
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 30 June 2007, amend the Biofuels and Other Fuel Substitutes (Payment of Excise Duties etc) Regulations 2004 (“the principal regulations”). They remove the obligations on small producers of biofuels (“exempt producers”) to make an entry of their production premises, make returns of biofuel produced and pay excise duty. They also introduce changes relaxing the frequency with which returns and duty payments must be made by producers other than “large producers”.

Regulation 3 introduces various new definitions into regulation 2 of the principal Regulations including the definition of “exempt producer” and “large producer”.

Regulation 4 amends regulation 8 and inserts regulations 8A to 8F into the principal regulations. The regulations impose a liability on a producer, who meets either of two specified conditions relating to the size of biofuel production, to make entry of those premises within a specified time period. They provide for liability to cease if a producer satisfies the Commissioners that future production will be less than a specified amount. Similar corresponding provision is made in relation to two or more producers producing biofuel in the same premises or sets of premises. A power is conferred on the Commissioners to cancel an entry of premises if they are satisfied that the amount of biofuel produced by producers will be less than specified amounts.

Regulation 5 amends regulation 13. It excludes exempt producers from the requirement to keep a motor fuels record.

Regulation 6 inserts new regulation 13A requiring exempt producers to keep such records as the Commissioners may specify. It stipulates a period of six years for the preservation of these records or such shorter period as the Commissioners permit.

Regulation 7 amends the excise duty point in regulation 17(1). It sets an excise duty point (the time at which duty is payable) for biofuel produced by a producer who has not discharged his liability to make entry of those premises under regulations 8A or 8E(6).

Regulation 8 amends regulation 19. It relaxes the frequency with which producers, other than large producers, must make returns and pay duty from monthly to quarterly.

Regulation 9 inserts regulation 19A. It provides for the Commissioners to notify producers, who meet specified conditions, that they are large producers and a cancellation procedure for producers who no longer fall within the specified conditions. It imposes an obligation on large producers to submit monthly returns and pay excise duty monthly. It applies the provisions of regulations 19(2) to (8) to them.