

EXPLANATORY MEMORANDUM TO
THE HGV ROAD USER LEVY (HMRC INFORMATION GATEWAY) REGULATIONS
2013

2013 No. 3186

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before the House of Commons by Command of Her Majesty.

2. Purpose of the instrument

2.1 The purpose of the Statutory Instrument (SI) covered by this Memorandum is to establish a statutory information gateway that will enable the Commissioners of Her Majesty's Revenue and Customs (HMRC) to share data relating to Heavy Goods Vehicles (HGVs) with the Secretary of State for Transport for the purposes of or in connection with the functions of the Secretary of State for Transport under the HGV Road User Levy Act 2013 ("the 2013 Act").

3. Matters of special interest to the Select Committee on Statutory Instruments

3.1 None.

4. Legislative Context

4.1 The 2013 Act introduces a levy for using or keeping a HGV of 12 tonnes (12,000 kg) or more on public roads in the UK. The amount of the levy is determined in accordance with the weight and number of axles of the vehicle, and applies equally to UK and non-UK registered vehicles.

4.2 A person using or keeping a HGV registered in the UK will pay the levy on an annual or six-monthly basis at the same time as their vehicle excise duty. A person using or keeping a HGV registered outside the UK will pay the levy for the amount of time he or she intends to use or keep their vehicle on a public road in the UK (i.e. they may pay on a daily, weekly, monthly or annual basis).

4.3 It is an offence to use or keep a HGV on a public road in the UK without paying the appropriate levy, and on summary conviction, a fine of up to level 5 on the standard scale may be imposed. Police and VOSA¹ officers will be able to impose FPNs and require deposits from alleged offenders without a satisfactory UK address. In order to be able to enforce effectively the levy, the Secretary of State needs access to information held by HMRC on vehicles entering the UK.

¹ Vehicle and Operator Services Agency, an executive agency of the Department for Transport. VOSA will merge with the Driving Standards Agency to form the Driver and Vehicle Standards Agency in April 2014.

4.4 Section 18 of the Commissioners for Revenue and Customs Act 2005 prohibits HMRC from disclosing information held by them in connection with their functions, unless there is another enactment permitting disclosure. This SI establishes the required statutory information gateway so that HMRC may share with the Secretary of State, and persons authorised by him, the information needed to enable effective enforcement of the HGV road user levy. The SI is made using section 17 of the 2013 Act which provides for the Secretary of State to make regulations generally for the purpose of carrying into effect the provisions of the 2013 Act.

5. Territorial Extent and Application

5.1 This instrument applies to the United Kingdom.

6. European Convention on Human Rights

6.1 As this instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- What is being done and why

7.1 Foreign HGV operators will pay for the levy through the foreign operator payment system (“FOPS”) using a range of online and other payment channels. The DfT has entered into a contract for a private sector supplier to develop and operate FOPS, which will also enable enforcement of the scheme by VOSA in Great Britain and the Driver and Vehicle Agency in Northern Ireland. One of the ways that targeted enforcement will be enabled is via an interface with HMRC.

7.2 HMRC receives data from ferry companies and from Automatic Number Plate Recognition (“ANPR”) cameras that register traffic coming through the Channel Tunnel (“HMRC data”). The DfT’s intention is to take from the HMRC data the registration numbers of HGVs along with other data relating to the time; date and point of entry and exit from the UK; the declared weight of the HGV; and, where available, the country of origin. The DfT will then match that against data on FOPS about who has paid the levy; and send alerts to the enforcement agencies’ ANPR networks for those vehicles where the levy has not been paid or where the correct amount of levy had not been paid. The enforcement agencies will then be able to stop the vehicles and enforce payment of the levy.

- Consolidation

7.3 None required.

8. Consultation outcome

8.1 There is no statutory requirement to consult on these regulations. On that basis and because the Minister discussed these matters during the Parliamentary passage of the 2013 Act, we did not consult on sharing information between HMRC and the Secretary of State for Transport.

9. Guidance

9.1 None.

10. Impact

10.1 There is no impact on business, charities and the voluntary sector.

10.2 There will be an unquantifiable benefit to the public sector in terms of enforcement, as targeted enforcement will be a more efficient way of enforcing the HGV road user levy.

11. Regulating small business

11.1 This instrument does not apply to small business.

12. Monitoring & review

12.1 The DfT will monitor the implementation of the levy using data that will be available from the FOPS system and from the enforcement agencies. The DfT and HM Treasury will continue to review the effectiveness of the levy and the impact (if any) that it is having.

13. Contact

13.1 Sally Kendall at the Department for Transport, Great Minster House, 33 Horseferry Road, London, SW1P 4DR Tel: 020 7944 2085 or email: HGVCharging@dft.gsi.gov.uk can answer queries regarding this instrument or the policy area.