

2017 No. 1239

ROAD TRAFFIC

**The Road Vehicles (Payment of Duty by Credit Card)
(Prescribed Fee) Regulations 2017**

<i>Made</i>	- - - -	<i>6th December 2017</i>
<i>Laid before Parliament</i>		<i>14th December 2017</i>
<i>Coming into force</i>	- -	<i>13th January 2018</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 19C(2) and (4), and 57(1) and (2)(b), of the Vehicle Excise and Registration Act 1994(a).

The Secretary of State has received the approval of the Treasury to the making of these Regulations as required by section 58(1) of that Act(b).

Citation and Commencement

1. These Regulations may be cited as the Road Vehicles (Payment of Duty by Credit Card) (Prescribed Fee) Regulations 2017 and come into force on 13th January 2018.

Prescribed fee

2. The fee prescribed for the purposes of section 19C(2) of the Vehicle Excise and Registration Act 1994 is £2.50 in respect of the acceptance of a credit card payment of the duty payable on each vehicle licence or trade licence for which application is made.

Meaning of “credit card”

3.—(1) For the purposes of section 19C “credit card” means a commercial card where used to initiate a credit card transaction.

(2) In this regulation “commercial card” and “credit card transaction” have the meanings given in Article 2(6) and 2(5) of Regulation (EU) 2015/751 of the European Parliament and of the Council of 29th April 2015 on interchange fees for card-based payment transactions(c).

(a) 1994 c.22; section 19C was inserted by the Finance Act 2004, section 18(1) and (2).
(b) Section 58(1) was amended by the Finance Act 2004 (c.12), section 18(1) and (3), and by the Finance Act 2014 (c.26), Schedule 19, paragraphs 1 and 19.
(c) OJ No L 123, 19.5.2015, p.1.

Revocation

4. The Road Vehicles (Payment of Duty by Credit Card) (Prescribed Fee) Regulations 2005(a) are revoked.

Signed by authority of the Secretary of State for Transport

Jesse Norman
Parliamentary Under Secretary of State
Department for Transport

5th December 2017

We approve the making of these Regulations

David Evennett
Andrew Griffiths
Two of the Lords Commissioners of Her Majesty's Treasury

6th December 2017

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revoke and replace the Road Vehicles (Payment of Duty by Credit Card) (Prescribed Fee) Regulations 2005 and remove the need to pay a fee where Vehicle Excise Duty (“VED”) is paid using a personal credit card (i.e. non business), or personal credit card account. Otherwise, the fee remains £2.50.

The Regulations change the meaning of “credit card”, for the purposes of the prescribed fee payable under section 19C of the Vehicle Excise and Registration Act 1994, so that the definition of “credit card” is limited to mean a “commercial card” used to initiate a “credit card transaction” within the meaning of Article 2(6) and 2(5) of Regulation (EU) 2015/751.

These Regulations are made in consequence of a prohibition introduced by Directive 2015/2366/EU of the European Parliament and of the Council of 25th November 2015 on payment services in the internal market (OJ No L 337, 23.12.2015, p.35), also known as the Revised Payment Services Directive (“PSD2”). PSD2 prohibits the charging of fees for certain types of payment for certain transactions. This prohibition applies to the charging of fees for the use of a credit card, or a credit card account, to pay VED where the credit card used is not a commercial card.

These Regulations have been approved by HM Treasury.

An impact assessment has not been produced for this instrument as there is no impact on the private or voluntary sectors, and the impact on the public sector is not significant. An Explanatory Memorandum for this instrument has been published alongside these Regulations at www.legislation.gov.uk. The Directive referred to above is published at <http://eur-lex.europa.eu>.

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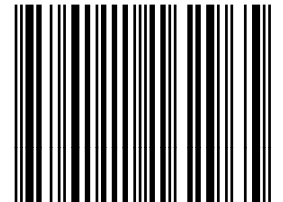
(a) S.I. 2005/2460.

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