
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 12th January 2007, provide for a partial relief from excise duty charged on sulphur-free diesel which is partly produced from the hydrogenation of biomass. They will cease to have effect on 12th January 2009.

Regulation 2 defines terms used in the Regulations.

Regulation 3 sets out the scope of the relief.

Regulation 4 provides that the relief shall be in the form of a remission of duty.

Regulation 5 sets out how the amount of duty remitted is calculated. An amount equivalent to the duty differential between sulphur-free diesel and biodiesel is remitted on that proportion of the fuel that is produced from the hydrogenation of biomass.

Regulation 6 permits the Commissioners to impose conditions on the person claiming the relief.

Regulation 7 provides for the cancellation and recovery of the relief in cases where there is a contravention of, or failure to comply with, any condition imposed by the Commissioners under regulation 6.

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.