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**Changes to legislation:** Finance Act 2008, Paragraph 13 is up to date with all changes known to be in force on or before 06 August 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) View outstanding changes

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## SCHEDULES

### SCHEDULE 5 **U.K.**

#### FUEL DUTY: BODIESEL AND BIOBLEND

13 After that section insert—

#### **“14A Rebate on biodiesel used other than as fuel for road vehicles**

- (1) This section applies if, at the excise duty point, it is intended that biodiesel on which duty under section 6AA is charged will not be—
  - (a) used as fuel for a road vehicle, or
  - (b) used as an additive or extender in any substance so used.
- (2) A rebate of duty is to be allowed on the biodiesel at a rate of £0.0969 a litre less than the rate of duty under section 6AA.
- (3) In this section “the excise duty point” has the same meaning as in section 1 of the Finance (No.2) Act 1992.

#### **14B Rebate on bioblend used other than as fuel for road vehicles**

- (1) This section applies if, on the delivery for home use of bioblend on which duty under section 6AB is charged—
  - (a) it is intended that the bioblend will not be—
    - (i) used as fuel for a road vehicle, or
    - (ii) used as an additive or extender in any substance so used, and
  - (b) if the heavy oil used to produce the bioblend was kerosene, it is intended that the bioblend will not be—
    - (i) used as fuel for an engine within paragraph (a) or (b) of section 13AA(1), or
    - (ii) used as an additive or extender in any substance so used.
- (2) A rebate of duty is to be allowed on the bioblend.
- (3) The rate per litre of the rebate is the sum of—
  - (a) HO% of the relevant hydrocarbon rebate rate, and
  - (b) BD% of the relevant biodiesel rebate rate.
- (4) “The relevant hydrocarbon rebate rate” is the rate specified in section 11(1) for the kind of heavy oil used to produce the bioblend.
- (5) “The relevant biodiesel rebate rate” is—
  - (a) if the heavy oil used to produce the bioblend was kerosene, the rate of duty under section 6AA, and
  - (b) otherwise, the rate of the rebate under section 14A.

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- (6) Section 6AB(4) (meaning of “HO%” and “BD%”) applies for the purposes of subsection (3).

#### **14C Restrictions on use of rebated biodiesel and bioblend**

- (1) Rebated biodiesel or bioblend must not be—
- (a) used as fuel for a road vehicle,
  - (b) used as an additive or extender in any substance so used, or
  - (c) taken into a road vehicle as fuel or as an additive or extender in any substance used as fuel.
- (2) Rebated bioblend that was produced by mixing kerosene and biodiesel must not be—
- (a) used as fuel for an engine within paragraph (a) or (b) of section 13AA(1),
  - (b) used as an additive or extender in any substance so used, or
  - (c) taken into the fuel supply of such an engine.
- (3) Subsections (1) and (2) do not apply to a quantity of biodiesel or bioblend if the amount specified in subsection (4) has been paid to the Commissioners, in accordance with regulations, in respect of it.
- (4) The amount is—

$$Q \times R$$

where—

Q is the quantity (in litres) of the biodiesel or bioblend, and  
 R is the rate of the rebate under section 14A or 14B at the time of payment.

- (5) In subsection (3) “regulations” means regulations under section 24(1) made for the purposes of this section.

#### **14D Penalties for misuse of rebated biodiesel or bioblend**

- (1) If biodiesel or bioblend is used or taken into a road vehicle in contravention of section 14C(1) or (2), the Commissioners may assess the amount specified in section 14C(4) as being excise duty due from any person who—
- (a) used the biodiesel or bioblend, or
  - (b) was liable for it being taken into the vehicle,
- and may notify the person or the person's representative accordingly.
- (2) Conduct within any of the following paragraphs attracts a penalty under section 9 of the Finance Act 1994 (civil penalties)—
- (a) using biodiesel or bioblend in contravention of section 14C(1) or (2),
  - (b) becoming liable for biodiesel or bioblend being taken into a vehicle or the fuel supply of an engine in contravention of section 14C(1) or (2), and
  - (c) supplying biodiesel or bioblend, intending that it will be put to a particular use that is a prohibited use.
- (3) A person commits an offence if—

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- (a) the person intentionally uses biodiesel or bioblend in contravention of section 14C(1) or (2),
  - (b) the person is liable for biodiesel or bioblend being taken into a vehicle or the fuel supply of an engine in contravention of section 14C(1) or (2), and knows that the taking in is in contravention of that provision, or
  - (c) the person supplies biodiesel or bioblend, intending that it will be put to a particular use that is a prohibited use.
- (4) “Prohibited use” means a use that would contravene section 14C(1) or (2) if no payment under section 14C(3) were made in respect of the biodiesel or bioblend.
- (5) A person guilty of an offence under this section is liable—
- (a) on summary conviction, to—
    - (i) a fine not exceeding the statutory maximum or (if it is greater) 3 times the value of the biodiesel or bioblend in question, or
    - (ii) imprisonment for a term not exceeding 12 months, or both, and
  - (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding 7 years or both.
- (6) Subsection (5)(a)(ii) has effect as if the reference there to 12 months were to 6 months—
- (a) in this section as it extends to England and Wales, in relation to offences committed before the commencement of section 282 of the Criminal Justice Act 2003 (increase in maximum term that may be imposed on summary conviction of offence triable either way), and
  - (b) in this section as it extends to Northern Ireland.”

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 41 para. 6(1A) inserted by [2015 c. 11 Sch. 20 para. 10\(2\)](#)
- Sch. 41 para. 6A(A1)(1) substituted for Sch. 41 para. 6A(1) by [2015 c. 11 Sch. 20 para. 11\(2\)](#)