount recoverable from him as if it were levy; and

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- (b) the person levying the distress and the person in default have entered into a walking possession agreement.
- (2) For the purposes of this paragraph a walking possession agreement is an agreement under which, in consideration of the property distrained upon being allowed to remain in the custody of the person in default and of the delaying of its sale, the person in default—
- (a) acknowledges that the property specified in the agreement is under distraint and held in walking possession; and
- (b) undertakes that, except with the consent of the Commissioners and subject to such conditions as they may impose, he will not remove or allow the removal of any of the specified property from the premises named in the agreement.
- (3) Subject to sub-paragraph (4), if the person in default is in breach of the undertaking contained in a walking possession agreement, he shall be liable to a penalty equal to one half of the levy or other amount referred to in sub-paragraph (1)(a).
- (4) The person in default shall not be liable to a penalty under sub-paragraph (3) if he satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the breach in question.

[<sup>F211</sup>(5) This paragraph extends only to Northern Ireland.]

#### Textual Amendments

**F211** Sch. 6 para. 90(5) substituted (6.4.2014) by [Tribunals, Courts and Enforcement Act 2007 \(c. 15\), s. 148, Sch. 13 para. 137](#) (with s. 89); [S.I. 2014/768, art. 2\(1\)\(b\)](#)

#### Marginal Citations

**M19** 1997 c. 16.

#### *Interpretation etc. of Part VII*

- 91 (1) In this Part of this Schedule “penalty interest” shall be construed in accordance with paragraph 86.
- (2) Any notification of an assessment under any provision of this Part of this Schedule to a person’s representative shall be treated for the purposes of this Schedule as notification to the person in relation to whom the representative acts.
- (3) In this Part of this Schedule “representative”, in relation to any person, means—
- (a) any of that person’s personal representatives;
- (b) that person’s trustee in bankruptcy or liquidator;
- (c) any person holding office as a receiver in relation to that person or any of his property;
- (d) that person’s tax representative or any other person for the time being acting in a representative capacity in relation to that person.
- (4) In this paragraph “trustee in bankruptcy” includes, as respects Scotland—
- [<sup>F212</sup>(a) a trustee or interim trustee in the sequestration, under the Bankruptcy (Scotland) Act 2016, of a person’s estate;] and
- (b) a trustee acting under a trust deed (within the meaning of that Act).

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- [<sup>F213</sup>(5) In relation to cases where, by virtue of regulations under paragraph 41(1)(a)(ii) [<sup>F214</sup>or by virtue of paragraph 45B(8)], a person is liable to account for levy otherwise than by reference to accounting periods, this Part of this Schedule shall have effect as if—
- (a) references to levy due for “an” or “any” accounting period were references simply to levy due;
  - (b) references to levy due for a specified accounting period were references to the levy in question;
  - (c) references to an assessment for a specified accounting period were references to an assessment in respect of the levy in question;
  - (d) any time limit framed by reference to the end of the accounting period for which levy is due were framed by reference to the date on which payment of the levy is due;
  - (e) references to the making of a return for an accounting period were references to the payment of the levy in question;
  - (f) references to the amount shown in such a return were references to the amount of levy paid;
  - (g) paragraph 88(8) and (9) were omitted.]

#### Textual Amendments

**F212** Sch. 6 para. 91(4)(a) substituted (30.11.2016) by [The Bankruptcy \(Scotland\) Act 2016 \(Consequential Provisions and Modifications\) Order 2016 \(S.I. 2016/1034\)](#), art. 1, [Sch. 1 para. 23\(c\)](#)

**F213** Sch. 6 para. 91(5) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [s. 192\(6\)](#)

**F214** Words in Sch. 6 para. 91(5) inserted (with effect in accordance with s. 118(2) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 59 para. 8\(2\)](#)

## PART VIII

### EVASION, MISDECLARATION AND NEGLECT

#### *Criminal offences: Evasion*

- 92 (1) A person is guilty of an offence if he is knowingly concerned in, or in the taking of steps with a view to—
- (a) the fraudulent evasion by that person of any levy with which he is charged; or
  - (b) the fraudulent evasion by any other person of any levy with which that other person is charged.
- (2) The references in sub-paragraph (1) to the evasion of levy include references to obtaining, in circumstances where there is no entitlement to it, either a tax credit or a repayment of levy.
- (3) A person guilty of an offence under this paragraph shall be liable (subject to sub-paragraph (4))—
- (a) on summary conviction, to a penalty of [<sup>F215</sup>the statutory maximum][<sup>F215</sup>£20,000] or to imprisonment for a term not exceeding six months, or to both;
  - (b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding seven years, or to both.

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- (4) In the case of any offence under this paragraph, where [<sup>F216</sup>the statutory maximum][<sup>F216</sup>the amount of £20,000 mentioned in sub-paragraph (3)(a)] is less than three times the sum of the amounts of levy which are shown to be amounts that were or were intended to be evaded, the penalty on summary conviction shall be the amount equal to three times that sum (instead of [<sup>F216</sup>the statutory maximum][<sup>F216</sup>the amount of £20,000 mentioned in sub-paragraph (3)(a)]).
- (5) For the purposes of sub-paragraph (4) the amounts of levy that were or were intended to be evaded shall be taken to include—
- (a) the amount of any tax credit, and
  - (b) the amount of any repayment of levy,
- which was, or was intended to be, obtained in circumstances where there was no entitlement to it.
- (6) In determining for the purposes of sub-paragraph (4) how much levy (in addition to any amount falling within sub-paragraph (5)) was or was intended to be evaded, no account shall be taken of the extent (if any) to which any liability to levy of any person fell, or would have fallen, to be reduced by the amount of any tax credit or repayment of levy to which he was, or would have been, entitled.

#### Textual Amendments

**F215** Sum in Sch. 6 para. 92(3)(a) substituted for words (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 11\(2\)\(a\)](#) (with reg. 5(1))

**F216** Words in Sch. 6 para. 92(4) substituted (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 11\(2\)\(b\)](#) (with reg. 5(1))

#### *Criminal offences: Misstatements*

- 93 (1) A person is guilty of an offence if, with the requisite intent and for purposes connected with the levy—
- (a) he produces or provides, or causes to be produced or provided, any document which is false in a material particular, or
  - (b) he otherwise makes use of such a document;
- and in this sub-paragraph “the requisite intent” means the intent to deceive any person or to secure that a machine will respond to the document as if it were a true document.
- (2) A person is guilty of an offence if, in providing any information under any provision made by or under this Schedule—
- (a) he makes a statement which he knows to be false in a material particular; or
  - (b) he recklessly makes a statement which is false in a material particular.
- (3) A person guilty of an offence under this paragraph shall be liable (subject to sub-paragraph (4))—
- (a) on summary conviction, to a penalty of [<sup>F217</sup>the statutory maximum][<sup>F217</sup>£20,000] or to imprisonment for a term not exceeding six months, or to both;

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- (b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding seven years, or to both.
- (4) In the case of any offence under this paragraph, where—
- (a) the document referred to in sub-paragraph (1) is a return [<sup>F218</sup>or other notification] required under any provision made by or under this Schedule, or
- (b) the information referred to in sub-paragraph (2) is contained in or otherwise relevant to such a return [<sup>F219</sup>or notification],
- the amount of the penalty on summary conviction shall be whichever is the greater of [<sup>F220</sup>the statutory maximum][<sup>F220</sup>the amount of £20,000 mentioned in sub-paragraph (3)(a)] and the amount equal to three times the sum of the amounts (if any) by which the return [<sup>F221</sup>or notification] understates any person's liability to levy.
- (5) In sub-paragraph (4) the reference to the amount by which any person's liability to levy is understated shall be taken to be equal to the sum of—
- (a) the amount (if any) by which his gross liability was understated; and
- (b) the amount (if any) by which any entitlements of his to tax credits and repayments of levy were overstated.
- (6) In sub-paragraph (5) “gross liability” means liability to levy before any deduction is made in respect of any entitlement to any tax credit or repayments of levy.

#### Textual Amendments

- F217** Sum in Sch. 6 para. 93(3)(a) substituted for words (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 11\(3\)\(a\)](#) (with reg. 5(1))
- F218** Words in Sch. 6 para. 93(4)(a) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), s. 192(7)(a)
- F219** Words in Sch. 6 para. 93(4)(b) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), s. 192(7)(b)
- F220** Words in Sch. 6 para. 93(4) substituted (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 11\(3\)\(b\)](#) (with reg. 5(1))
- F221** Words in Sch. 6 para. 93(4) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), s. 192(7)(b)

#### *Criminal offences: Conduct involving evasions or misstatements*

- 94 (1) A person is guilty of an offence under this paragraph if his conduct during any particular period must have involved the commission by him of one or more offences under the preceding provisions of this Part of this Schedule.
- (2) For the purposes of any proceedings for an offence under this paragraph it shall be immaterial whether the particulars of the offence or offences that must have been committed are known.
- (3) A person guilty of an offence under this paragraph shall be liable (subject to sub-paragraph (4))—
- (a) on summary conviction, to a penalty of [<sup>F222</sup>the statutory maximum][<sup>F222</sup>£20,000] or to imprisonment for a term not exceeding six months, or to both;
- (b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding seven years, or to both.

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- (4) In the case of any offence under this paragraph, where [<sup>F223</sup>the statutory maximum][<sup>F223</sup>the amount of £20,000 mentioned in sub-paragraph (3)(a)] is less than three times the sum of the amounts of levy which are shown to be amounts that were or were intended to be evaded by the conduct in question, the penalty on summary conviction shall be the amount equal to three times that sum (instead of [<sup>F223</sup>the statutory maximum][<sup>F223</sup>the amount of £20,000 mentioned in sub-paragraph (3)(a)]).
- (5) For the purposes of sub-paragraph (4) the amounts of levy that were or were intended to be evaded by any conduct shall be taken to include—
- (a) the amount of any tax credit, and
  - (b) the amount of any repayment of levy,
- which was, or was intended to be, obtained in circumstances where there was no entitlement to it.
- (6) In determining for the purposes of sub-paragraph (4) how much levy (in addition to any amount falling within sub-paragraph (5)) was or was intended to be evaded, no account shall be taken of the extent (if any) to which any liability to levy of any person fell, or would have fallen, to be reduced by the amount of any tax credit or repayments of levy to which he was, or would have been, entitled.

#### Textual Amendments

- F222** Sum in Sch. 6 para. 94(3)(a) substituted for words (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), **Sch. 2 para. 11(4)(a)** (with reg. 5(1))
- F223** Words in Sch. 6 para. 94(4) substituted (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), **Sch. 2 para. 11(4)(b)** (with reg. 5(1))

#### *Criminal offences: Preparations for evasion*

- 95 (1) Where a person—
- (a) becomes a party to any agreement under or by means of which a supply of a taxable commodity is or is to be made, or
  - (b) makes arrangements for any other person to become a party to such an agreement,
- he is guilty of an offence if he does so in the belief that levy chargeable on the supply will be evaded.
- (2) Subject to sub-paragraph (3), a person guilty of an offence under this paragraph shall be liable, on summary conviction, to a penalty of [<sup>F224</sup>level 5 on the standard scale][<sup>F224</sup>£20,000].
- (3) In the case of any offence under this paragraph, where [<sup>F225</sup>level 5 on the standard scale][<sup>F225</sup>the amount of £20,000 mentioned in sub-paragraph (2)] is less than three times the sum of the amounts of levy which are shown to be amounts that were or were intended to be evaded in respect of the supply in question, the penalty shall be the amount equal to three times that sum (instead of [<sup>F225</sup>level 5 on the standard scale][<sup>F225</sup>the amount of £20,000 mentioned in sub-paragraph (2)]).

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- (4) For the purposes of sub-paragraph (3) the amounts of levy that were or were intended to be evaded shall be taken to include—
  - (a) the amount of any tax credit, and
  - (b) the amount of any repayment of levy,
 which was, or was intended to be, obtained in circumstances where there was no entitlement to it.
- (5) In determining for the purposes of sub-paragraph (3) how much levy (in addition to any amount falling within sub-paragraph (4)) was or was intended to be evaded, no account shall be taken of the extent (if any) to which any liability to levy of any person fell, or would have fallen, to be reduced by the amount of any tax credit or repayments of levy to which he was, or would have been, entitled.

**Textual Amendments**

**F224** Sum in Sch. 6 para. 95(2) substituted for words (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), **Sch. 2 para. 11(5)(a)** (with reg. 5(1))

**F225** Words in Sch. 6 para. 95(3) substituted (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), **Sch. 2 para. 11(5)(b)** (with reg. 5(1))

*Offences under paragraphs 92 to 95: procedural matters*

96 Sections 145 to 155 of the Customs and Excise Management Act 1979 (proceedings for offences, mitigation of penalties and certain other matters) shall apply in relation to offences and penalties under paragraphs 92 to 95 as they apply in relation to offences and penalties under the customs and excise Acts.

*Arrest for offences under paragraphs 92 to 94*

F226<sup>97</sup> .....

**Textual Amendments**

**F226** Sch. 6 para. 97 repealed (1.12.2007) by [Finance Act 2007 \(c. 11\)](#), s. 84(4)(5), [Sch. 22 para. 11\(a\)](#), **Sch. 27 Pt. 5(1)**; [S.I. 2007/3166](#), art. 3(a)

*Civil penalties: Evasion*

F227<sup>98</sup> .....

**Textual Amendments**

**F227** Sch. 6 paras. 98-100 omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 21(h)** (with savings in relation to paras. 98, 99 by [The Finance Act 2008, Schedule 41 \(Appointed Day and Transitional Provisions\) Order 2009 \(S.I. 2009/511\)](#), art. 4(d)); [S.I. 2009/571](#), art. 2 (with art. 6)



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*Liability of directors etc. for penalties under paragraph 98*

F227<sup>99</sup> .....

**Textual Amendments**

**F227** Sch. 6 paras. 98-100 omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\), s. 122\(2\)](#), [Sch. 40 para. 21\(h\)](#) (with savings in relation to paras. 98, 99 by The Finance Act 2008, Schedule 41 (Appointed Day and Transitional Provisions) Order 2009 ([S.I. 2009/511](#), art. 4(d)); [S.I. 2009/571](#), art. 2 (with art. 6)

*Civil penalties: Misdeclaration or neglect*

F227<sup>100</sup> .....

**Textual Amendments**

**F227** Sch. 6 paras. 98-100 omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\), s. 122\(2\)](#), [Sch. 40 para. 21\(h\)](#) (with savings in relation to paras. 98, 99 by The Finance Act 2008, Schedule 41 (Appointed Day and Transitional Provisions) Order 2009 ([S.I. 2009/511](#), art. 4(d)); [S.I. 2009/571](#), art. 2 (with art. 6)

*Civil penalties: Incorrect notifications etc.*

101<sup>F228</sup>(1) .....

(2) Where—

(a) a person gives, in relation to any supply (or supplies) of a taxable commodity (or taxable commodities) being made to him, to the supplier a certificate that the supply (or supplies) is (or are) to any extent—

(i) for domestic or charity use,

(ii) exempt under any of paragraphs [<sup>F229</sup>11,] 12, [<sup>F230</sup>12A,] 13, 14, [<sup>F231</sup>15, 18 <sup>F232</sup>... and 21,] <sup>F233</sup>... [<sup>F234</sup>or]

<sup>F235</sup>(iii) .....

<sup>F236</sup>(iii a) .....

[<sup>F237</sup>(iv) a reduced-rate supply (or reduced-rate supplies),]

and

(b) the certificate is [<sup>F238</sup>(or becomes)] incorrect,  
the person shall be liable to a penalty.

(3) The amount of the penalty to which a person is liable under [<sup>F239</sup>this paragraph] shall be equal to 105 per cent. of the difference between—

(a) the amount of levy (which may be nil) that would have been chargeable on the supply (or supplies) if the <sup>F240</sup>... certificate had been correct, and

(b) the amount of levy actually chargeable.

(4) The giving of a [<sup>F241</sup>certificate (or not revoking or varying it)] shall not give rise to a penalty under this paragraph if [<sup>F242</sup>the person concerned] satisfies the Commissioners or, on appeal, an appeal tribunal that [<sup>F243</sup>the person has a reasonable excuse].

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- (5) Where by reason of giving a [<sup>F244</sup>certificate (or not revoking or varying it)] —
- (a) a person is convicted of an offence (whether under this Act or otherwise), or
  - (b) a person is assessed to a penalty under paragraph 98,
- that person shall not by reason of [<sup>F245</sup>that] be liable also to a penalty under this paragraph.

#### Textual Amendments

- F228** Sch. 6 para. 101(1) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(2\)](#), [Sch. 27 Pt. 1\(2\)](#)
- F229** Word in Sch. 6 para. 101(2) inserted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(3\)\(a\)](#)
- F230** Word in [Sch. 6 para. 101\(2\)\(a\)\(ii\)](#) inserted (with effect in accordance with Sch. 20 para. 10(2)(3) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 20 paras. 7\(a\)](#), 10(1)
- F231** Words in Sch. 6 para. 101(2)(a)(ii) substituted (24.7.2002 with application as mentioned in [s. 127\(2\)](#) of the amending Act) by [2002 c. 23](#), [s. 127\(1\)\(a\)\(2\)](#)
- F232** Word in Sch. 6 para. 101(2)(a)(ii) omitted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 30 para. 14\(a\)](#)
- F233** Word in Sch. 6 para. 101(2)(a) omitted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 30 para. 14\(b\)](#)
- F234** Word in [Sch. 6 para. 101\(2\)\(a\)](#) inserted (with effect in accordance with Sch. 20 para. 10(2)(3) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 20 paras. 7\(b\)](#), 10(1)
- F235** Sch. 6 para. 101(2)(a)(iii) repealed (1.11.2007) by [Finance Act 2006 \(c. 25\)](#), [s. 172\(14\)\(b\)\(16\)](#), [Sch. 26 Pt. 8\(1\)](#); [S.I. 2007/2901](#), [art. 2\(1\)](#) (with [art. 2\(2\)-\(4\)](#))
- F236** [Sch. 6 para. 101\(2\)\(a\)\(iiia\)](#) omitted (with effect in accordance with Sch. 20 para. 10(2)(3) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 20 paras. 7\(c\)](#), 10(1)
- F237** Sch. 6 para. 101(2)(a)(iv) and word preceding it inserted (24.7.2002 with application as mentioned in [s. 127\(2\)](#) of the amending Act) by [2002 c. 23](#), [s. 127\(1\)\(b\)\(2\)](#)
- F238** Words in Sch. 6 para. 101(2) inserted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(3\)\(b\)](#)
- F239** Words in Sch. 6 para. 101(3) substituted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(4\)\(a\)](#)
- F240** Words in Sch. 6 para. 101(3) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(4\)\(b\)](#), [Sch. 27 Pt. 1\(2\)](#)
- F241** Words in Sch. 6 para. 101(4) substituted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(5\)\(a\)](#)
- F242** Words in Sch. 6 para. 101(4) substituted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(5\)\(b\)](#)
- F243** Words in Sch. 6 para. 101(4) substituted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(5\)\(c\)](#)
- F244** Words in Sch. 6 para. 101(5) substituted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(6\)\(a\)](#)
- F245** Word in Sch. 6 para. 101(5) substituted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 2 para. 12\(6\)\(b\)](#)

#### Interpretation of Part VIII

- 102 (1) References in this Part of this Schedule to obtaining a tax credit are references to bringing an amount into account as a tax credit for the purposes of levy on the basis that that amount is an amount which may be so brought into account in accordance with tax credit regulations.
- (2) References in this Part of this Schedule to obtaining a repayment of levy are references to obtaining either—
- (a) the payment or repayment of any amount, or
  - (b) the acknowledgement of a right to receive any amount,
- on the basis that that amount is the amount of a repayment of levy to which there is an entitlement.

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## PART IX

### CIVIL PENALTIES

#### *Preliminary*

- 103 (1) In this Part of this Schedule “civil penalty” means any penalty liability to which—
- (a) is imposed by or under this Schedule, and
  - (b) arises otherwise than in consequence of a person’s conviction for a criminal offence.
- (2) In this Part of this Schedule—
- (a) references to a person’s being liable to a civil penalty include references to his being a person from whom the whole or any part of a civil penalty is recoverable by virtue of paragraph 99; and
  - (b) references, in relation to a person from whom the whole or any part of a civil penalty is so recoverable, to the penalty to which he is liable are references to so much of the penalty as is recoverable from him.
- (3) Any notification of an assessment under any provision of this Part of this Schedule to a person’s representative shall be treated for the purposes of this Schedule as notification to the person in relation to whom the representative acts.
- (4) In this paragraph “representative”, in relation to any person, means—
- (a) any of that person’s personal representatives;
  - (b) that person’s trustee in bankruptcy or liquidator;
  - (c) any person holding office as a receiver in relation to that person or any of his property;
  - (d) that person’s tax representative or any other person for the time being acting in a representative capacity in relation to that person.
- (5) In this paragraph “trustee in bankruptcy” includes, as respects Scotland—
- <sup>[F246]</sup>(a) a trustee or interim trustee in the sequestration, under the Bankruptcy (Scotland) Act 2016, of a person’s estate;] and
  - (b) a trustee acting under a trust deed (within the meaning of that Act).

#### **Textual Amendments**

**F246** Sch. 6 para. 103(5)(a) substituted (30.11.2016) by [The Bankruptcy \(Scotland\) Act 2016 \(Consequential Provisions and Modifications\) Order 2016 \(S.I. 2016/1034\)](#), art. 1, [Sch. 1 para. 23\(d\)](#)

#### *Reduction of penalties*

- 104 (1) Where a person is liable to a civil penalty—
- (a) the Commissioners or, on appeal, an appeal tribunal may reduce the penalty to such amount (including nil) as they think proper; but
  - (b) on an appeal relating to any penalty reduced by the Commissioners, an appeal tribunal may cancel the whole or any part of the Commissioners’ reduction.

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- (2) In determining whether a civil penalty should be, or should have been, reduced under sub-paragraph (1), no account shall be taken of any of the following matters, that is to say—
- (a) the insufficiency of the funds available to any person for paying any levy due or for paying the amount of the penalty;
  - (b) the fact that there has, in the case in question or in that case taken with any other cases, been no or no significant loss of levy;
  - (c) the fact that the person liable to the penalty or a person acting on his behalf has acted in good faith.

*Matters not amounting to reasonable excuse*

- 105 For the purposes of any provision made by or under this Schedule under which liability to a civil penalty does not arise in respect of conduct for which there is shown to be a reasonable excuse—
- (a) an insufficiency of funds available for paying any amount is not a reasonable excuse; and
  - (b) where reliance has been placed on any other person to perform any task, neither the fact of that reliance nor any conduct of the person relied upon is a reasonable excuse.

*Assessments to penalties etc.*

- 106 (1) Where a person is liable to a civil penalty, the Commissioners may assess the amount due by way of penalty and notify it to him accordingly.
- (2) If, where an assessment has been notified to any person under sub-paragraph (1) or this sub-paragraph, it appears to the Commissioners that the amount which ought to have been assessed exceeds the amount that has already been assessed, the Commissioners may make a supplementary assessment of the amount of the excess and shall notify that person accordingly.
- (3) The fact that any conduct giving rise to a civil penalty may have ceased before an assessment is made under this paragraph shall not affect the power of the Commissioners to make such an assessment.
- (4) Where an amount has been assessed and notified to any person under this paragraph, it shall be recoverable as if it were levy due from him.
- (5) Sub-paragraph (4)—
- (a) shall not apply so as to require any interest to be payable on a penalty otherwise than in accordance with this Part of this Schedule; and
  - (b) shall not have effect if, or to the extent that, the assessment in question has been withdrawn or reduced.
- (6) Subject to sub-paragraph (7), where a person—
- (a) is assessed under this paragraph to an amount due by way of a penalty, and
  - (b) is also assessed under any one or more provisions of Part VII of this Schedule for an accounting period to which the conduct attracting the penalty is referable,
- the assessments may be combined and notified to him as one assessment.

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- (7) A notice of a combined assessment under sub-paragraph (6) must separately identify the penalty being assessed.
- (8) The power to make an assessment under this paragraph is subject to paragraph 99(4).

*Further assessments to daily penalties*

- 107 (1) This paragraph applies where an assessment is made under paragraph 106 to an amount of a civil penalty to which any person is liable—
- (a) under paragraph 124(3) (failure to provide information); or
  - (b) under paragraph 127(4) (failure to produce a document).
- (2) The notice of assessment shall specify a time, not later than the end of the day of the giving of the notice of assessment, to which the amount of any daily penalty is calculated.
- (3) For the purposes of sub-paragraph (2) “daily penalty” means—
- (a) in a case within sub-paragraph (1)(a), a penalty imposed by virtue of paragraph 124(3)(b); and
  - (b) in a case within sub-paragraph (1)(b), a penalty imposed by virtue of paragraph 127(4)(b).
- (4) If further penalties accrue in respect of a continuing failure after that date to provide the information or, as the case may be, produce the document, a further assessment or further assessments may be made under paragraph 106 in respect of the amounts so accruing.
- (5) Where—
- (a) an assessment to a civil penalty is made specifying a date for the purposes of sub-paragraph (2), and
  - (b) the failure in question is remedied within such period as may for the purposes of this sub-paragraph have been notified by the Commissioners to the person liable for the penalty,
- the failure shall be deemed for the purposes of any further liability to civil penalties to have been remedied on the specified date.

*Time limits on penalty assessments*

- 108 (1) Subject to sub-paragraphs (2) and (3), an assessment under paragraph 106 to a penalty shall not be made more than [<sup>F247</sup>4 years] after the conduct to which the penalty relates.
- [<sup>F248</sup>(2) An assessment of a person to a penalty in a case involving a loss of levy—
- (a) brought about deliberately by the person (or by another person acting on that person's behalf), or
  - (b) attributable to a failure by the person to comply with an obligation under paragraph 53 or 55,
- may be made at any time not more than 20 years after the conduct to which the penalty relates (subject to sub-paragraph (3)).
- (2A) In sub-paragraph (2)(a) the reference to a loss brought about deliberately by the person includes a loss brought about as a result of a deliberate inaccuracy in a

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document given to Her Majesty's Revenue and Customs by or on behalf of that person.]

- (3) Where, after a person's death, the Commissioners propose to assess an amount of a civil penalty due by reason of some conduct of the deceased—
- (a) the assessment shall not be made more than [<sup>F249</sup>4 years] after the death; <sup>F250</sup> ...
- <sup>F250</sup>(b) .....

#### Textual Amendments

- F247** Words in Sch. 6 para. 108(1) substituted (1.4.2010) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 36\(2\)](#); [S.I. 2010/867, art. 2\(1\)](#) (with [art. 21](#))
- F248** Sch. 6 para. 108(2)(2A) substituted for Sch. 6 para. 108(2) (1.4.2010) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 36\(3\)](#); [S.I. 2010/867, art. 2\(1\)](#) (with [art. 22](#))
- F249** Words in Sch. 6 para. 108(3)(a) substituted (1.4.2010) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 36\(4\)\(a\)](#); [S.I. 2010/867, art. 2\(1\)](#) (with [art. 23](#))
- F250** Sch. 6 para. 108(3)(b) and word omitted (1.4.2010) by virtue of [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 36\(4\)\(b\)](#); [S.I. 2010/867, art. 2\(1\)](#) (with [art. 23](#))

#### *Penalty interest on unpaid penalties*

- 109 (1) Subject to sub-paragraph (2), where the Commissioners make an assessment under paragraph 106 of any civil penalty to which a person is liable the amount of that penalty shall carry penalty interest for the period which—
- (a) begins with the day on which the assessment is notified to the person on whom the assessment is made; and
- (b) ends with the day before the day on which the assessed penalty is paid.
- (2) Where—
- (a) the Commissioners make an assessment under paragraph 106 of an amount of any civil penalty to which any person is liable,
- (b) they also specify a date for the purposes of this sub-paragraph, and
- (c) the amount of the penalty assessed is paid on or before that date,
- the amount paid before that date shall not carry penalty interest under this paragraph.
- (3) Penalty interest under this paragraph shall be compound interest calculated—
- (a) at the penalty rate, and
- (b) with monthly rests.
- (4) For this purpose the penalty rate is the rate found by—
- (a) taking the rate applicable under section 197 of the <sup>M20</sup>Finance Act 1996 for the purposes of paragraph 81(3); and
- (b) adding 10 percentage points to that rate.
- (5) Where a person is liable under this paragraph to pay any penalty interest, the Commissioners or, on appeal, an appeal tribunal may reduce the amount payable to such amount (including nil) as they think proper.
- (6) Subject to sub-paragraph (7), where the person concerned satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for

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the conduct giving rise to the liability to pay penalty interest, that is a matter which (among other things) may be taken into account under sub-paragraph (5).

- (7) In determining whether there is a reasonable excuse for the purposes of sub-paragraph (6), no account shall be taken of any of the following matters, that is to say—
- (a) the insufficiency of the funds available to any person for paying any levy or penalty due or for paying the amount of the interest;
  - (b) the fact that there has, in the case in question or in that case taken with any other cases, been no or no significant loss of levy;
  - (c) the fact that the person liable to pay the interest or a person acting on his behalf has acted in good faith.
- (8) In the case of interest reduced by the Commissioners under sub-paragraph (5), an appeal tribunal, on an appeal relating to the interest, may cancel the whole or any part of the reduction made by the Commissioners.

#### **Marginal Citations**

**M20** 1996 c. 8.

#### *Supplemental provisions about interest*

- 110 (1) Interest under paragraph 109 shall be paid without any deduction of income tax.
- (2) Sub-paragraph (3) applies where—
- (a) an amount carries interest under paragraph 109 (or would do so apart from that sub-paragraph); and
  - (b) all or part of the amount turns out not to be due.
- (3) In such a case—
- (a) the amount or part that turns out not to be due shall not carry interest under paragraph 109 and shall be treated as never having done so; and
  - (b) all such adjustments as are reasonable shall be made, including (subject to paragraphs 64 to 76) adjustments by way of repayment.

#### *Assessments to penalty interest on unpaid penalties*

- 111 (1) Where a person is liable for interest under paragraph 109, the Commissioners may assess the amount due by way of interest and notify it to him accordingly.
- (2) If, where an assessment has been notified to any person under sub-paragraph (1) or this sub-paragraph, it appears to the Commissioners that the amount which ought to have been assessed exceeds the amount that has already been assessed, the Commissioners may make a supplementary assessment of the amount of the excess and notify that person accordingly.
- (3) Where an amount has been assessed and notified to any person under this paragraph, it shall be recoverable as if it were levy due from him.
- (4) Sub-paragraph (3)—

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- (a) shall not apply so as to require any interest to be payable on interest (except in so far as it falls to be compounded in accordance with paragraph 109(3)); and
  - (b) shall not have effect if, or to the extent that, the assessment in question has been withdrawn or reduced.
- (5) Paragraph 108 shall apply in relation to assessments under this paragraph as if any assessment to interest on a penalty were an assessment under paragraph 106 to the penalty in question.
- (6) Subject to sub-paragraph (7), where a person—
- (a) is assessed under this paragraph to an amount due by way of any interest on a penalty, and
  - (b) is also assessed under any one or more provisions of Part VII of this Schedule for the accounting period to which the conduct attracting the penalty is referable,
- the assessments may be combined and notified to him as one assessment.
- (7) A notice of a combined assessment under sub-paragraph (6) must separately identify the interest being assessed.

*Further assessments to interest on penalties*

- 112 (1) Where an assessment is made under paragraph 111 to an amount of penalty interest under paragraph 109—
- (a) the notice of assessment shall specify a date, not later than the date of the notice of assessment, to which the amount of interest which is assessed is calculated; and
  - (b) if the interest continues to accrue after that date, a further assessment or further assessments may be made under paragraph 111 in respect of the amounts so accruing.
- (2) Where—
- (a) an assessment to penalty interest is made specifying a date for the purposes of sub-paragraph (1)(a), and
  - (b) within such period as may for the purposes of this sub-paragraph have been notified by the Commissioners to the person liable for the interest, the amount on which the interest is payable is paid,
- that amount shall be deemed for the purposes of any further liability to interest to have been paid on the specified date.

*Up-rating of amounts of penalties*

- 113 (1) If it appears to the Treasury that there has been a change in the value of money since the time when the amount of a civil penalty provided for by this Schedule was fixed, they may by regulations substitute, for the amount for the time being specified as the amount of that penalty, such other sum as appears to them to be justified by the change.
- (2) In sub-paragraph (1) the reference to the time when the amount of a civil penalty was fixed is a reference—



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- (a) in the case of a penalty which has not previously been modified under that sub-paragraph, to the time of the passing of this Act; and
  - (b) in any other case, to the time of the making of the regulations under that sub-paragraph that made the most recent modification of the amount of that penalty.
- (3) Regulations under sub-paragraph (1) shall not apply to the penalty for any conduct before the coming into force of the regulations.

## PART X

### NON-RESIDENTS, GROUPS AND OTHER SPECIAL CASES

#### *Non-resident taxpayers: appointment of tax representatives*

- 114 (1) The Commissioners may by regulations make provision for securing that every non-resident taxpayer has a person resident in the United Kingdom to act as his tax representative for the purposes of the levy.
- (2) Regulations under this paragraph may, in particular, contain any or all of the following—
- (a) provision requiring notification to be given to the Commissioners where a person becomes a non-resident taxpayer;
  - (b) provision requiring the appointment of tax representatives by non-resident taxpayers;
  - (c) provision for the appointment of a person as a tax representative to take effect only where the person appointed is approved by the Commissioners;
  - (d) provision authorising the Commissioners to give a direction requiring the replacement of a tax representative;
  - (e) provision authorising the Commissioners to give a direction requiring a person specified in the direction to be treated as the appointed tax representative of a non-resident taxpayer so specified;
  - (f) provision about the circumstances in which a person ceases to be a tax representative and about the withdrawal by the Commissioners of their approval of a tax representative;
  - (g) provision enabling a tax representative to act on behalf of the person for whom he is the tax representative through an agent of the representative;
  - (h) provision for the purposes of any provision made by virtue of paragraphs (a) to (g) regulating the procedure to be followed in any case and imposing requirements as to the information and other particulars to be provided to the Commissioners;
  - (i) provision as to the time at which things done under or for the purposes of the regulations are to take effect.
- (3) Subject to sub-paragraph (4), a person who—
- (a) becomes subject, in accordance with any regulations under this paragraph, to an obligation to request the Commissioners' approval for any person's appointment as his tax representative, but
  - (b) fails (with or without making the appointment) to make the request as required by the regulations,

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shall be liable to a penalty of £10,000.

- (4) A failure such as is mentioned in sub-paragraph (3) shall not give rise to liability to a penalty under this paragraph if the person concerned satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the failure.

*Effect of appointment of tax representatives*

- 115 (1) The tax representative of a non-resident taxpayer shall be entitled to act on the non-resident taxpayer's behalf for the purposes of any provision made by or under this Schedule.
- (2) The tax representative of a non-resident taxpayer shall be under a duty, except to such extent as the Commissioners by regulations otherwise provide, to secure the non-resident taxpayer's compliance with, and discharge of, the obligations and liabilities to which the non-resident taxpayer is subject by virtue of any provision made by or under this Schedule (including obligations and liabilities arising or incurred before he became the non-resident taxpayer's tax representative).
- (3) A person who is or has been the tax representative of a non-resident taxpayer shall be personally liable—
- (a) in respect of any failure while he is or was the non-resident taxpayer's tax representative to secure compliance with, or the discharge of, any obligation or liability to which sub-paragraph (2) applies, and
  - (b) in respect of anything done in the course of, or for purposes connected with, acting on the non-resident taxpayer's behalf,
- as if the obligations and liabilities to which sub-paragraph (2) applies were imposed jointly and severally on the tax representative and the non-resident taxpayer.
- (4) A tax representative shall not be liable by virtue of this paragraph to be registered for the purposes of the levy; but the Commissioners may by regulations—
- (a) require the names of tax representatives to be registered against the names of the non-resident taxpayers of whom they are the representatives;
  - (b) make provision for the deletion of the names so registered of persons who cease to be tax representatives.
- (5) A tax representative shall not by virtue of this paragraph be guilty of any offence except in so far as—
- (a) he has consented to, or connived in, the commission of the offence by the non-resident taxpayer;
  - (b) the commission of the offence by the non-resident taxpayer is attributable to any neglect on the part of the tax representative; or
  - (c) the offence consists in a contravention by the tax representative of an obligation which, by virtue of this paragraph, is imposed both on the tax representative and on the non-resident taxpayer.

*Groups of companies etc.*

- 116 (1) The Commissioners may make provision by regulations for two or more bodies corporate to be treated as members of a group for the purposes of the Schedule.
- (2) Regulations under sub-paragraph (1) may, in particular, make provision for or about—

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- (a) eligibility for group treatment;
  - (b) representative members of groups;
  - (c) applications for, or the variation or ending of, group treatment;
  - (d) the decisions to be made on applications;
  - (e) the variation or ending of group treatment by notice given by the Commissioners otherwise than on an application;
  - (f) treating a member of a group as charged with levy that would otherwise be levy with which another member of the group would be charged;
  - (g) the members of a group liable for levy, or amounts recoverable as levy, due from a member of a group.
- (3) The provision mentioned in sub-paragraph (2)(c) includes provision—
- (a) about the time within which applications are to be made,
  - (b) for authorising the Commissioners to extend such time, and
  - (c) for applications that seek group treatment, or its variation or ending, with effect from a time before they are made.
- (4) The provision mentioned in sub-paragraph (2)(e) includes provision for a notice to have effect from a time before it is given.
- (5) Regulations under sub-paragraph (1) may make provision for imposing requirements on a body corporate to notify the Commissioners of prescribed matters relating to group treatment.
- (6) A body corporate which fails to comply with any such requirement imposed by such regulations shall be liable to a penalty of £250.

*Partnerships and other unincorporated bodies*

- 117 (1) The Commissioners may by regulations make provision for determining by what persons anything required to be done under this Schedule is to be done where, apart from those regulations, that requirement would fall on—
- (a) persons carrying on business in partnership; or
  - (b) persons carrying on business together as an unincorporated body;
- but any regulations under this sub-paragraph must be construed subject to the following provisions of this paragraph.
- (2) In determining for the purposes of this Schedule who at any time is the person accountable for any levy in a case where, apart from this sub-paragraph, the persons accountable are persons carrying on any business—
- (a) in partnership, or
  - (b) as an unincorporated body,
- the firm or body shall be treated, for the purposes of that determination (and notwithstanding any changes from time to time in the members of the firm or body), as the same person and as separate from its members.
- (3) Without prejudice to section 36 of the <sup>M21</sup>Partnership Act 1890 (rights of persons dealing with firm against apparent members of firm), where—
- (a) persons have been carrying on in partnership any business in the course or furtherance of which there has been done any thing that resulted in the firm becoming liable to account for any levy, and
  - (b) a person ceases to be a member of the firm,

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that person shall be regarded for the purposes of this Schedule (including sub-paragraph (7) below) as continuing to be a partner until the date on which the change in the partnership is notified to the Commissioners.

- (4) Where a person ceases to be a member of a firm during an accounting period (or is treated as so ceasing by virtue of sub-paragraph (3)) any notice, whether of assessment or otherwise, which—
- (a) is served on the firm under or for the purposes of any provision made by or under this Schedule, and
  - (b) relates to, or to any matter arising in, that period or any earlier period during the whole or part of which he was a member of the firm,
- shall be treated as served also on him.
- (5) Without prejudice to section 16 of the <sup>M22</sup>Partnership Act 1890 (notice to acting partner to be notice to the firm), any notice, whether of assessment or otherwise, which—
- (a) is addressed to a firm by the name in which it is registered, and
  - (b) is served in accordance with this Schedule,
- shall be treated for the purposes of this Schedule as served on the firm and, accordingly, where sub-paragraph (4) applies, as served also on the former partner.
- (6) Subject to sub-paragraph (7), nothing in this paragraph shall affect the extent to which, under section 9 of the Partnership Act 1890 (liability of partners for debts of the firm), a partner is liable for levy owed by the firm.
- (7) Where a person is a partner in a firm during part only of an accounting period, his personal liability for levy incurred by the firm in respect of taxable supplies made in that period shall include, but shall not exceed, such proportion of the firm's liability as may be just and reasonable in the circumstances.

#### Marginal Citations

M21 1890 c. 39.

M22 1890 c. 39.

#### *Death and incapacity*

- 118 (1) The Commissioners may, in accordance with sub-paragraph (2), by regulations make provision for the purposes of the levy in relation to cases where a person carries on a business of an individual who has died or become incapacitated.
- (2) The provisions that may be contained in regulations under this paragraph are—
- (a) provision requiring the person who is carrying on the business to inform the Commissioners of the fact that he is carrying on the business and of the event that has led to his carrying it on;
  - (b) provision allowing that person to be treated for a limited time as if he and the person who has died or become incapacitated were the same person; and
  - (c) such other provision as the Commissioners think fit for securing continuity in the application of this Schedule where a person is so treated.

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*Transfer of a business as a going concern*

- 119 (1) The Commissioners may by regulations make provision for securing continuity in the application of this Schedule in cases where any business carried on by a person is transferred to another person as a going concern.
- (2) Regulations under this paragraph may, in particular, include any or all of the following—
- (a) provision requiring the transferor to inform the Commissioners of the transfer;
  - (b) provision for liabilities and duties under this Schedule of the transferor to become, to such extent as may be provided by the regulations, liabilities and duties of the transferee;
  - (c) provision for any right of either of them to a tax credit or repayment of levy to be satisfied by allowing the credit or making the repayment to the other;
  - (d) provision as to the preservation of any records or accounts relating to the business which, by virtue of any regulations under paragraph 125, are required to be preserved for any period after the transfer.
- (3) Regulations under this paragraph may provide that no such provision as is mentioned in paragraph (b) or (c) of sub-paragraph (2) shall have effect in relation to any transferor and transferee unless an application for the purpose has been made by them under the regulations.

*Insolvency etc.*

- 120 (1) The Commissioners may by regulations make provision in accordance with the following provisions of this paragraph for the application of this Schedule in cases in which an insolvency procedure is applied to a person or to a deceased individual's estate.

In this paragraph “the relevant person” means the person to whom, or the deceased individual to whose estate, the insolvency procedure is applied.

- (2) The provision that may be contained in regulations under this paragraph may include any or all of the following—
- (a) provision requiring any such person as may be prescribed to give notification to the Commissioners, in the prescribed manner, of the prescribed particulars of any relevant matter;
  - (b) provision requiring a person to be treated, to the prescribed extent, as if he were the same person as the relevant person for the purposes of this Schedule or such of its provisions as may be prescribed; and
  - (c) provision for securing continuity in the application of any of the provisions of this Schedule where, by virtue of any regulations under this paragraph, any person is treated as if he were the same person as the relevant person.
- (3) In sub-paragraph (2) “relevant matter”, in relation to a case in which an insolvency procedure is applied to any person or to any deceased individual's estate, means—
- (a) the application of that procedure to that person or estate;
  - (b) the appointment of any person for the purposes of the application of that procedure;
  - (c) any other matter relating to—

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- (i) the application of that procedure to the person to whom, or the estate to which, it is applied;
  - (ii) the holding of an appointment made for the purposes of that procedure; or
  - (iii) the exercise or discharge of any powers or duties conferred or imposed on any person by virtue of such an appointment.
- (4) Regulations made by virtue of sub-paragraph (2)(b) may include provision for a person to cease to be treated as if he were the same person as the relevant person on the occurrence of such an event as may be prescribed.
- (5) Regulations under this paragraph prescribing the manner in which any notification is to be given to the Commissioners may require it to be given in such manner and to contain such particulars as may be specified in a general notice published by the Commissioners in accordance with the regulations.
- (6) Regulations under this paragraph may provide that the extent to which, and the purposes for which, a person is to be treated under the regulations as if he were the same person as the relevant person may be determined by reference to a notice given in accordance with the regulations to the person so treated.
- (7) For the purposes of this paragraph, an insolvency procedure is applied to a person if—
  - (a) a bankruptcy order, winding-up order or administration order is made [<sup>F251</sup>or an administrator is appointed] in relation to that person or a partnership of which he is a member;
  - (b) an award of sequestration is made on that person's estate or on the estate of a partnership of which he is a member;
  - (c) that person is put into administrative receivership;
  - (d) that person passes a resolution for voluntary winding up;
  - (e) any voluntary arrangement approved in accordance with—
    - (i) Part I or VIII of the <sup>M23</sup>Insolvency Act 1986, or
    - (ii) Part II or Chapter II of Part VIII of the <sup>M24</sup>Insolvency (Northern Ireland) Order 1989,
 comes into force in relation to that person or a partnership of which that person is a member;
  - (f) a deed of arrangement registered in accordance with—
    - <sup>F252</sup>(i) . . . . .
    - (ii) Chapter I of Part VIII of that Order,
 takes effect in relation to that person;
  - (g) a person is appointed as the receiver or manager of some or all of that person's property, or of income arising from some or all of his property;
  - (h) a person is appointed as the interim receiver of some or all of that person's property under section 286 of the Insolvency Act 1986 or Article 259 of the Insolvency (Northern Ireland) Order 1989;
  - (i) a person is appointed as the provisional liquidator in relation to that person under section 135 of that Act or Article 115 of that Order;
  - (j) an interim order is made under Part VIII of that Act, or Chapter II of Part VIII of that Order, in relation to that person; or

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- (k) that person's estate, or the estate of a partnership of which that person is a member, becomes vested in any other person as that person's, or the partnership's, trustee under a trust deed (within the meaning of the Bankruptcy (Scotland) Act [<sup>F253</sup>2016]).
- (8) For the purposes of this paragraph, an insolvency procedure is applied to a deceased individual's estate if—
- (a) a bankruptcy order, or an order by some other name but corresponding to a bankruptcy order, is made after the individual's death in relation to his estate under provisions of—
- (i) the Insolvency Act 1986, or
- (ii) the Insolvency (Northern Ireland) Order 1989,
- as applied to the administration of the insolvent estates of deceased individuals; or
- (b) an award of sequestration is made on the individual's estate after the individual's death.
- (9) In sub-paragraph (7)—
- (a) “administration order” means an administration order under [<sup>F254</sup>Schedule B1 to]<sup>M25</sup>the Insolvency Act 1986 or Article 21 of the Insolvency (Northern Ireland) Order 1989;
- (b) references to a member of a partnership include references to any person who is liable as a partner under section 14 of the <sup>M26</sup>Partnership Act 1890 (persons liable by “holding out”).

#### Textual Amendments

- F251** Words in Sch. 6 para. 120(7)(a) inserted (15.9.2003) by [Enterprise Act 2002 \(Insolvency\) Order 2003 \(S.I. 2003/2096\)](#), art. 1(1), **Sch. para. 33(a)** (with art. 6)
- F252** Sch. 6 para. 120(7)(f)(i) omitted (1.10.2015) by virtue of [Deregulation Act 2015 \(c. 20\)](#), s. 115(7), **Sch. 6 para. 2(14)(b)** (with Sch. 6 para. 3); S.I. 2015/1732, art. 2(e)(i)
- F253** Word in Sch. 6 para. 120(7)(k) substituted (30.11.2016) by [The Bankruptcy \(Scotland\) Act 2016 \(Consequential Provisions and Modifications\) Order 2016 \(S.I. 2016/1034\)](#), art. 1, **Sch. 1 para. 23(e)**
- F254** Words in Sch. 6 para. 120(9) substituted (15.9.2003) by [Enterprise Act 2002 \(Insolvency\) Order 2003 \(S.I. 2003/2096\)](#), art. 1(1), **Sch. para. 33(b)** (with art. 6)

#### Marginal Citations

- M23** 1986 c. 45.
- M24** S.I. 1989/2405 (N.I. 19).
- M25** S.I. 1989/2405 (N.I. 19.).
- M26** 1890 c. 39.

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## PART XI

### REVIEW AND APPEAL

#### [<sup>F255</sup>Appeals]

#### Textual Amendments

**F255** Sch. 6 para. 121 cross-heading substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 288(2)** (with Sch. 3 paras. 2-4)

- 121 (1) [<sup>F256</sup>Subject to paragraph 122, an appeal shall lie to an appeal tribunal from any person who is or will be affected by any decision of HMRC with respect to any of the following matters—]
- (a) whether or not a person is charged in any case with an amount of levy;
  - (b) the amount of levy charged in any case and the time when the charge is to be taken as having arisen;
  - (c) the registration of any person for the purposes of the levy or the cancellation of any registration;
  - (d) the person liable to pay the levy charged in any case, the amount of a person's liability to levy and the time by which he is required to pay an amount of levy;
  - (e) whether to prepare a special utility scheme for a utility;
  - (f) the imposition of a requirement on any person to give security, or further security, under paragraph 139 and the amount and manner of providing any security required under that paragraph;
  - (g) whether or not liability to a penalty or to interest on any amount arises in any person's case under any provision made by or under this Schedule, and the amount of any such liability;
  - (h) any matter the decision as to which is [<sup>F257</sup>appealable] under this paragraph of this Part of this Schedule in accordance with paragraph 99(6) or (7);
  - (i) the extent of any person's entitlement to any tax credit or to a repayment in respect of a tax credit and the extent of any liability of the Commissioners under this Schedule to pay interest on any amount;
  - (j) whether or not any person is required to have a tax representative by virtue of any regulations under paragraph 114;
  - (k) the giving, withdrawal or variation, for the purposes of any such regulations, of any approval or direction with respect to the person who is to act as another's tax representative;
  - (l) the giving, withdrawal or variation of a utility direction under paragraph 151(1);
  - (m) whether a body corporate is to be treated, or is to cease to be treated, as a member of a group, the times at which a body corporate is to be so treated and the body corporate which is, in relation to any time, to be the representative member for a group;
  - (n) any matter not falling within the preceding paragraphs the decision with respect to which is contained in—



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- (i) an assessment under paragraph 78 or 79 in respect of an accounting period in relation to which any return required to be made by virtue of regulations under paragraph 41 has been made, or
- (ii) an assessment under any provision of this Schedule other than paragraph 78 or 79.

F258(2) .....

F258(3) .....

F258(4) .....

F258(5) .....

F258(6) .....

F258(7) .....

F258(8) .....

F258(9) .....

(10) This paragraph has effect subject to paragraph 99(5).

**Textual Amendments**

- F256** Words in Sch. 6 para. 121(1) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 288(3)** (with Sch. 3 paras. 2-4)
- F257** Word in Sch. 6 para. 121(1)(h) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 288(4)** (with Sch. 3 paras. 2-4)
- F258** Sch. 6 para. 121(2)-(9) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 288(5)** (with Sch. 3 paras. 2-4)

*F<sup>259</sup> Offer of review*

**Textual Amendments**

- F259** Sch. 6 paras. 121A-121G and cross-headings inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 289** (with Sch. 3 paras. 2-4)

- 121A (1) HMRC must offer a person (P) a review of a decision that has been notified to P if an appeal lies under paragraph 121 in respect of the decision.
- (2) The offer of the review must be made by notice given to P at the same time as the decision is notified to P.
- (3) This paragraph does not apply to the notification of the conclusions of a review.

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#### *Right to require review*

- 121B (1) Any person (other than P) who has the right of appeal under paragraph 121 against a decision may require HMRC to review that decision if that person has not appealed to the appeal tribunal under paragraph 121G.
- (2) A notification that such a person requires a review must be made within 30 days of that person becoming aware of the decision.

#### *Review by HMRC*

- 121C (1) HMRC must review a decision if—
- (a) they have offered a review of the decision under paragraph 121A, and
  - (b) P notifies HMRC accepting the offer within 30 days from the date of the document containing the notification of the offer.
- (2) But P may not notify acceptance of the offer if P has already appealed to the appeal tribunal under paragraph 121G.
- (3) HMRC must review a decision if a person other than P notifies them under paragraph 121B.
- (4) HMRC shall not review a decision if P, or another person, has appealed to the appeal tribunal under paragraph 121G in respect of the decision.

#### *Extensions of time*

- 121D (1) If under paragraph 121A, HMRC have offered P a review of a decision, HMRC may within the relevant period notify P that the relevant period is extended.
- (2) If under paragraph 121B another person may require HMRC to review a matter, HMRC may within the relevant period notify the other person that the relevant period is extended.
- (3) If notice is given the relevant period is extended to the end of 30 days from—
- (a) the date of the notice, or
  - (b) any other date set out in the notice or a further notice.
- (4) In this paragraph “relevant period” means—
- (a) the period of 30 days referred to in—
    - (i) paragraph 121C(1)(b) (in a case falling within sub-paragraph (1)), or
    - (ii) paragraph 121B(2) (in a case falling within sub-paragraph (2)), or
  - (b) if notice has been given under sub-paragraph (1) or (2), that period as extended (or as most recently extended) in accordance with sub-paragraph (3).

#### *Review out of time*

- 121E (1) This paragraph applies if—
- (a) HMRC have offered a review of a decision under paragraph 121A and P does not accept the offer within the time allowed under paragraph 121C(1)(b) or 121D(3); or
  - (b) a person who requires a review under paragraph 121B does not notify HMRC within the time allowed under that paragraph or paragraph 121D(3).

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- (2) HMRC must review the decision under paragraph 121C if—
  - (a) after the time allowed, P, or the other person, notifies HMRC in writing requesting a review out of time,
  - (b) HMRC are satisfied that P, or the other person, had a reasonable excuse for not accepting the offer or requiring review within the time allowed, and
  - (c) HMRC are satisfied that P, or the other person, made the request without unreasonable delay after the excuse had ceased to apply.
- (3) HMRC shall not review a decision if P, or another person, has appealed to the appeal tribunal under paragraph 121G in respect of the decision.

*Nature of review etc*

- 121F (1) This paragraph applies if HMRC are required to undertake a review under paragraph 121C or 121E.
- (2) The nature and extent of the review are to be such as appear appropriate to HMRC in the circumstances.
  - (3) For the purpose of sub-paragraph (2), HMRC must, in particular, have regard to steps taken before the beginning of the review—
    - (a) by HMRC in reaching the decision, and
    - (b) by any person in seeking to resolve disagreement about the decision.
  - (4) The review must take account of any representations made by P, or the other person, at a stage which gives HMRC a reasonable opportunity to consider them.
  - (5) The review may conclude that the decision is to be—
    - (a) upheld,
    - (b) varied, or
    - (c) cancelled.
  - (6) HMRC must give P, or the other person, notice of the conclusions of the review and their reasoning within—
    - (a) a period of 45 days beginning with the relevant date, or
    - (b) such other period as HMRC and P, or the other person, may agree.
  - (7) In sub-paragraph (6) “relevant date” means—
    - (a) the date HMRC received P’s notification accepting the offer of a review (in a case falling within paragraph 121A), or
    - (b) the date HMRC received notification from another person requiring review (in a case falling within paragraph 121B), or
    - (c) the date on which HMRC decided to undertake the review (in a case falling within paragraph 121E).
  - (8) Where HMRC are required to undertake a review but do not give notice of the conclusions within the time period specified in sub-paragraph (6), the review is to be treated as having concluded that the decision is upheld.
  - (9) If sub-paragraph (8) applies, HMRC must notify P, or the other person of the conclusion which the review is treated as having reached.

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### *Bringing of appeals*

- 121G (1) An appeal under paragraph 121 is to be made to the appeal tribunal before—
- (a) the end of the period of 30 days beginning with—
    - (i) in a case where P is the appellant, the date of the document notifying the decision to which the appeal relates, or
    - (ii) in a case where a person other than P is the appellant, the date that person becomes aware of the decision, or
  - (b) if later, the end of the relevant period (within the meaning of paragraph 121D).
- (2) But that is subject to sub-paragraphs (3) to (5).
- (3) In a case where HMRC are required to undertake a review under paragraph 121C—
- (a) an appeal may not be made until the conclusion date, and
  - (b) any appeal is to be made within the period of 30 days beginning with the conclusion date.
- [<sup>F260</sup>(4) In a case where HMRC are requested to undertake a review by virtue of paragraph 121E—
- (a) an appeal may not be made to an appeal tribunal—
    - (i) unless HMRC have notified P, or the other person, as to whether or not a review will be undertaken, and
    - (ii) if HMRC have notified P, or the other person, that a review will be undertaken, until the conclusion date;
  - (b) any appeal where paragraph (a)(ii) applies is to be made within the period of 30 days beginning with the conclusion date;
  - (c) if HMRC have notified P, or the other person, that a review will not be undertaken, an appeal may be made only if the appeal tribunal gives permission to do so.]
- (5) In a case where paragraph 121F(8) applies, an appeal may be made at any time from the end of the period specified in paragraph 121F(6) to the date 30 days after the conclusion date.
- (6) An appeal may be made after the end of the period specified in sub-paragraph (1), (3)(b), (4)(b) or (5) if the appeal tribunal gives permission to do so.
- (7) In this paragraph “conclusion date” means the date of the document notifying the conclusions of the review.]

#### **Textual Amendments**

**F260** Sch. 6 para. 121G(4) substituted (1.6.2014) by [The Revenue and Customs \(Amendment of Appeal Provisions for Out of Time Reviews\) Order 2014 \(S.I. 2014/1264\)](#), arts. 1(2), 6 (with art. 1(3))

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*[<sup>F261</sup>Appeals: further provisions]*

**Textual Amendments**

**F261** Sch. 6 para. 122 cross-heading substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 290(2)** (with Sch. 3 paras. 2-4)

122<sup>F262</sup>(1) . . . . .

[<sup>F263</sup>(2) Subject to sub-paragraphs (2A) and (2B), where an appeal relates to a decision (whether or not contained in an assessment) that an amount of levy is due from any person, it shall not be entertained unless the amount which HMRC have determined to be due has been paid or deposited with them.]

[<sup>F264</sup>(2A) In a case where the amount determined to be payable as levy has not been paid or deposited an appeal shall be entertained if—

- (a) HMRC are satisfied (on the application of the appellant), or
- (b) the appeal tribunal decides (HMRC not being so satisfied and on the application of the appellant),  
that the requirement to pay or deposit the amount determined would cause the appellant to suffer hardship.

(2B) Notwithstanding the provisions of sections 11 and 13 of the Tribunals, Courts and Enforcement Act 2007, the decision of the appeal tribunal as to the issue of hardship is final.]

(3) On an appeal under this paragraph relating to a penalty under paragraph 98 (evasion), the burden of proof as to the matters specified in paragraphs (a) and (b) of sub-paragraph (1) of that paragraph shall lie upon the Commissioners.

**Textual Amendments**

**F262** Sch. 6 para. 122(1) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 290(3)** (with Sch. 3 paras. 2-4)

**F263** Sch. 6 para. 122(2) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 290(4)** (with Sch. 3 paras. 2-4)

**F264** Sch. 6 para. 122(2A)(2B) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 290(5)** (with Sch. 3 paras. 2-4)

*Determinations on appeal*

123 (1) Where, on an appeal under paragraph [<sup>F265</sup>121]—

- (a) it is found that an assessment of the appellant <sup>F266</sup>... is an assessment for an amount that is less than it ought to have been, and
- (b) the appeal tribunal give a direction specifying the correct amount,

the assessment shall have effect as an assessment of the amount specified in the direction and (without prejudice to any power under this Schedule to reduce the amount of interest payable on the amount of an assessment) as if it were an assessment notified to the appellant in that amount at the same time as the original assessment.

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- (2) On an appeal under paragraph [<sup>F267</sup>121], the powers of the appeal tribunal in relation to any decision of the Commissioners shall include a power, where the tribunal allow an appeal on the ground that the Commissioners could not reasonably have arrived at the decision, either—
- (a) to direct that the decision, so far as it remains in force, is to cease to have effect from such time as the tribunal may direct; or
  - (b) to require the Commissioners to conduct, in accordance with the directions of the tribunal, [<sup>F268</sup>a review or] a further review of the original decision [<sup>F269</sup>as appropriate].
- (3) Where, on an appeal under paragraph [<sup>F270</sup>121], the appeal tribunal find that a liability to a penalty or to an amount of interest arises, the tribunal shall not give any direction for the modification of the amount payable in respect of that liability except—
- (a) in exercise of a power conferred on the tribunal by paragraph 104(1) (penalties) or paragraph 70(6) or (9), 86(3) or (6) or 109(5) or (8) (penalty interest); or
  - (b) for the purpose of making the amount payable conform to the amount of the liability imposed by this Schedule.
- (4) Where, on an appeal under paragraph [<sup>F271</sup>121], it is found that the whole or part of any amount paid or deposited in pursuance of paragraph 122(2) is not due, so much of that amount as is found not to be due shall be repaid with interest [<sup>F272</sup>at the rate applicable under section 197 of the Finance Act 1996].
- (5) Where, on an appeal under paragraph [<sup>F273</sup>121], it is found that the whole or part of any amount due to the appellant by way of any repayment in respect of a tax credit has not been paid, so much of that amount as is found not to have been paid shall be paid with interest [<sup>F274</sup>at the rate applicable under section 197 of the Finance Act 1996].
- (6) Where—
- (a) an appeal under paragraph [<sup>F275</sup>121] has been entertained notwithstanding that an amount determined by the Commissioners to be payable as levy has not been paid or deposited, and
  - (b) it is found on the appeal that that amount is due,
- [<sup>F276</sup>it shall be paid with interest at the rate applicable under section 197 of the Finance Act 1996]
- [<sup>F277</sup>(6A) Interest under sub-paragraph (6) shall be paid without any deduction of income tax.]
- [<sup>F278</sup>(7) Sections 85 and 85B of the Value Added Tax Act 1994 (settling of appeals by agreement and payment of tax where there is a further appeal) shall have effect as if—
- (a) the references to section 83 of that Act included references to paragraph 121 above, and
  - (b) the references to value added tax included references to climate change levy.]

#### Textual Amendments

**F265** Word in Sch. 6 para. 123(1) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 291\(2\)\(a\)](#) (with Sch. 3 paras. 2-4)

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- F266** Words in Sch. 6 para. 123(1)(a) omitted (1.4.2009) by virtue of The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(2)(b)** (with Sch. 3 paras. 2-4)
- F267** Word in Sch. 6 para. 123(2) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(3)(a)** (with Sch. 3 paras. 2-4)
- F268** Words in Sch. 6 para. 123(2)(b) inserted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(3)(b)(i)** (with Sch. 3 paras. 2-4)
- F269** Words in Sch. 6 para. 123(2)(b) inserted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(3)(b)(ii)** (with Sch. 3 paras. 2-4)
- F270** Word in Sch. 6 para. 123(3) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(4)** (with Sch. 3 paras. 2-4)
- F271** Word in Sch. 6 para. 123(4) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(5)(a)** (with Sch. 3 paras. 2-4, 9(2)(e))
- F272** Words in Sch. 6 para. 123(4) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(5)(b)** (with Sch. 3 paras. 2-4, 9(2)(e))
- F273** Word in Sch. 6 para. 123(5) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(6)(a)** (with Sch. 3 paras. 2-4, 9(2)(e))
- F274** Words in Sch. 6 para. 123(5) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(6)(b)** (with Sch. 3 paras. 2-4, 9(2)(e))
- F275** Word in Sch. 6 para. 123(6)(a) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(7)(a)** (with Sch. 3 paras. 2-4, 9(2)(e))
- F276** Words in Sch. 6 para. 123(6) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(7)(b)** (with Sch. 3 paras. 2-4, 9(2)(e))
- F277** Sch. 6 para. 123(6A) inserted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(8)** (with Sch. 3 paras. 2-4)
- F278** Sch. 6 para. 123(7) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 291(9)** (with Sch. 3 paras. 2-4)

## PART XII

### INFORMATION AND EVIDENCE

#### *Provision of information*

**F279** 124 .....

#### **Textual Amendments**

- F279** Sch. 6 para. 124 omitted (1.4.2010) by virtue of The Finance Act 2009, Section 96 and Schedule 48 (Appointed Day, Savings and Consequential Amendments) Order 2009 (S.I. 2009/3054), art. 1, **Sch. para. 8** (with art. 6)

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### Records

- 125 (1) The Commissioners may by regulations impose obligations to keep records on <sup>F280</sup>persons who—
- (a) are registered,
  - (b) are required to be registered, or
  - (c) are exempted from the requirement to be registered by regulations under paragraph 53(4).]
- (2) Regulations under this paragraph may be framed by reference to such records as may be stipulated in any notice published by the Commissioners in pursuance of the regulations and not withdrawn by a further notice.
- (3) Regulations under this paragraph may—
- (a) require any records kept in pursuance of the regulations to be preserved for such period, not exceeding six years, as may be specified in the regulations;
  - (b) authorise the Commissioners to direct that any such records need only be preserved for a shorter period than that specified in the regulations;
  - (c) authorise a direction to be made so as to apply generally or in such cases as the Commissioners may stipulate.
- <sup>F281</sup>(4) A duty under regulations under this paragraph to preserve records may be discharged—
- (a) by preserving them in any form and by any means, or
  - (b) by preserving the information contained in them in any form and by any means,
- subject to any conditions or exceptions specified in writing by the Commissioners.]
- (6) Subject to sub-paragraphs (7) and (8), a person who fails to preserve any record in compliance with—
- (a) any regulations under this paragraph, or
  - (b) any notice, direction or requirement given or imposed under such regulations,
- shall be liable to a penalty of £250.
- (7) A failure such as is mentioned in sub-paragraph (6) shall not give rise to any penalty under that sub-paragraph if the person required to preserve the record satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the failure.
- (8) Where, by reason of any such failure by any person as is mentioned in sub-paragraph (6)—
- (a) that person is convicted of an offence (whether under this Act or otherwise), or
  - (b) that person is assessed to a penalty under paragraph 98 (penalty for evasion) <sup>F282</sup>or to a penalty for a deliberate inaccuracy under Schedule 24 to the Finance Act 2007 (penalties for errors)],
- that person shall not by reason of that failure be liable also to a penalty under this paragraph.
- (9) The Commissioners may if they think fit at any time modify or withdraw any <sup>F283</sup>... requirement <sup>F283</sup>... imposed for the purposes of this paragraph.



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**Textual Amendments**

- F280** Words in Sch. 6 para. 125(1) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 192\(9\)](#)
- F281** Sch. 6 para. 125(4) substituted for Sch. 6 para. 125(4)(5) (1.4.2010) by [Finance Act 2009 \(c. 10\), s. 98\(2\), Sch. 50 para. 19\(2\); S.I. 2010/815, art. 2](#)
- F282** Words in Sch. 6 para. 125(8)(b) inserted (1.4.2009) by [The Finance Act 2008, Schedule 40 \(Appointed Day, Transitional Provisions and Consequential Amendments\) Order 2009 \(S.I. 2009/571\), art. 1\(1\), Sch. 1 para. 20\(5\)](#)
- F283** Words in Sch. 6 para. 125(9) omitted (1.4.2010) by virtue of [Finance Act 2009 \(c. 10\), s. 98\(2\), Sch. 50 para. 19\(3\); S.I. 2010/815, art. 2](#)

*Evidence of records that are required to be preserved*

**F284** 126 .....

**Textual Amendments**

- F284** Sch. 6 para. 126 omitted (1.4.2010) by virtue of [Finance Act 2009 \(c. 10\), s. 98\(2\), Sch. 50 para. 20; S.I. 2010/815, art. 2](#)

*Production of documents*

**F285** 127 .....

**Textual Amendments**

- F285** Sch. 6 para. 127 omitted (1.4.2010) by virtue of [The Finance Act 2009, Section 96 and Schedule 48 \(Appointed Day, Savings and Consequential Amendments\) Order 2009 \(S.I. 2009/3054\), art. 1, Sch. para. 8 \(with art. 6\)](#)

*Powers in relation to documents produced*

**F286** 128 .....

**Textual Amendments**

- F286** Sch. 6 para. 128 omitted (1.4.2010) by virtue of [The Finance Act 2009, Section 96 and Schedule 48 \(Appointed Day, Savings and Consequential Amendments\) Order 2009 \(S.I. 2009/3054\), art. 1, Sch. para. 8](#)

*Entry and inspection*

**F287** 129 .....

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#### Textual Amendments

**F287** Sch. 6 para. 129 omitted (1.4.2010) by virtue of [The Finance Act 2009, Section 96 and Schedule 48 \(Appointed Day, Savings and Consequential Amendments\) Order 2009 \(S.I. 2009/3054\)](#), art. 1, [Sch. para. 8](#)

#### Entry and search

**F288** 130 .....

#### Textual Amendments

**F288** Sch. 6 para. 130 repealed (1.12.2007) by [Finance Act 2007 \(c. 11\)](#), s. 84(4)(5), [Sch. 22 para. 11\(b\)](#), [Sch. 27 Pt. 5\(1\)](#); [S.I. 2007/3166](#), art. 3(a)

#### *Order for access to recorded information etc.*

- 131 (1) Where, on an application by an authorised person, a justice of the peace or, in Scotland, a justice (within the meaning of section 307 of the <sup>M27</sup>Criminal Procedure (Scotland) Act 1995) is satisfied that there are reasonable grounds for believing—
- (a) that an offence in connection with levy is being, has been or is about to be committed, and
  - (b) that any recorded information (including any document of any nature at all) which may be required as evidence for the purpose of any proceedings in respect of such an offence is in the possession of any person,
- he may make an order under this paragraph.
- (2) An order under this paragraph is an order that the person who appears to the justice to be in possession of the recorded information to which the application relates shall—
- (a) give an authorised person access to it, and
  - (b) permit an authorised person to remove and take away any of it which he reasonably considers necessary,
- not later than the end of the period of seven days beginning with the date of the order or the end of such longer period as the order may specify.
- (3) The reference in sub-paragraph (2)(a) to giving an authorised person access to the recorded information to which the application relates includes a reference to permitting the authorised person to take copies of it or to make extracts from it.
- (4) Where the recorded information consists of information [<sup>F289</sup>stored in any electronic form], an order under this paragraph shall have effect as an order to produce the information—
- (a) in a form in which it is visible and legible [<sup>F290</sup>or from which it can readily be produced in a visible and legible form]; and
  - (b) if the authorised person wishes to remove it, in a form in which it can be removed.
- (5) This paragraph is without prejudice to the preceding paragraphs of this Part of this Schedule.

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#### Textual Amendments

**F289** Words substituted (1.4.2003) by 2001 c. 16, ss. 70, 138(2), Sch. 2 Pt. II para. 13(1)(a)(2)(i); S.I. 2003/708, art. 2(k)

**F290** Words inserted (1.4.2003) by 2001 c. 16, ss. 70, 138(2), Sch. 2 Pt. II para. 13(1)(b)(2)(i); S.I. 2003/708, art. 2(k)

#### Marginal Citations

**M27** 1995 c. 46.

#### *Removal of documents etc.*

- 132 (1) An authorised person who removes anything in the exercise of a power conferred by or under paragraph 130 or 131 shall, if so requested by a person showing himself—
- (a) to be the occupier of premises from which it was removed, or
  - (b) to have had custody or control of it immediately before the removal,
- provide that person with a record of what he removed.
- (2) The authorised person shall provide the record within a reasonable time from the making of the request for it.
- (3) Subject to sub-paragraph (7), if a request for permission to be allowed access to anything which—
- (a) has been removed by an authorised person, and
  - (b) is retained by the Commissioners for the purposes of investigating an offence,
- is made to the officer in overall charge of the investigation by a person who had custody or control of the thing immediately before it was so removed, or by someone acting on behalf of such a person, the officer shall allow the person who made the request access to it under the supervision of an authorised person.
- (4) Subject to sub-paragraph (7), if a request for a photograph or copy of any such thing is made to the officer in overall charge of the investigation by a person who had custody or control of the thing immediately before it was so removed, or by someone acting on behalf of such a person, the officer shall—
- (a) allow the person who made the request access to it under the supervision of an authorised person for the purpose of photographing it or copying it; or
  - (b) photograph or copy it, or cause it to be photographed or copied.
- (5) Subject to sub-paragraph (7), where anything is photographed or copied under sub-paragraph (4)(b), the officer shall supply the photograph or copy, or cause it to be supplied, to the person who made the request.
- (6) The photograph or copy shall be supplied within a reasonable time from the making of the request.
- (7) There is no duty under this paragraph to allow access to anything, or to supply a photograph or copy of anything, if the officer in overall charge of the investigation for the purposes of which it was removed has reasonable grounds for believing that to do so would prejudice—
- (a) that investigation;

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- (b) the investigation of an offence other than the offence for the purposes of the investigation of which the thing was removed; or
  - (c) any criminal proceedings which may be brought as a result of the investigation of which he is in charge or any such investigation as is mentioned in paragraph (b).
- (8) Any reference in this paragraph to the officer in overall charge of the investigation is a reference to the person whose name and address are endorsed on the warrant concerned as being the officer so in charge.

*Enforcement of paragraph 132*

- 133 (1) Where, on an application made as mentioned in sub-paragraph (2), the appropriate judicial authority is satisfied that a person has failed to comply with a requirement imposed by paragraph 132, the authority may order that person to comply with the requirement within such time and in such manner as may be specified in the order.
- (2) An application under sub-paragraph (1) shall not be made except—
- (a) in the case of a failure to comply with any of the requirements imposed by paragraph 132(1) and (2)—
    - (i) by the occupier of the premises from which the thing in question was removed, or
    - (ii) by the person who had custody or control of it immediately before it was so removed;
  - (b) in any other case, by the person who had such custody or control.
- (3) In this paragraph “the appropriate judicial authority” means—
- (a) in England and Wales, a magistrates’ court;
  - (b) in Scotland, the sheriff;
  - (c) in Northern Ireland, a court of summary jurisdiction, as defined in Article 2(2)(a) of the <sup>M28</sup>Magistrates’ Courts (Northern Ireland) Order 1981.
- (4) In England and Wales and Northern Ireland, an application for an order under this paragraph shall be made by way of complaint; and sections 21 and 42(2) of the <sup>M29</sup>Interpretation Act (Northern Ireland) 1954 shall apply as if any reference in those provisions to any enactment included a reference to this paragraph.

**Marginal Citations**

**M28** S.I. 1981/1675 (N.I. 26.)

**M29** 1954 c. 33 (N.I.).

*Power to take samples and examine meters*

- 134 (1) An authorised person, if it appears to him necessary for the protection of the revenue against mistake or fraud, may at any time take, from material which he has reasonable cause to believe is—
- (a) a taxable commodity which is intended to be, is being or has been the subject of a taxable supply, or
  - (b) a product of the burning of a taxable commodity (other than electricity) which is being or has been the subject of a taxable supply,

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such samples as he may require with a view to determining how the material ought to be treated, or to have been treated, for the purposes of the levy.

- (2) An authorised person, if it appears to him necessary for the protection of the revenue against mistake or fraud, may at any time examine any meter which he has reasonable cause to believe is intended to be, is being or has been used for ascertaining the quantity of any taxable commodity supplied by a taxable supply.
- (3) Any sample taken under sub-paragraph (1) shall be disposed of in such manner as the Commissioners may direct.

*Evidence by certificate*

- 135 (1) In any proceedings a certificate of the Commissioners—
- (a) that a person was or was not at any time registered for the purposes of the levy, [<sup>F291</sup>or]
  - (b) that any return required by regulations made under paragraph 41 has not been made or had not been made at any time,
  - <sup>F292</sup>(c) .....
  - <sup>F293</sup>(d) .....
- shall be evidence or, in Scotland, sufficient evidence of that fact.
- (2) A photograph of any document provided to the Commissioners for the purposes of this Schedule and certified by them to be such a photograph shall be admissible in any proceedings, whether civil or criminal, to the same extent as the document itself.
  - (3) In any proceedings any document purporting to be a certificate under sub-paragraph (1) or (2) shall be taken to be such a certificate unless the contrary is shown.

**Textual Amendments**

- F291** Word in Sch. 6 para. 135(1)(a) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 44 para. 8\(a\)](#)  
**F292** Sch. 6 para. 135(1)(c) omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 44 para. 8\(b\)](#)  
**F293** Sch. 6 para. 135(1)(d) omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 44 para. 8\(b\)](#)

*Inducements to provide information*

- 136 (1) This paragraph applies—
- (a) to any criminal proceedings against a person in respect of an offence in connection with or in relation to levy; and
  - (b) to any proceedings against a person for the recovery of any sum due from him in connection with or in relation to levy.
- (2) Statements made or documents produced or provided by or on behalf of a person shall not be inadmissible in any proceedings to which this paragraph applies by reason only that—
- (a) a matter falling within sub-paragraph (3) or (4) has been drawn to that person's attention; and
  - (b) he was or may have been induced, as a result, to make the statements or to produce or provide the documents.
- (3) The matters falling within this sub-paragraph are—

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- (a) that, in relation to levy, the Commissioners may assess an amount due by way of a civil penalty instead of instituting criminal proceedings;
  - (b) that it is the practice of the Commissioners (without giving any undertaking as to whether they will make such an assessment in any case) to be influenced by whether a person—
    - (i) has made a full confession of any dishonest conduct to which he has been a party; and
    - (ii) has otherwise co-operated to the full with any investigation.
- (4) The matter falling within this sub-paragraph is the fact that the Commissioners or, on appeal, an appeal tribunal have power under any provision of this Schedule to reduce a penalty.

#### *Disclosure of information*

- 137 (1) Notwithstanding any obligation not to disclose information that would otherwise apply, but subject to sub-paragraph (2), the Commissioners may disclose any information obtained or held by them in or in connection with the carrying out of their functions in relation to the levy to any of the following—
- (a) any Minister of the Crown;
  - (b) the Scottish Ministers;
  - (c) any Minister, within the meaning of the <sup>M30</sup>Northern Ireland Act 1998, or any Northern Ireland department;
  - (d) the National Assembly for Wales;
  - (e) the Environment Agency;
  - (f) the Scottish Environment Protection Agency;
  - [<sup>F294</sup>(fa) the Administrator (within the meaning of Part 4 of this Schedule);]
  - (g) the Gas and Electricity Markets Authority;
  - (h) the Director General of Electricity Supply for Northern Ireland;
  - (i) the Director General of Gas for Northern Ireland;
  - (j) an authorised officer of any person mentioned in paragraphs (a) to (i).
- (2) Information shall not be disclosed under sub-paragraph (1) except for the purpose of assisting a person falling within paragraphs (a) to (j) of that sub-paragraph in the performance of his duties.
- (3) Notwithstanding any such obligation as is mentioned in sub-paragraph (1), any person mentioned in sub-paragraph (1)(a) to (j) may disclose information—
- (a) to the Commissioners, or
  - (b) to an authorised officer of the Commissioners,
- for the purpose of assisting the Commissioners in the performance of duties in relation to the levy.
- (4) Information that has been disclosed to a person by virtue of this paragraph shall not be disclosed by him except—
- (a) to another person to whom (instead of him) disclosure could by virtue of this paragraph have been made; or
  - (b) for the purpose of any proceedings connected with the operation of any provision made by or under any enactment relating to the environment or to levy.

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- (5) References in the preceding provisions of this paragraph to an authorised officer of any person (“the principal”) are to any person who has been designated by the principal as a person to and by whom information may be disclosed by virtue of this paragraph.
- (6) Where the principal is a person falling within any of paragraphs (a) to (c) of subparagraph (1), the principal shall notify the Commissioners in writing of the name of any person designated by the principal for the purposes of this paragraph.
- (7) No charge may be made for any disclosure made by virtue of this paragraph.
- (8) In this paragraph “enactment” includes an enactment contained in an Act of the Scottish Parliament or in any Northern Ireland legislation.

#### Textual Amendments

**F294** Sch. 6 para. 137(1)(fa) inserted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 31 para. 10 (with Sch. 31 para. 11)

#### Marginal Citations

**M30** 1998 c. 47.

#### *Meaning of “authorised person”*

- 138 In this Part of this Schedule “authorised person” means any person acting under the authority of the Commissioners.

### PART XIII

#### MISCELLANEOUS AND SUPPLEMENTARY

#### *Security for levy*

- 139 (1) Where it appears to the Commissioners necessary to do so for the protection of the revenue they may require any person who is or is required to be registered for the purposes of the levy to give security, or further security, for the payment of any levy which is or may become due from him.
- (2) The power of the Commissioners to require any security, or further security, under this paragraph shall be a power to require security, or further security, of such amount and in such manner as they may determine.
- (3) A person who is liable to account for the levy on a taxable supply that he makes is guilty of an offence if, at the time the supply is made—
- (a) he has been required to give security under this paragraph, and
  - (b) he has not complied with that requirement.
- (4) A person who is liable to account for the levy on a taxable supply that another person makes to him is guilty of an offence if he makes any arrangements for the making of the supply at a time when—
- (a) he has been required to give security under this paragraph, and
  - (b) he has not complied with that requirement.

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*Status: Point in time view as at 01/04/2023. This version of this schedule contains provisions that are prospective.*  
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- (5) A person guilty of an offence under this paragraph shall be liable, on summary conviction, to a penalty of [<sup>F295</sup>level 5 on the standard scale][<sup>F295</sup>£20,000].
- (6) Sections 145 to 155 of the <sup>M31</sup>Customs and Excise Management Act 1979 (proceedings for offences, mitigation of penalties and certain other matters) shall apply in relation to an offence under this paragraph as they apply in relation to offences and penalties under the customs and excise Acts.

**Textual Amendments**

**F295** Sum in Sch. 6 para. 139(5) substituted for words (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), **Sch. 2 para. 11(6)** (with reg. 5(1))

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**Marginal Citations**

**M31** 1979 c. 2.

*Destination of receipts*

<sup>F296</sup>140 . . . . .

**Textual Amendments**

**F296** Sch. 6 para. 140 repealed (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), Sch. 4 para. 81, **Sch. 5**; S.I. 2005/1126, art. 2(2)(h)(i)

*Provisional collection of levy*

<sup>F297</sup>141 . . . . .

**Textual Amendments**

**F297** Sch. 6 para. 141 repealed (11.5.2001) by [2001 c. 9, s. 110](#), **Sch. 33 Pt. 3(3)**

<sup>F298</sup>*[Invoices incorrectly showing levy due*

**Textual Amendments**

**F298** Sch. 6 para. 141A inserted (24.7.2002 with application as mentioned in [s. 128\(2\)](#) of the amending Act) by [2002 c. 23, s. 128](#)

- 141A (1) This paragraph applies where—
- (a) a person issues an invoice showing an amount as levy chargeable on a supply, and
  - (b) no levy is chargeable on the supply, or the amount chargeable is less than the amount shown.



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- (2) The person shall be liable to a penalty unless he satisfies the Commissioners or, on appeal, a tribunal that there is a reasonable excuse for the inclusion in the invoice of the false information.
- (3) The amount of the penalty is £50 or, if more, the following amount—
  - (a) where no levy is chargeable, the amount shown as chargeable;
  - (b) where an amount of levy is chargeable, the difference between that amount and the amount shown as chargeable.
- (4) It is irrelevant for the purposes of sub-paragraph (1) whether or not the supply shown on the invoice actually takes place or has taken place.
- (5) A reference in this paragraph to an invoice is a reference to any kind of invoice (and not just a climate change levy accounting document).]

#### *Adjustment of contracts*

- 142
- (1) Sub-paragraph (2) applies in the case of a contract for the supply of a taxable commodity if—
    - (a) the contract is entered into before 1st April 2001 (whether before or after the passing of this Act) or at a time when supplies such as are provided for by the contract are not taxable supplies, but
    - (b) supplies falling to be made under the contract will be, or become or will become, taxable supplies.
  - (2) The supplier of the commodity may unilaterally vary the contract by adjusting the price chargeable for any supply made under the contract if he does so for the purpose of passing on, to the person liable to pay for the supply, the burden (or any part of the burden) of the levy for which the supplier is liable to account on the supply.
  - (3) Sub-paragraph (4) applies in the case of a contract for the supply of a taxable commodity if it provides (whether as a result of a variation under sub-paragraph (2) or otherwise) for the passing on, to the person liable to pay for the supply, of the burden (or any part of the burden) of any levy for which the supplier is liable to account on the supply.
  - (4) The supplier of the commodity may unilaterally vary the contract by adjusting the price chargeable for any supply made under the contract if he does so for the purpose of giving effect (to any extent) to—
    - (a) any change in the rate at which levy is charged on the supply;
    - (b) levy ceasing to be chargeable on the supply.
  - (5) The powers conferred by this paragraph are in addition to any contractual powers.

#### *Climate change levy accounting documents*

- 143
- (1) Provision may be made by regulations requiring registered persons who make taxable supplies—
    - (a) in prescribed cases, or
    - (b) to persons of prescribed descriptions,to provide the persons supplied with climate change levy accounting documents.

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- (2) For the purposes of this Schedule a “climate change levy accounting document” for a taxable supply is an invoice—
- <sup>F299</sup>(a) . . . . .
- (b) stating the date on which it is issued, and
- (c) containing the required statements.
- (3) For the purposes of sub-paragraph (2)(c) “the required statements” means—
- (a) in the case of a climate change levy accounting document issued under paragraph 27, the statements required by paragraph 27(5);
- (b) in the case of a climate change levy accounting document whose provision is required by regulations, statements of prescribed particulars of or relating to—
- (i) the supply,
- (ii) the persons by and to whom the supply is made, and
- (iii) the levy chargeable.
- (4) Where regulations make provision requiring a climate change levy accounting document to be provided in connection with any description of supply, regulations may make provision for—
- (a) requiring the accounting document to be provided within a prescribed time after, or at a prescribed time before, the supply is treated as taking place;
- (b) allowing an accounting document to be provided later than required by the regulations where it is provided in accordance with general or special directions given by the Commissioners.
- (5) Regulations may make provision conferring power on the Commissioners to allow the requirements of any regulations as to the statements to be contained in a climate change levy accounting document to be relaxed or dispensed with.
- (6) Regulations may make provision for allowing a climate change levy accounting document required to be issued under paragraph 27 to be issued later than the time applicable under paragraph 27(2) where it is issued in accordance with general or special directions given by the Commissioners.
- (7) In this paragraph “regulations” means regulations made by the Commissioners.

#### Textual Amendments

**F299** Sch. 6 para. 143(2)(a) omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\), s. 150](#)

#### *Service of notices etc.*

- 144 (1) Any notice, notification or requirement that is to be or may be served on, given to or imposed on any person for the purposes of any provision made by or under this Schedule may be served, given or imposed by sending it to that person or his tax representative by post in a letter addressed to that person or his representative at the latest or usual residence or place of business of that person or representative.
- (2) Any direction required or authorised by or under this Schedule to be given by the Commissioners may be given by sending it by post in a letter addressed to each person affected by it at his latest or usual residence or place of business.

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*Variation and withdrawal of directions etc.*

- 145 Any direction, notice or notification required or authorised by or under this Schedule to be given by the Commissioners may be withdrawn or varied by them by a direction, notice or notification given in the same manner as the one withdrawn or varied.

*Regulations and orders*

- 146 (1) Any power under this Schedule to make regulations shall be exercisable by statutory instrument.

- (2) A statutory instrument that—

- (a) contains regulations made under this Schedule, and  
(b) is not subject to a requirement that a draft of the instrument be laid before<sup>F300</sup> ... and approved by a resolution of the House of Commons,

shall be subject to annulment in pursuance of a resolution of the House of Commons.

- (3) A statutory instrument that contains (whether alone or with other provisions) regulations under paragraph 3(3), [F3015(2A), 14(2),] 15(4)(a), 16, [F30217(1B),] 18(2),<sup>F303</sup> ... 52, 113(1), 148(4), 149 or 151(2) (regulations made by the Treasury) shall not be made unless a draft of the statutory instrument containing the regulations has been laid before<sup>F304</sup> ... and approved by a resolution of the House of Commons.

- [F305(3A) A statutory instrument that contains (whether alone or with other provision) regulations under paragraph 12A(5) that remove a process (in whole or in part) from the scope of the definition of “mineralogical process” shall not be made unless a draft of the statutory instrument containing the regulations has been laid before and approved by a resolution of the House of Commons.

- (3B) A statutory instrument that contains (whether alone or with other provision) regulations under paragraph 12A(6) that—

- (a) remove a description, or  
(b) modify a description so as to narrow its scope,

shall not be made unless a draft of the statutory instrument containing the regulations has been laid before and approved by a resolution of the House of Commons.]

- (4) Where regulations under this Schedule made by the Commissioners impose a relevant requirement on any person, they may provide that if the person fails to comply with the requirement he shall be liable, subject to sub-paragraph (5), to a penalty of £250.

- (5) Where by reason of any conduct—

- (a) a person is convicted of an offence (whether under this Act or otherwise), or  
(b) a person is assessed to a penalty under paragraph 98 [F306 or to a penalty for a deliberate inaccuracy under Schedule 24 to the Finance Act 2007 (penalties for errors)],

that person shall not by reason of that conduct be liable also to a penalty under any regulations under this Schedule.

- (6) In sub-paragraph (4) “relevant requirement” means any requirement other than one the penalty for a contravention of which is specified in paragraph 41(3), 114(3) or 125(6).

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- (7) A power under this Schedule to make any provision by regulations—
- (a) may be exercised so as to apply the provision only in such cases as may be described in the regulations;
  - (b) may be exercised so as to make different provision for different cases or descriptions of case; and
  - (c) shall include power by the regulations to make such supplementary, incidental, consequential or transitional provision as the authority making the regulations may think fit.

#### Textual Amendments

- F300** Word in Sch. 6 para. 146(2)(b) omitted (17.7.2014) by virtue of Finance Act 2014 (c. 26), Sch. 20 para. 14(2)
- F301** Words in Sch. 6 para. 146(3) substituted (retrospective to 26.3.2013) by Finance Act 2013 (c. 29), Sch. 42 paras. 17(a), 21
- F302** Word in Sch. 6 para. 146(3) inserted (retrospective to 26.3.2013) by Finance Act 2013 (c. 29), Sch. 42 paras. 17(b), 21
- F303** Word in Sch. 6 para. 146(3) omitted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by virtue of Finance Act 2012 (c. 14), Sch. 30 para. 15
- F304** Word in Sch. 6 para. 146(3) omitted (17.7.2014) by virtue of Finance Act 2014 (c. 26), Sch. 20 para. 14(2)
- F305** Sch. 6 para. 146(3A)(3B) inserted (17.7.2014) by Finance Act 2014 (c. 26), Sch. 20 para. 14(3)
- F306** Words in Sch. 6 para. 146(5)(b) inserted (1.4.2009) by The Finance Act 2008, Schedule 40 (Appointed Day, Transitional Provisions and Consequential Amendments) Order 2009 (S.I. 2009/571), art. 1(1), Sch. 1 para. 20(7)

## PART XIV

### INTERPRETATION

#### General

147 In this Schedule—

“accounting period” means a period which, in pursuance of any regulations under paragraph 41, is an accounting period for the purposes of the levy;

“agreement” includes any arrangement or understanding (whether or not legally enforceable), and cognate expressions shall be construed accordingly;

“appeal tribunal” means [<sup>F307</sup>the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal];

“auto-generator” has the meaning given by paragraph 152;

[<sup>F308</sup>“carbon price support rate commodity” means any taxable commodity other than electricity;]

[<sup>F308</sup>“CHPQA certificate” has the same meaning as in the Climate Change Levy (Combined Heat and Power Stations) Exemption Certificate Regulations 2001 (S.I. 2001/486);]

“climate change agreement” has the meaning given by paragraph 46;

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“climate change levy accounting document” has the meaning given by paragraph 143(2);

“combined heat and power station” has the meaning given by paragraph 148(1);

“the Commissioners” means the Commissioners of Customs and Excise;

“conduct” includes acts and omissions;

“electricity utility” has the meaning given by paragraph 150(2) (but see paragraph 150(4));

[<sup>F308</sup>“exempt unlicensed electricity supplier” has the meaning given by paragraph 152A;]

“fully exempt combined heat and power station” has the meaning given by paragraph 148(2);

“gas utility” has the meaning given by paragraph 150(3) (but see paragraph 150(4));

[<sup>F308</sup>“Great Britain” includes the territorial waters of the United Kingdom so far as adjacent to Great Britain;]

[<sup>F309</sup>“HMRC” means Her Majesty’s Revenue and Customs;]

[<sup>F310</sup>.....]

“member”, in relation to a group, shall be construed in accordance with regulations under paragraph 116;

“non-resident taxpayer” means a person who—

- (a) is or is required to be registered for the purposes of the levy, and
- (b) is not resident in the United Kingdom;

“partly exempt combined heat and power station” has the meaning given by paragraph 148(3);

“prescribed” (except in paragraphs [<sup>F311</sup>5(2A), 14(2),] 16(3) [<sup>F312</sup>, 17(1B)]<sup>F313</sup>... and 148(4)) means prescribed by regulations made by the Commissioners under this Schedule;

“produced”—

- (a) in relation to electricity, means generated, and
- (b) in relation to any other commodity, includes extracted;

“reduced-rate supply” has the meaning given by paragraph [<sup>F314</sup>44(1)] (which, by virtue of paragraph [<sup>F315</sup>44(2)], has effect subject to [<sup>F316</sup>paragraph 44(2A) to (2D) and][<sup>F317</sup>paragraphs 45 and 45B]);

“registered” means registered in the register maintained under paragraph 53(2);

“representative member”, in relation to a group, shall be construed in accordance with regulations under paragraph 116;

“resident in the United Kingdom” has the meaning given by paragraph 156;

“ship” includes hovercraft;

[<sup>F308</sup>“small generating station” has the meaning given by paragraph 152B;]

“special utility scheme” has the meaning given by paragraph 29(1);

[<sup>F308</sup>“stand-by generator” means a generating station which—

- (a) is used to provide an emergency electricity supply to a building in the event of a failure of the building's usual electricity supply, and

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- (b) is not used for any other purpose;]
- “subordinate legislation” has the same meaning as in the <sup>M32</sup>Interpretation Act 1978;
- “supply for charity use” shall be construed in accordance with paragraph 8;
- “supply for domestic use” shall be construed in accordance with paragraphs 8 and 9;
- [<sup>F318</sup>“supply for use in scrap metal recycling” has the meaning given by paragraph 43A(1);]
- “tax credit” means a tax credit for which provision is made by tax credit regulations;
- “tax credit regulations” means regulations under paragraph 62;
- “tax representative”, in relation to any person, means the person who, in accordance with any regulations under paragraph 114, is for the time being that person’s tax representative for the purposes of the levy;
- “taxable commodity” shall be construed in accordance with paragraph 3;
- “taxable supply” shall be construed in accordance with paragraphs 2(2) and 4;
- “the United Kingdom” includes the territorial waters adjacent to any part of the United Kingdom;
- “utility” has the meaning given by paragraph 150(1).

#### Textual Amendments

- F307** Words in Sch. 6 para. 147 substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 292(2)**
- F308** Words in Sch. 6 para. 147 inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), **Sch. 42 paras. 18(a), 21**
- F309** Words in Sch. 6 para. 147 inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 292(3)**
- F310** Words in Sch. 6 para. 147 repealed (1.11.2007) by [Finance Act 2006 \(c. 25\)](#), s. 172(15)(16), **Sch. 26 Pt. 8(1)**; [S.I. 2007/2901](#), art. 2(1) (with art. 2(2)-(4))
- F311** Words in Sch. 6 para. 147 substituted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), **Sch. 42 paras. 18(b)(i), 21**
- F312** Word in Sch. 6 para. 147 inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), **Sch. 42 paras. 18(b)(ii), 21**
- F313** Word in Sch. 6 para. 147 omitted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 30 para. 16(a)**
- F314** Word in Sch. 6 para. 147 substituted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), **Sch. 2 paras. 10(a), 13(1)**; [S.I. 2007/2902](#), art. 2(1) (with art. 2(2)(4))
- F315** Word in Sch. 6 para. 147 substituted (1.11.2007) by [Finance Act 2007 \(c. 11\)](#), **Sch. 2 paras. 10(b), 13(1)**; [S.I. 2007/2902](#), art. 2(1) (with art. 2(2)(4))
- F316** Words in Sch. 6 para. 147 inserted (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), s. 117(3)(b)
- F317** Words in Sch. 6 para. 147 substituted (with effect in accordance with s. 118(2) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), **Sch. 59 para. 9**
- F318** Words in Sch. 6 para. 147 inserted (with effect in accordance with Sch. 30 para. 19 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), **Sch. 30 para. 16(b)**

#### Marginal Citations

- M32** 1978 c. 30.

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*Meaning of “combined heat and power station” etc.*

- 148 (1) In this Schedule “combined heat and power station” means a station producing electricity or motive power that is (or may be) operated for purposes including the supply to any premises of—
- (a) heat produced in association with electricity or motive power, or
  - (b) steam produced from, or air or water heated by, such heat.
- (2) In this Schedule “fully exempt combined heat and power station” means a combined heat and power station in respect of which there is in force a certificate (a “full-exemption certificate”)—
- (a) given by the Secretary of State,
  - (b) stating that the station is a fully exempt combined heat and power station for the purposes of the levy, and
  - (c) [<sup>F319</sup>complying (so far as applicable) with] any provision made by regulations under sub-paragraph (10).
- (3) In this Schedule “partly exempt combined heat and power station” means a combined heat and power station in respect of which there is in force a certificate (a “part-exemption certificate”)—
- (a) given by the Secretary of State,
  - (b) stating that the station is a partly exempt combined heat and power station for the purposes of the levy, and
  - (c) [<sup>F320</sup>complying (so far as applicable) with] any provision made by regulations under sub-paragraph (10).
- (4) The Secretary of State shall give a full-exemption certificate in respect of a combined heat and power station where—
- (a) an application is made for a certificate under this paragraph in respect of the station, and
  - (b) it appears to him that such conditions as may be prescribed are satisfied in relation to the station.
- For this purpose “prescribed” means prescribed by regulations made by the Treasury.
- (5) The Secretary of State shall give a part-exemption certificate in respect of a combined heat and power station where—
- (a) an application is made for a certificate under this paragraph in respect of the station, and
  - (b) his decision on the application is to refuse to give a full-exemption certificate.

<sup>F321</sup>(6) .....

- (7) In prescribing conditions under sub-paragraph (4), the Treasury must have regard to the object of securing that a combined heat and power station will only be a fully exempt combined heat and power station for the purposes of this Schedule if it is one in which electricity or motive power is produced concurrently with heat in a manner that makes efficient use of the commodities used in their production.
- (8) A condition prescribed under sub-paragraph (4) may, in particular, relate to any of the following—

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- (a) a station's outputs;
  - (b) the commodities used in the production of such outputs;
  - (c) the methods of producing such outputs;
  - (d) the efficiency with which such outputs are produced.
- (9) For the purposes of sub-paragraph (8), a station's "outputs" are any electricity or motive power produced in the station and any of the following supplied from the station, namely—
- (a) heat or steam, or
  - (b) air, or water, that has been heated or cooled.
- (10) The Secretary of State may by regulations make provision for or about—
- (a) certificates under this paragraph;
  - (b) applications for such certificates;
  - (c) the information that is to accompany such applications.
- (11) The provision that may be made by virtue of sub-paragraph (10)(a) includes in particular—
- (a) provision in respect of the periods for which certificates under this paragraph are to be in force;
  - (b) provision for the (non-retrospective) variation or revocation of such certificates.

#### Textual Amendments

- F319** Words in Sch. 6 para. 148(2)(c) substituted (22.7.2005, with effect in accordance with s. 189(5) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 189\(3\)\(a\)](#); [S.I. 2005/1713, art. 2](#)
- F320** Words in Sch. 6 para. 148(3)(c) substituted (22.7.2005, with effect in accordance with s. 189(5) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 189\(3\)\(a\)](#); [S.I. 2005/1713, art. 2](#)
- F321** Sch. 6 para. 148(6) repealed (22.7.2005, with effect in accordance with s. 189(5) of the amending Act) by [Finance Act 2003 \(c. 14\), s. 189\(3\)\(b\)](#), [Sch. 43 Pt. 4\(2\)](#); [S.I. 2005/1713, art. 2](#)

#### *Determination of efficiency percentages for combined heat and power stations*

- 149 (1) The Treasury may by regulations make provision for determining<sup>F322</sup> ... the efficiency percentage for a combined heat and power station.
- (2) Regulations under this paragraph may, in particular, include—
- (a) provision in respect of methods of calculating efficiency percentages;
  - (b) provision in respect of the measurements and data to be used in calculating such percentages;
  - (c) provision in respect of the procedures for determining such percentages;
  - (d) provision in respect of verifying—
    - (i) calculations by which such percentages are produced, and
    - (ii) measurements and data used in such calculations;
  - (e) provision that, so far as framed by reference to any document, is framed by reference to that document as from time to time in force.
- (3) In making provision under this paragraph, the Treasury must have regard to the object of securing that the efficiency percentage for a combined heat and power station is



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(save for any appropriate adjustments) a percentage that reflects a fair assessment of the efficiency with which commodities are transformed in the station into electricity or motive power.

#### Textual Amendments

**F322** Words in Sch. 6 para. 149(1) repealed (22.7.2005, with effect in accordance with s. 189(5) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), s. 189(4), [Sch. 43 Pt. 4\(2\)](#); S.I. 2005/1713, art. 2

*F323* [Certification of electricity from fully or partly exempt combined heat and power station

#### Textual Amendments

**F323** Sch. 6 para. 149A inserted (24.7.2002) by [2002 c. 23](#), s. 124

- 149A (1) The Commissioners may by regulations make provision for the Gas and Electricity Markets Authority, or the Director General of Electricity Supply for Northern Ireland, to certify as respects any quantity of electricity that—
- (a) the electricity has been produced in a fully exempt combined heat and power station;
  - (b) the electricity has been produced in a partly exempt combined heat and power station and supplied from the station without causing the limit referred to in paragraph 16(2) to be exceeded.
- (2) Regulations under this paragraph may provide that for any purposes of this Schedule (or any regulations made under it)—
- (a) electricity is not to be regarded as having been produced as specified in sub-paragraph (1)(a) unless it has been certified under that provision;
  - (b) electricity is not to be regarded as having been produced and supplied as specified in sub-paragraph (1)(b) unless it has been certified under that provision.
- (3) Regulations under this paragraph may in particular provide that the supply of any electricity does not qualify for the exemption under paragraph 16(2) unless the electricity is certified as specified in sub-paragraph (1)(b).
- (4) Regulations under this paragraph may also make provision for determining whether electricity is produced and supplied as specified in sub-paragraph (1)(b).]

#### *Meaning of “utility”*

- 150 (1) In this Schedule “utility” means an electricity utility or a gas utility.
- (2) In this Schedule “electricity utility” means the holder of—
- (a) a licence under section 6(1)(d) of the <sup>M33</sup>Electricity Act 1989 (supply licences), or
  - (b) a licence under Article 10(1)(c) or (2) of the <sup>M34</sup>Electricity Supply (Northern Ireland) Order 1992,
- except where the holder is acting otherwise than for purposes connected with the carrying on of activities authorised by the licence.

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*Changes to legislation: Finance Act 2000, SCHEDULE 6 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

Until the coming into force of the substitution for section 6 of the <sup>M35</sup>Electricity Act 1989 provided for by the Utilities Act 2000, paragraph (a) above shall have effect as if the reference to section 6(1)(d) were to section 6(1)(c) or (2).

- (3) In this Schedule “gas utility” means the holder of—
- (a) a licence under section 7A(1) of the <sup>M36</sup>Gas Act 1986 (supply licences), or
  - (b) a licence under Article 8(1)(c) of the <sup>M37</sup>Gas (Northern Ireland) Order 1996, except where the holder is acting otherwise than for purposes connected with the carrying on of activities authorised by the licence.
- (4) Sub-paragraphs (1) to (3) have effect subject to—
- (a) any direction under paragraph 151(1), and
  - (b) any regulations under paragraph 151(2).

#### Marginal Citations

- M33** 1989 c. 29.  
**M34** S.I. 1992/231 (N.I. 1).  
**M35** 2000 c. 27.  
**M36** 1986 c. 44.  
**M37** S.I. 1996/275 (N.I. 2.)

#### *Person treated as, or as not being, a utility*

- 151 (1) The Commissioners may by direction (a “utility direction”) make, in respect of a person (or persons) specified in the direction, provision authorised by sub-paragraph (3).
- (2) The Treasury may by regulations (“utility regulations”) make, in respect of any person of a description specified in the regulations, provision authorised by sub-paragraph (3).
- (3) The provision authorised by this sub-paragraph is provision for—
- (a) a person who is an unregulated electricity supplier to be treated for levy purposes as being an electricity utility;
  - (b) a person who is an unregulated gas supplier to be treated for levy purposes as being a gas utility;
  - (c) a person who is an electricity utility to be treated for levy purposes as not being an electricity utility;
  - (d) a person who is a gas utility to be treated for levy purposes as not being a gas utility.
- (4) References in sub-paragraph (3) to provision for a person to be treated in a particular way for “levy purposes” are to provision for him to be treated in that way for—
- (a) the purposes of this Schedule, or
  - (b) such of those purposes as are specified in the direction or regulations by which the provision is made.
- (5) The power to make any provision by a utility direction or utility regulations may be exercised so that the provision applies in relation to a person only to an extent specified in, or determined under, the direction or regulations.

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- (6) A utility direction cannot take effect until it has been—
- (a) given by the Commissioners to each person in respect of whom it makes provision, and
  - (b) published by the Commissioners.
- (7) Paragraph 146(7)(b) and (c) applies to the power to make provision by a utility direction as to a power to make provision by regulations.
- (8) In this paragraph—
- “unregulated electricity supplier” means a person who—
- (a) makes supplies of electricity, and
  - (b) is not an electricity utility;
- “unregulated gas supplier” means a person who—
- (a) makes supplies of gas that is in a gaseous state and is of a kind supplied by a gas utility, and
  - (b) is not a gas utility.

*Meaning of “auto-generator”*

- 152 (1) In this Schedule “auto-generator” means a person who produces electricity if the electricity that he produces is primarily for his own consumption.
- (2) The Commissioners may by regulations specify requirements to be fulfilled before the electricity that a person produces is, for the purposes of sub-paragraph (1), to be taken as produced primarily for his own consumption.
- (3) For the purposes of this paragraph, electricity is for a person’s own consumption if it is for consumption by him or a person connected with him within the meaning of [<sup>F324</sup>section 1122 of the Corporation Tax Act 2010].

**Textual Amendments**

**F324** Words in Sch. 6 para. 152(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 314\(3\)](#) (with [Sch. 2](#))

*[<sup>F325</sup>Meaning of “exempt unlicensed electricity supplier”*

**Textual Amendments**

**F325** [Sch. 6 paras. 152A, 152B](#) and cross-headings inserted (retrospective to 26.3.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 42 paras. 19, 21](#)

- 152A (1) In this Schedule “exempt unlicensed electricity supplier” means a person—
- (a) to whom an exemption from section 4(1)(c) of the Electricity Act 1989 (persons supplying electricity to premises) has been granted by an order under section 5 of that Act, or
  - (b) to whom an exemption from Article 8(1)(c) of the Electricity Supply (Northern Ireland) Order 1992 has been granted by an order under Article 9 of that Order,

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except where the person is acting otherwise than for purposes connected with the carrying on of activities authorised by the exemption.

- (2) Sub-paragraph (1) applies subject to—
- (a) any direction under paragraph 151(1), and
  - (b) any regulations under paragraph 151(2).

*Meaning of “small generating station”*

- 152B (1) In this Schedule “small generating station” means a generating station the capacity of which for producing electricity is no more than 2 megawatts.
- (2) Sub-paragraph (3) applies if a relevant station (“station X”) is one of a number of relevant stations which—
- (a) are situated in the United Kingdom, and
  - (b) are owned by P or persons connected with P.
- (3) In applying sub-paragraph (1) in relation to station X, the reference to the capacity of a generating station is to be read as a reference to the capacity of station X and all the other relevant stations mentioned in sub-paragraph (2) taken together.
- (4) In sub-paragraphs (2) and (3) “relevant station” means a generating station which is neither an exempt CHP station nor a stand-by generator.
- (5) For the purposes of sub-paragraph (2)(b)—
- (a) “P” is the person who owns station X, and
  - (b) section 1122 of the Corporation Tax Act 2010 (“connected” persons) applies.
- (6) Sub-paragraph (7) applies if the scheme in relation to which the CHPQA certificate of an exempt CHP station (“station Y”) is issued covers other exempt CHP stations as well.
- (7) In applying sub-paragraph (1) in relation to station Y, the reference to the capacity of a generating station is to be read as a reference to the capacity of station Y and all the other exempt CHP stations mentioned in sub-paragraph (6) taken together.
- (8) In this paragraph “exempt CHP station” means a fully exempt combined heat and power station or a partly exempt combined heat and power station.]

*Meaning of “levy due for an accounting period”*

- 153 References in this Schedule, in relation to any accounting period, to levy due from any person for that period are references (subject to any regulations made by virtue of paragraph 41(2)(a)) to the levy for which that person is required, in accordance with regulations under paragraph 41, to account by reference to that period.

*Meaning of “repayment of levy”*

- 154 References in this Schedule to a repayment of levy or of an amount of levy are references to any repayment of an amount to any person by virtue of—
- (a) any tax credit regulations; or
  - (b) paragraph 63, 87(3) or 110(3).

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*Interpretation of “in the course or furtherance of a business”s*

- 155 (1) Anything done in connection with the termination or intended termination of a business shall, for the purposes of this Schedule, be treated as being done in the course or furtherance of the business.
- (2) Where in a disposition of a business as a going concern, or of its assets (whether or not in connection with its reorganisation or winding up), there is a supply of a taxable commodity, that supply shall for the purposes of this Schedule be taken to be made in the course or furtherance of the business.

*Meaning of “resident in the United Kingdom”m*

- 156 For the purposes of this Schedule a person is resident in the United Kingdom at any time if, at that time—
- (a) that person has an established place of business in the United Kingdom;
  - (b) that person has a usual place of residence in the United Kingdom; or
  - (c) that person is a firm or unincorporated body which (without having a relevant connection with the United Kingdom by virtue of paragraph (a)) has amongst its partners or members at least one individual with a usual place of residence in the United Kingdom.

*References to the Gas and Electricity Markets Authority: transitional provision*

- 157 (1) Until such time as a transfer of functions from the Director General of Electricity Supply to the Gas and Electricity Markets Authority (“the Authority”) has taken effect, references in paragraph 19 to the Authority shall be taken to be references to the Director General.
- (2) Until such time as all the functions of the Director General of Electricity Supply have been transferred in accordance with the <sup>M38</sup>Utilities Act 2000 (transfer to the Authority) or abolished, references to the Authority in paragraph 137 shall be taken to include the Director General.
- (3) Until such time as all the functions of the Director General of Gas Supply have been transferred in accordance with the Utilities Act 2000 (transfer to the Authority) or abolished, references to the Authority in paragraph 137 shall be taken to include the Director General.
- (4) The power conferred by paragraph 146(7) includes, in particular, power for regulations under paragraph 19 to make transitional provision in connection with the transfer of functions from the Director General of Electricity Supply to the Authority.

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**Marginal Citations**

M38 2000 c. 27.

**Status:**

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**Changes to legislation:**

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