

**2002 No. 1152**

**CLIMATE CHANGE LEVY**

**The Climate Change Levy (General) (Amendment)  
Regulations 2002**

*Made* - - - - - *24th April 2002*

*Laid before the House of Commons* *25th April 2002*

*Coming into force* - - *1st June 2002*

The Commissioners of Customs and Excise, in exercise of the powers conferred on them by section 30 of, and paragraph 41(1) of Schedule 6 to, the Finance Act 2000<sup>(a)</sup> and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Climate Change Levy (General) (Amendment) Regulations 2002 and shall come into force on 1st June 2002.
2. After regulation 6 of the Climate Change Levy (General) Regulations 2001<sup>(b)</sup>, there shall be inserted—

**“Interpretation of Regulations 6B to 6G**

6A. In regulations 6B to 6G—

“authorised person” means a person who has been authorised by the Commissioners under regulation 6B(1), and “authorised” and “authorisation” shall be construed accordingly;

“current accounting year” means the period of 12 months commencing on a date indicated by the Commissioners in their notification of authorisation of a person, or while a person remains authorised, the most recent anniversary thereof, and is an accounting period within the meaning of regulation 3;

“the scheme” means the annual accounting scheme established by regulations 6B to 6G;

“transitional accounting period” means the period commencing on the first day of a person’s accounting period in which the Commissioners authorise him to use the scheme, and ending on the day immediately preceding the first day of that person’s first accounting year, and is an accounting period within the meaning of regulation 3.

**Annual accounting scheme**

6B.—(1) The Commissioners may, subject to the requirements in paragraph (2) below and in regulations 6C to 6G, authorise a registered person to pay and account for CCL by reference to any transitional accounting period, and any subsequent current accounting year, at such times, and for such amounts, as may be determined in accordance with the scheme.

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(a) 2000 c. 17; paragraph 147 of Schedule 6 to the Finance Act 2000 provides that “the Commissioners” means the Commissioners of Customs and Excise.

(b) S.I. 2001/838.

(2) The Commissioners shall not be required to authorise a person under regulation 6B(1) unless an application is made to the Commissioners in such form and in such manner as the Commissioners may prescribe in a published notice.

#### **Admission to the scheme**

6C.—(1) A person shall be eligible to apply for authorisation if—

- (a) he has been registered for at least 12 months at the date of his application for authorisation;
- (b) he has reasonable grounds for believing that the amount of CCL on taxable supplies made or to be made by him in the period of 12 months beginning on the date of his application for authorisation will not exceed £2,000;
- (c) his registration is not in the name of a representative member of a group of two or more bodies corporate under paragraph 56(2) of Schedule 6 to the Act;
- (d) his registration is not in the name of a division under paragraph 56(3) of Schedule 6 to the Act; and
- (e) he has not in the 12 months preceding the date of his application for authorisation ceased to operate the scheme.

(2) The Commissioners may refuse to authorise a person where they consider it necessary to do so for the protection of the revenue.

#### **Cessation of authorisation**

6D.—(1) An authorised person shall continue to account for CCL in accordance with the scheme until he ceases to be authorised.

(2) An authorised person ceases to be authorised when—

- (a) at the end of any transitional period or current accounting year the amount of CCL on taxable supplies made by him during that period or year has exceeded £2,000;
- (b) his authorisation is terminated in accordance with regulation 6E;
- (c) he—
  - (i) becomes insolvent and ceases to trade, other than for the purpose of disposing of stocks and assets,
  - (ii) ceases business or ceases to be registered,
  - (iii) dies, becomes bankrupt or incapacitated;
- (d) he ceases to operate the scheme of his own volition.

6E.—(1) The Commissioners may terminate an authorisation in any case where—

- (a) a false statement has been made by or on behalf of an authorised person in relation to his application for authorisation;
- (b) an authorised person fails to make by the due date a return for his transitional accounting period or current accounting year;
- (c) an authorised person fails to make by the due date any payment shown as due on any return for his transitional accounting period or current accounting year;
- (d) the Commissioners receive notification that the amount of CCL on taxable supplies in a transitional or current accounting year will exceed £2,000;
- (e) at any time during an authorised person's transitional period or current accounting year they have reason to believe that the amount of CCL on taxable supplies during the period or, as the case may be, year will exceed £2,000;
- (f) it is necessary to do so for the protection of the revenue;
- (g) an authorised person has not, in relation to a return made by him prior to authorisation, paid to the Commissioners all such sums shown as due thereon; or
- (h) an authorised person has not, in relation to any assessment made under Schedule 6 to the Act, paid to the Commissioners all such sums due as shown thereon.

(2) Where an authorised person has reason to believe that the amount of CCL on taxable supplies made by him during a transitional accounting period or current accounting year will exceed £2,000, he shall within 30 days notify the Commissioners in writing.

- 6F.—(1) The date from which an authorised person ceases to be authorised shall be—
- (a) where regulation 6D(2)(a) applies, the day following the last day of the relevant transitional accounting period or current accounting year;
  - (b) where regulation 6D(2)(b) applies, the day on which the Commissioners terminate his authorisation;
  - (c) where regulation 6D(2)(c) applies, the day on which any one of the events mentioned in that paragraph occurs; or
  - (d) where regulation 6D(2)(d) applies, the date on which the Commissioners are notified in writing of the authorised person's decision to cease using the scheme.

(2) Where an authorised person ceases to be authorised, he or as the case may be, his representative, shall—

- (a) if his authorisation ceases before the end of his transitional accounting period or current accounting year, make a return within one month of the date specified in paragraph (1)(b), (1)(c) or (1)(d) above, together with any payment due to the Commissioners in respect of his liability for CCL for that part of the period or year arising before the date he ceased to be authorised; or
- (b) if his authorisation ceases at the end of his transitional accounting period or current accounting year, make a return together with any payment due to the Commissioners in respect of his liability for CCL in accordance with regulations 4, 5 and 6;

and, in either case, from the day following the day on which he ceases to be authorised, account for and pay CCL as provided for otherwise than by the scheme.

6G. The Commissioners may vary any one of the amounts specified in regulations 6C(1)(b), 6D(2)(a) and 6E(1)(d) and (e) and (2) by prescribing a new amount in a published notice.”.

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24th April 2002

*M. J. Eland*  
Commissioner of Customs and Excise

## EXPLANATORY NOTE

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

These regulations amend The Climate Change Levy (General) Regulations 2001 (S.I. 2001/838) so as to make provision for an annual accounting scheme.

Regulations 6A to 6G are new provisions which introduce a scheme which provides, subject to certain conditions, for registered traders to be authorised to account for and pay climate change levy (CCL) on an annual basis.

Regulation 6A contains definitions of expressions used elsewhere in the new regulations.

Regulation 6B provides for registered traders to be authorised to use the scheme on application to Customs and Excise.

Regulation 6C prescribes conditions for eligibility for the scheme.

Regulations 6D and 6E make provision for the cessation and termination of authorisation to use the scheme.

Regulation 6F specifies how registered traders should account for and pay CCL when they cease to be authorised to use the scheme.

Regulation 6G enables Customs and Excise to vary, by means of publication in a notice, the various monetary thresholds prescribed in these regulations (which have all been set at £2,000 initially).

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