
STATUTORY INSTRUMENTS

2007 No. 3098

EXCISE

**The Fuel-testing Pilot Projects
(Biobutanol Project) Regulations 2007**

Made - - - - *29th October 2007*
Laid before Parliament *30th October 2007*
Coming into force - - *23rd November 2007*

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 20AB(1) to (3), (5)(a) and (12) of the Hydrocarbon Oil Duties Act 1979(1).

Citation and commencement

1. These Regulations may be cited as the Fuel-testing Pilot Projects (Biobutanol Project) Regulations 2007 and come into force on 23rd November 2007.

Interpretation

2.—(1) In these Regulations—

“the Act” means the Hydrocarbon Oil Duties Act 1979;

“the project” means the project described in the Schedule.

(2) In these Regulations “biobutanol” means a liquid—

(a) consisting of butanol produced from biomass, and

(b) capable of being used for the same purposes as light oil.

(3) In paragraph (2) “biomass” means vegetable and animal substances constituting the biodegradable fraction of—

(a) products, wastes and residues from agriculture, forestry and related activities, or

(b) industrial and municipal waste.

(1) 1979 c.5; section 20AB was inserted by section 3(1) of the Finance Act 2001 (c. 9). Section 27(3) applies the definition of “the Commissioners” in section 1(1) of the Customs and Excise Management Act 1979 (c. 2), namely “the Commissioners” means “the Commissioners for Her Majesty’s Revenue and Customs”. The definition in section 1(1) was amended by paragraph 22(b) of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c.11).

Experimental fuel

3. Biobutanol is an experimental fuel.

Experimental period

4. The experimental period for biobutanol is 23rd November 2007 to 1st April 2009.

Relief

5.—(1) Relief from duty charged by section 6A of the Act⁽²⁾ (fuel substitutes) shall be allowed in respect of biobutanol used or to be used for the purposes of the project (subject to any conditions imposed and directions given by the Commissioners).

(2) Relief shall be in the form of a rebate of duty charged and the amount of the rebate per litre of biobutanol shall be equivalent to the difference in the rate of duty for the time being specified by section 6AD(3) of the Act⁽³⁾ (duty on bioethanol) and the rate of duty for the time being specified by article 4(2)(c) of the Other Fuel Substitutes (Rates of Excise Duty etc) Order 1995⁽⁴⁾ (duty rates for fuel substitutes).

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Two of the Commissioners for Her Majesty's
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29th October 2007

(2) Section 6A was inserted by section 11(1) of the Finance Act 1993 (c.34) and section 6A(1) was amended by section 10(4) of the Finance Act 2004 (c. 12).

(3) Section 6AD was inserted by section 10(3) of the Finance Act 2004 and section 6AD(3) was last amended by section 10(4) of the Finance Act 2007 (c. 11).

(4) S.I. 1995/2716; article 4(2)(c) was amended by S.I. 2002/3042 and S.I. 2004/2062.

SCHEDULE

Regulation 2

The project to which these Regulations apply is that approved by the Commissioners for Her Majesty's Revenue and Customs on 30th October 2007. The project seeks to establish the extent to which biobutanol in differing proportions can be mixed with unleaded petrol and used as fuel for road vehicles. The duty relief conferred by these Regulations will enable participants to carry out extensive tests to provide an indication of the potential environmental impacts and benefits of these mixtures in engines that would normally operate using only unleaded petrol; to provide information on the issues and problems that arise from this use; and to provide information on the relative benefits of using such mixtures.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 23rd November 2007, are made under the powers conferred on the Commissioners for Her Majesty's Revenue and Customs by section 20AB of the Hydrocarbon Oil Duties Act 1979. Section 20AB provides that the Commissioners may make regulations allowing relief from excise duty on experimental fuel within fuel testing projects approved by them. These projects must be connected with the technological development of more environmentally friendly fuels. Section 20AB provides that the Commissioners may impose conditions and give directions in connection with such relief, which they are doing separately.

Regulation 2 contains interpretative provisions.

Regulation 3 describes the fuel (biobutanol) that will be subject to the relief and regulation 4 sets out the period for which the relief will apply. Regulation 5 describes the form of the duty relief. The Schedule contains details of the project.

A full impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.