
EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 1st September 2004, further amends the Other Fuel Substitutes (Rates of Duty etc.) Order 1995 (S.I.1995/2716) (“the Principal Order”). The Principal Order prescribes the rates of the excise duty charged on certain liquid motor fuels under section 6A of the Hydrocarbon Oil Duties Act 1979 (c. 5) (“the Oil Act”).

Articles 5 and 6 of this Order amend the Principal Order such that where the rate prescribed by the Principal Order in respect of a liquid was the rate specified by the Oil Act for ultra low sulphur petrol (unleaded petrol substitutes, additives and extenders and multi-purpose additives and extenders), the rate now prescribed is the rate specified by the Oil Act for sulphur-free petrol. Where the rate prescribed was the rate specified by the Oil Act for ultra low sulphur diesel (diesel substitutes, additives and extenders), the rate now prescribed is the rate specified by the Oil Act for sulphur-free diesel. The rate prescribed by the Principal Order in respect of substitutes, additives and extenders for aviation gasoline is now the rate specified by the Oil Act for aviation gasoline.

Articles 3 and 4 of this Order make minor amendment to the Principal Order consequential on other amendments to related legislation.

Section 6A of the Oil Act and the Principal Order (as amended) give effect to the second sentence of Article 2(3) of Council Directive 2003/96/EC(1) (of 27th October 2003 restructuring the Community framework for the taxation of energy products and electricity) in respect of motor fuel substitutes, additives and extenders other than biodiesel (for which, see sections 6AA to 6AC of the Oil Act).

From 1st January 2005, sections 6AD to 6AF of the Oil Act (not section 6A and the Principal Order (as amended)) will give effect to the second sentence of Article 2(3) of Council Directive 2003/96/EC in respect of bioethanol that is a motor fuel substitute, additive or extender. A transposition note for the directive is available at www.hmce.gov.uk.

A full regulatory impact assessment has not been produced for this instrument, as it has no impact on the costs of business, charities or voluntary bodies.

(1) OJ No L 283, 31.10.2003, p 51.