



**Cruising Association Guidance Document
relating to the HMRC Excise Notice
'Fuel Duty Changes For Private Pleasure Craft
In Northern Ireland That Use Diesel'**

Following the publication of this HMRC Excise Note the notes below are intended as a guidance document* to the future regulations for the use of diesel fuel in private pleasure craft in Northern Ireland which are a result of the United Kingdom government's obligations under the Northern Ireland Protocol (Withdrawal Agreement).

**Please note that this CA Guidance Document has been approved by HM Revenue and Customs.*

USE OF DIESEL FUEL FROM 1 OCTOBER 2021

From 1 October 2021 it will be illegal to refuel your private pleasure craft with red diesel in the diesel tank used for engine propulsion or for propulsion and heating & power generation.

- 1. Advice on the steps to take for the change from red diesel in the engine tank to white diesel use**
 - a) You should keep records of any red diesel fuel purchased before the 1 October 2021,
 - b) You should try to reduce the volume of the red diesel fuel in the engine tank(s) before re-filling with the correct legally required white diesel. This may not be quickly achieved due to usage and the size of the fuel tank(s),
 - c) Keep a record of the engine hours and log of voyages as confirming evidence to show any inspecting Customs Official that you may have been unable to reduce the volume of your fuel. You will not be expected to flush out the tanks) to remove traces of any remaining red diesel,
 - d) If you are concerned that, in your judgement, the remaining red diesel tank level is so low so as to cause sediment to block fuel lines whilst at sea, or to have insufficient fuel, which could endanger a voyage, you should re-fuel using white diesel as stated below in 'Refuelling after 1 October 2021',
 - e) You should keep all receipts for red diesel prior to 1 October 2021. Receipts for fully paid duty diesel after 1 October 2021 and records in your log of engine hours together with the craft's log of voyage details to satisfy any inspecting Custom Official of your actions and why there is still the presence, or are traces, of red diesel in the tank(s),
 - f) HMRC state that their Officials will take a pragmatic view of the evidence of your situation and the steps taken to fulfil the new regulations so as they need to take no further action.

2. Refuelling after 1 October 2021 in Northern Ireland

a) If you have a single fuel tank

If the craft has one tank(s) for propulsion and non-propulsion (heating/lighting/power generation where the equipment is fitted) you have to refuel with the legally required white diesel obtained from the registered diesel fuel suppliers

b) If you have more than one fuel tank

If the craft has a separate fuel tank(s) for propulsion you have to use the fully duty paid white diesel in this tank(s)

If the craft has a separate fuel tank only connected to non-propulsion equipment you can continue to use red rebated duty diesel in this tank for heating, lighting & power generation

c) If you are a Houseboat

Houseboats in Northern Ireland that do not have an engine for propulsion can continue to use red rebated duty diesel fuel as all of this fuel will be used for non-propulsive purposes

d) Fuel Duty relief if you have a single fuel tank

If your craft has a single fuel tank, from 1st October you may take advantage of the new 'Fuel Duty' relief known as the 'Private Pleasure Craft (Northern Ireland) Relief'. This gives duty relief on diesel for non-propulsion use as shown --

For example, if you purchase 100l of the legally required white diesel

- i. 60l will have the full duty rate for propulsion use,
- ii. 40l will have the rebated rate for non-propulsion use (heating/lighting/power generation). This allows for a discount to paying the lower rate of duty for diesel used for non-propulsion.

This fixed ratio of 60/40% for propulsion and non-propulsion will be applied automatically for whatever quantity of diesel fuel is purchased for craft in Northern Ireland. You do not have to declare the portion of the total fuel purchased for propulsion and non-propulsion

3. Travelling between countries and jurisdictions on or after 1 October 2021

When travelling between:

- Northern Ireland and Great Britain -- England, Scotland and Wales
- Northern Ireland and jurisdictions outside the United Kingdom

and the pleasure craft has a single fuel tank for propulsion and non-propulsion (heating/lighting/power generation), then the following procedures should be followed:

a) Travelling from Northern Ireland to Great Britain

- i. Private pleasure craft users with one fuel tank can purchase rebated duty diesel (red diesel) within Great Britain (England, Scotland and Wales).

At this purchase you must make a declaration of the amount of rebated (red) diesel purchased for propulsion. The registered dealer in controlled oils who supplies the red diesel will charge the full duty rate on the quantity of diesel as they do for private craft users in Great Britain.

b) Travelling from Great Britain to Northern Ireland

- i. Upon returning to Northern Ireland from Great Britain you do not have to flush out your fuel tank to remove any new rebated red diesel you had to put into your tank when in Great Britain.
- ii. You must keep evidence of being allowed to refuel with red diesel. These are the receipts for the fuel purchased in Great Britain, the log of the engine hours used on the voyage and the SOLAS V required passage plan for the whole trip that demonstrates the need for more fuel.

c) Travelling from Northern Ireland to a jurisdiction outside the United Kingdom

- i. If you sail your pleasure craft from Northern Ireland to anywhere outside the United Kingdom you can refuel according to the law in that jurisdiction, provided that jurisdiction allows craft to use rebated diesel for propulsion. You do not have to flush out the fuel tank to remove any unused rebated diesel.
- ii. You must keep all fuel purchase receipts for the rebated diesel should it be necessary to demonstrate to Customs officials that any dye marked diesel in the fuel tank was put there in the jurisdiction that permits its use.

4. Fuel Duty Relief for private pleasure visiting from outside Northern Ireland

HMRC advise that the fixed ratio of 60/40% for propulsion and non-propulsion will be applied automatically for whatever quantity of diesel fuel is purchased for craft visiting from outside of Northern Ireland. You do not have to declare the portion of the total fuel purchased for propulsion and non-propulsion (heating/lighting/power generation).

5. Signing a declaration form for each Northern Ireland purchase of discounted diesel

You must sign the provided declaration form (which may be different from that at Annex A) by the fuel supplier upon purchase and delivery of your discounted diesel fuel. Details may include the notes below but the supplier will be able to guide you on what they require for their detailed returns to HMRC:

- i. you must confirm the amount of discount and authorise the fuel supplier to claim back the discount from HMRC,
- ii. the amount of discount given on the proportion of diesel which is regarded as for non-propulsion use - that is 40% of the fuel purchased - will be shown on your invoice and receipt,
- iii. for any reference requirement this dated paperwork should be kept for your records with your engine log and craft passage log,
- iv. you must complete a declaration for every supply of fuel where there is a discount given by the fuel supplier.

6. Full range of the Duty Changes

The full range of the duty changes are set out in the HMRC guidance note:

'Fuel duty changes for private pleasure craft in Northern Ireland that use diesel' which is available online at: <https://www.gov.uk/guidance/fuel-duty-changes-for-private-pleasure-craft-in-northern-ireland-that-use-diesel>

Prepared by: The Cruising Association Regulations and Technical Services group (RATS)

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About the Regulations and Technical Services group (RATS)



The Regulations and Technical Services group (RATS) is an executive committee of the Cruising Association (CA) made up of CA volunteers. RATS gives advice and assistance to CA members on a voluntary basis but this is subject to the following Disclaimer and should not be regarded as a substitute for appropriate professional advice.

Disclaimer

Any advice has been prepared voluntarily by the Cruising Association, its members and others and they and it have tried to ensure that the contents are accurate. However, the Cruising Association, its employees, contributors and relevant members shall not be liable for any loss, damage or inconvenience of any kind howsoever arising in connection with the use of such advice, save to the extent required by applicable law.

ANNEX A

THE PRIVATE PLEASURE CRAFT (NORTHERN IRELAND) RELIEF – PPC USER DECLARATION

I/We*(owner/user/hirer*)
(full name in BLOCK LETTERS)

of(name of vessel)
(full name in BLOCK LETTERS)

- confirm that I/we* have received fuel in Northern Ireland, which will be used for non-propulsion purposes in a private pleasure craft equipped with a single fuel system, and
- declare that the fuel purchased will only be used as a fuel for the above craft while it is being used as a private pleasure craft and will not be used for any other purpose or relanded anywhere in the UK without HMRC's agreement.

40% of the delivered fuel has been reduced in price as allowed by law and the amount of duty to be claimed as a repayment is clearly shown on the fuel supplier's invoice

Signed..... (owner/user/hirer*)

Address

.....

Date