

*Order made by the Treasury, laid before the House of Commons under section 71(4) of the Finance Act 1996 (c.8), for approval by resolution of that House before the expiration of a period of 28 days beginning with the date on which it was made, no account to be taken of any time during which Parliament is dissolved or prorogued or during which the House of Commons is adjourned for more than four days.*

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STATUTORY INSTRUMENTS

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**2015 No. 845**

**LANDFILL TAX, ENGLAND AND WALES  
LANDFILL TAX, NORTHERN IRELAND**

**The Landfill Tax (Qualifying Fines) Order 2015**

<i>Made</i>	- - - -	<i>26th March 2015</i>
<i>Laid before the House of Commons</i>	- - - -	<i>27th March 2015</i>
<i>Coming into force</i>	- -	<i>1st April 2015</i>

The Treasury, in exercise of the powers conferred by sections 42(3A) and (3B) and 63A(2) to (5) of the Finance Act 1996(1), make the following Order:

**Citation and commencement**

1. This Order may be cited as the Landfill Tax (Qualifying Fines) Order 2015 and comes into force on 1st April 2015.

**Interpretation**

2. In this Order—

“hazardous waste” means any hazardous waste within the meaning of European Parliament and Council [Directive 2008/98/EC\(2\)](#);

“LOI percentage” means the amount of non-qualifying material contained in fines(3), as indicated by the percentage of the mass of those fines lost on ignition;

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- (1) [1996 c.8](#); sections 42(3A), 42(3B) and 63A were inserted into the Finance Act 1996 by section 65 of, and paragraphs 2 and 4 of Schedule 15 to, the Finance Act 2015 (c. 11). Under paragraph 8 of Schedule 15 to the Finance Act 2015, these amendments to the Finance Act 1996 have effect in relation to disposals that are made in England and Wales or Northern Ireland and made (or treated as made) on or after 1st April 2015.
- (2) OJ No L 312, 22.11.08, p. 3. This Directive has been amended by Commission Regulation (EU) No 1357/2014, OJ No L 365, 19.12.14, p. 89.
- (3) Section 70(1) of the Finance Act 1996 defines “fines” as particles produced by a waste treatment process that involves an element of mechanical treatment.

“LOI test” means a test to determine the LOI percentage of fines, conducted in accordance with the terms of a published notice;

“published notice” refers to a notice issued by the Commissioners<sup>(4)</sup> and not revoked by a further notice;

“qualifying material” means the materials and descriptions listed in columns 1 and 2, subject to the conditions expressed in column 3, of the Schedule to the Landfill Tax (Qualifying Material) Order 2011<sup>(5)</sup>;

“non-qualifying material” means any material other than qualifying material;

“transfer note” means written information or a transfer note within the meaning of—

- (a) the Waste (England and Wales) Regulations 2011<sup>(6)</sup>, where the transferor of material to a landfill site is a person in England and Wales;
- (b) the Controlled Waste (Duty of Care) Regulations (Northern Ireland) 2002<sup>(7)</sup>, where the transferor of material to a landfill site is a person in Northern Ireland;
- (c) the Environmental Protection (Duty of Care) (Scotland) Regulations 2014<sup>(8)</sup>, where the transferor of material to a landfill site is a person in Scotland.

### Qualifying fines

3.—(1) Subject to paragraphs (2) and (3), and to article 4, any qualifying material is prescribed for the purposes of section 42(3A)(a) of the Finance Act 1996.

(2) The mixture mentioned in that section must—

- (a) contain no more than an incidental amount of non-qualifying material; and
- (b) not be hazardous waste.

(3) That mixture must not result from any deliberate or artificial blending or mixing with any quantity of material (including fines), prior to disposal at a landfill site.

### Conditions applicable to qualifying fines

4.—(1) The fines contained in any quantity of material received by a registrable person<sup>(9)</sup> for disposal must not be treated as qualifying fines unless all of the following conditions are met—

- (a) where the owner of the fines immediately prior to the disposal and the registrable person are not the same person, the registrable person holds a transfer note in respect of that quantity of material;
- (b) the registrable person holds such evidence as is specified in a published notice that the fines are qualifying fines;
- (c) where a LOI test has been conducted on any part of the fines in accordance with any published notice, the LOI percentage determined by that test does not exceed—
  - (i) if the fines tested were disposed of or treated as disposed of prior to 1st April 2016, 15%; or

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(4) Section 70(1) of the Finance Act 1996 defines “the Commissioners” as those of Customs and Excise for the purposes of Part 3 of that Act. The functions of the Commissioners of Customs and Excise were transferred to the Commissioners for Her Majesty’s Revenue and Customs by section 5(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of the latter Act provides that a reference to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for Her Majesty’s Revenue and Customs.

(5) S.I. 2011/1017, amended by S.I. 2012/940.

(6) S.I. 2011/988, amended by S.I. 2014/656; there are other amending instruments, but none is relevant.

(7) S.R. (NI) 2002 No. 271, amended by S.R. (NI) 2004 No. 277 and S.R. (NI) 2013 No. 255.

(8) S.S.I. 2014/4.

(9) Section 47(10) of the Finance Act 1996 defines a registrable person as a person who is, or is liable to be, registered under that section.

- (ii) if the fines tested were disposed of or treated as disposed of on or after 1st April 2016, 10%; and
  - (d) where the Commissioners have directed a registrable person to conduct a LOI test of a quantity of material proposed to be disposed of as qualifying fines, that person conducts the test.
- (2) No material received by a registrable person for disposal as fines shall be treated as qualifying fines, for the period specified in paragraph (3), unless the registrable person has conducted the LOI test in accordance with such requirements in relation to the test as may be specified by published notice.
- (3) For the purpose of paragraph (2), the period begins on the date that the condition in that paragraph is not met and ends when that condition is met.

26th March 2015

*David Evennett*  
*Gavin Barwell*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order sets out the requirements of qualifying fines, and conditions that fines must satisfy in order to be treated as qualifying fines pursuant to sections 42(3A) and 63A(2) of the Finance Act 1996 ('the Act').

If fines are qualifying fines, they will be subject to landfill tax at the lower rate, set out in section 42(2) of the Act.

Article 3 specifies that, to be qualifying fines, fines must comprise qualifying material under the Landfill Tax (Qualifying Material) Order 2011 (S.I. 2011/1017). Such material may only be mixed with an incidental amount of other material, must not be blended or mixed prior to, or following, its processing into fines, and it must not be hazardous waste.

Article 4 sets out evidential conditions which, if breached, may cause fines not to be treated as qualifying fines, and therefore be liable to the standard rate of the tax under section 42(1) of the Act.

A Tax Information and Impact Note covering this instrument was published on 10th December 2014 and is available on the gov.uk website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>. It remains an accurate summary of the impacts that apply to this instrument.