

*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 1997, SCHEDULE 3. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 3

Section 18.

#### VEHICLE EXCISE DUTY: EXEMPT VEHICLES

##### *Interpretation*

- 1 In this Schedule “the 1994 Act” means the <sup>M1</sup>Vehicle Excise and Registration Act 1994.

##### **Marginal Citations**

**M1** 1994 c. 22.

##### *Registration of vehicle on issue of nil licence*

- 2 In section 21 of the 1994 Act (registration of vehicles), for subsection (1) there shall be substituted the following subsection—

“(1) Subject to subsection (3), on the issue by the Secretary of State for a vehicle which is not registered under this section of either—

- (a) a vehicle licence, or
- (b) a nil licence,

the Secretary of State shall register the vehicle in such manner as he thinks fit without any further application by the person to whom the licence is issued.”

##### *Return of nil licence*

- 3 In section 22 of the 1994 Act (registration regulations), after subsection (3) there shall be inserted the following subsection—

“(4) Regulations made by the Secretary of State may make provision for the return of any nil licence to the Secretary of State in such circumstances as may be prescribed by the regulations.”

##### *Offence of not exhibiting nil licence*

- 4 (1) In section 33 of the 1994 Act (not exhibiting licence), after subsection (1) there shall be inserted the following subsection—

“(1A) A person is guilty of an offence if—

- (a) he uses, or keeps, on a public road an exempt vehicle,
- (b) that vehicle is one in respect of which regulations under this Act require a nil licence to be in force, and

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- (c) there is not fixed to and exhibited on the vehicle in the manner prescribed by regulations made by the Secretary of State a nil licence for that vehicle which is for the time being in force.”

(2) In subsection (2) of that section, after “(1)” there shall be inserted “ or (1A) ”.

(3) For subsection (3) of that section there shall be substituted the following subsection—

“(3) Subsections (1) and (1A)—

- (a) have effect subject to the provisions of regulations made by the Secretary of State, and
- (b) are without prejudice to sections 29 and 43A.”

(4) In subsection (4) of that section, for “in respect of which excise duty is chargeable” there shall be substituted “ which is kept or used on a public road ”.

(5) After that subsection there shall be inserted the following subsection—

“(5) The reference to a licence in subsection (4) includes a reference to a nil licence.”

*Offence of failing to have nil licence for exempt vehicle*

5 Immediately before section 44 of the 1994 Act there shall be inserted the following section—

**“43A Failure to have nil licence for exempt vehicle.**

(1) A person is guilty of an offence if—

- (a) he uses, or keeps, on a public road an exempt vehicle,
- (b) that vehicle is one in respect of which regulations under this Act require a nil licence to be in force, and
- (c) a nil licence is not for the time being in force in respect of the vehicle.

(2) A person guilty of an offence under subsection (1) is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

(3) Subsection (1) has effect subject to the provisions of regulations made by the Secretary of State.

(4) The Secretary of State may, if he thinks fit, compound any proceedings for an offence under this section.”

*Offence of forging or fraudulently using etc. nil licence*

6 In subsection (2) of section 44 of the 1994 Act (forgery and fraud), for paragraph (c) there shall be substituted the following paragraph—

“(c) a nil licence,”.

*Supplemental provisions*

7 (1) In section 46 of the 1994 Act (duty to give information)—

- (a) in subsection (1), for “or 37” there shall be substituted “ , 37 or 43A ”;

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- (b) in subsections (2) and (3), after “section 29” there shall be inserted “ or 43A ”.
- (2) In subsection (1) of section 51 of that Act (admissions), for “or 34” there shall be substituted “ , 34 or 43A ”.
- (3) In subsection (1) of section 62 of that Act (other definitions), after the definition of “motor trader” there shall be inserted the following definition—  
““nil licence” means a document which is in the form of a vehicle licence and is issued by the Secretary of State in pursuance of regulations under this Act in respect of a vehicle which is an exempt vehicle,”.
- (4) In paragraph 20 of Schedule 2 to that Act (exempt vehicles), sub-paragraph (4) shall cease to have effect.

#### *Further amendments*

- 8 (1) In Schedule 3 to the <sup>M2</sup>Road Traffic Offenders Act 1988 (fixed penalty offences), in column 2 of the entry relating to section 33 of the 1994 Act, for “licence” there shall be substituted “ vehicle licence, trade licence or nil licence ”.
- (2) In Article 198 of the <sup>M3</sup>Road Traffic (Northern Ireland) Order 1981 (offences punishable without prosecution), in paragraph (1)(f) for “licence” there shall be substituted “ vehicle licence, trade licence or nil licence ”.

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#### **Marginal Citations**

- M2** [1988 c. 53.](#)  
**M3** [S.I. 1981/154 \(N.I. 1\).](#)

#### *Commencement*

- 9 This Schedule shall come into force on such day as the Secretary of State may by order made by statutory instrument appoint; and different days may be appointed under this paragraph for different purposes.

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#### **Subordinate Legislation Made**

- P1** [Sch. 3 para. 9](#) power fully exercised (3.3.1998); 1.4.1998 appointed by [S.I. 1998/560](#), [art. 2](#)

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