
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st October 2021, make provision about the use of fuel in private pleasure craft. The Hydrocarbon Oil Duties Act 1979 (c. 5) (“HODA”) was amended by section 89 of, and Schedule 11 to, the Finance Act 2020 (c. 14) to disallow the use of “restricted fuel”, which is defined in new section 14E(2) of HODA as rebated fuel or marked oil that is not rebated fuel, to propel private pleasure craft. The changes made by Schedule 11 to the Finance Act 2020 have been commenced only in relation to Northern Ireland by the Finance Act 2020, Schedule 11 (Appointed Day) (Northern Ireland) Regulations 2021 (S.I. 2021/740 (C. 36)).

Part 1 (regulation 1) of these Regulations deals with citation, commencement, interpretation and application.

Part 2 (regulation 2) provides for cases in which a vessel in Northern Ireland is treated as not being a private pleasure craft. Two cases are specified. The first is where the vessel is used in accordance with instructions given by an officer of Her Majesty’s Revenue and Customs for the purposes of removing restricted fuel from the vessel. The second is where the vessel is used solely as a residential craft.

Part 3 (regulations 3-8) and the Schedule to the Regulations provide for a new relief in Northern Ireland from part of the excise duty charged on qualifying fuel supplied for private pleasure craft that will be used for non-propulsion purposes.

Part 4 (regulations 9-10) deals with amendments to other regulations, in relation to Northern Ireland, specifically adding treatment of “vessels” into regulation 47 of the Hydrocarbon Oil Regulations 1973 (S.I. 1973/1311), and to ensure that Part 3 of the Hydrocarbon Oil and Bioblend (Private Pleasure-flying and Private Pleasure Craft) (Payment of Rebate etc.) Regulations 2008 (S.I. 2008/2599) does not apply where the fuel is supplied for use in a private pleasure craft after these Regulations take effect.

Any notices mentioned in this instrument will be published at <https://www.gov.uk/government/collections/oils-notices>. A hard copy may be obtained free of charge by arrangement with HM Revenue and Customs, 100 Parliament Street, London SW1A 2BQ or telephone the fuel duty enquiry line number 0300 200 3700.

A Tax Information and Impact Note covering this instrument was published on 20 March 2020 alongside publication of the Finance Bill 2020. This has been updated as a result of changes to the impacts as a result of this instrument and is available on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.