STATUTORY INSTRUMENTS

1964 No. 1349

CUSTOMS AND EXCISE

The Hydrocarbon Oil Duties (Rebates and Reliefs) Regulations 1964

Made - - - -	*25th August* 1964
Laid before Parliament	*28th August* 1964
Coming into Operation	*1st September* 1964

The Commissioners of Customs and Excise in exercise of the powers conferred on them by sections 198 and 200 of the Customs and Excise Act 1952(a) and section 6(5) of and Part I of Schedule 6 to the Finance Act 1964(b) hereby make the following Regulations :—

Approval of persons

1. Save when the Commissioners otherwise permit, a person seeking to be approved for any of the purposes of section 6 of the Finance Act 1964 shall make application in writing to the Commissioners in such form and manner, and give such particulars, as they may require.

2. In granting approval to a person or class of persons for any of the purposes of section 6 of the Finance Act 1964 the Commissioners may specify in the approval the descriptions of oil in respect of which the approval is granted and the premises at which and the purposes for which the oil is to be used, and may impose such other conditions as they see fit.

3. The Commissioners may at any time for reasonable cause revoke or vary the terms of any approval given under these Regulations.

4. In these Regulations a person approved for the purposes of section 6(2) of the Finance Act 1964 is called an approved repayment user and a person approved for the purposes of section 6(4) of the said Act is called an approved furnace operator.

5. An approved repayment user shall—

(i) unless the Commissioners otherwise permit, before using any oil in respect of which he intends to claim repayment of duty, set the oil aside in storage space in vessels or places used solely for the storage of such oil;

(ii) comply with the directions of the proper officer concerning the measurement, storage, processing, treatment, further use and disposal of any oil recovered after use as a material, solvent, extractant, preservative or finish in the manufacture or preparation of any article, and concerning the records and accounts to be kept of such oil;

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 44. (b) 1964 c. 49.

(iii) permit an officer to inspect any premises, vessels or apparatus in which any oil is received, used, stored or treated, in respect of which oil he intends to claim or claims repayment of duty, and to examine, take account of, and sample any oil or other goods on such premises;

(iv) provide all measures, gauges, calibration tables and appliances, and such facilities and assistance as may be required by an officer, necessary for the examination, taking account of or sampling of any such oil or other goods.

6. An approved furnace operator shall—

(i) keep such records, and furnish to the proper officer such returns, of the receipt, storage, use and disposal of oil as the officer may require;

(ii) make available to an officer, and permit him to inspect and take extracts from, or copies of, such records of manufacture, operation or trading as the officer may require;

(iii) permit an officer to examine, take account of and sample any oil or other goods on the premises to which the approval relates;

(iv) provide all measures, gauges, calibration tables and appliances, and such facilities and assistance as may be required by an officer, necessary for the examination, taking account of or sampling of any such oil or other goods;

(v) comply with such conditions as the Commissioners may impose concerning the storage and movement of the oil, and the marking, adaptation or maintenance of storage tanks, vessels, appliances, pipe lines, valves and equipment; and shall not, without the prior consent of the Commissioners, alter such tanks, vessels, appliances, pipe lines, valves or equipment;

(vi) take such measures as the Commissioners may require to prevent improper or unauthorised removal or use of oil on which rebate has been allowed under section 6(4) of the Finance Act 1964.

Claims for repayment of duty by an approved repayment user

7. Claims by an approved repayment user for repayment of duty—

(i) shall be made in such form and manner and contain such particulars as the Commissioners may require;

(ii) shall be accompanied by such documents and particulars relating to the oil delivered to or used by, the approved repayment user as the Commissioners think necessary to deal with the claim.

8. Where any quantity of oil has been used partly for a purpose specified in section 6(1)(*a*) of the Finance Act 1964 and partly for another purpose, such part of that quantity shall be treated as used for each purpose as may be determined by the Commissioners.

9. No claim for repayment under these Regulations shall lie where the amount to be paid thereunder is less than £10.

10. Save as the Commissioners otherwise allow, no claim for repayment of duty shall be made in respect of oil used during a period of less than two months nor in respect of oil used more than twelve months before the date of the claim:

Provided that no claim for repayment of duty shall be made before 1st November 1964.

11. The Commissioners may require a claimant for repayment of duty to furnish proof of such matters as they think necessary to deal with his claim, and if such proof is not furnished to the satisfaction of the Com-

missioners the facts shall be deemed for the purposes of such claim to be such as the Commissioners may determine.

Marking of oil

12. No rebate of duty under section 199 of the Customs and Excise Act 1952 shall be allowed on the delivery for home use of gas oil, and no rebate of duty under section 6(4) of the Finance Act 1964 shall be allowed on the delivery for home use of light oil as mentioned in that sub-section, unless—

(i) there have been added to the oil at the time, in the manner and in the proportions prescribed by these Regulations the markers and colouring substance prescribed by these Regulations in relation to that description of oil; or

(ii) the Commissioners are satisfied that the oil has been marked and coloured outside the United Kingdom in such a way as to comply with the requirements of these Regulations and a declaration is furnished to that effect at the time of making entry of the said oil;

provided that the Commissioners may permit marking and colouring to be dispensed with in the case of oil delivered in such circumstances as they may allow, and subject to such conditions, including the giving of security, as they may impose.

13. For the purposes of section 6 of the Finance Act 1964—

(i) the prescribed markers (hereinafter called "the markers") in relation to gas oil and to light oil delivered as mentioned in section 6(4) of that Act are:—

(*a*) 1 : 4-dihydroxyanthraquinone;

(*b*) furfuraldehyde;

(ii) the prescribed colouring substance (hereinafter called "the colouring substance") is C.I.Solvent Red 24 as described in the Colour Index.

14. (i) The markers shall be added to the said gas oil and light oil in the following proportions:—

to every one hundred thousand imperial gallons of oil, not less than one and three quarter pounds of 1 : 4-dihydroxyanthraquinone and not less than nine pounds of furfuraldehyde.

(ii) The colouring substance shall be added to the said gas oil and light oil in the following proportions:—

to every one hundred thousand imperial gallons of oil, not less than four pounds of C.I. Solvent Red 24.

15. Except as otherwise allowed by the Commissioners and subject to such conditions as they may impose, the markers and the colouring substance shall be added to the oil in a tank or pipe approved by the Commissioners by a warehousekeeper or refiner before delivery of the oil for home use.

16. The markers and the colouring substance may, at the discretion of the warehousekeeper or refiner, be added to the oil in the form of a composite solution containing both such markers and such colouring substance and any reference in these Regulations to markers and colouring substance shall, except where the context otherwise requires, include a reference to such composite solution.

17. The composite solution shall be added in such quantity as to ensure the presence in the oil of the markers and the colouring substance in the proportions prescribed.

18. (i) While stored in any warehouse or refinery before addition to oil as required by these Regulations, the markers and the colouring substance shall—

(*a*) be kept separate from all other substances ; and

(*b*) except when removed for immediate use, be kept either within an approved area in containers bearing, or labelled with, a description of their contents or in an approved tank.

(ii) The warehousekeeper or refiner shall take stock of both the markers and the colouring substance which are stored or in use at the warehouse or refinery at the end of each calendar month or at such other time as the Commissioners may require.

19. (i) A warehousekeeper or refiner shall keep and maintain at the warehouse or refinery an account of both the markers and the colouring substance which are received into, stored in, or used in the warehouse or refinery.

(ii) The account shall show—

(*a*) the date of receipt, the person from whom received and the description and quantity of each of the markers and the colouring substance received ;

(*b*) the quantities of each of the markers and the colouring substance added each day to each description of oil in the warehouse or refinery and the quantity in imperial gallons of each description of oil to which those quantities of the markers and the colouring substance have been added.

(iii) The particulars required by this Regulation shall be entered in the account not later than noon of the day following that on which the markers and the colouring substance have been received or added to the oil.

(iv) The account shall include a balanced stock account made up to the end of each calendar month showing the quantities and descriptions of each of the markers and the colouring substance which are in the warehouse or refinery at the time of stocktaking.

(v) The account shall be kept at the warehouse or refinery and shall be produced on demand to an officer, who may make entries therein and take extracts therefrom.

(vi) The account specified in this Regulation shall be kept for not less than one year from the last date entered therein.

20. All oil in which either of the markers is present shall be stored separately from oil of other descriptions and from oil of the same descriptions in which neither of the markers is present.

21. When the Commissioners so require, any drum, storage tank, delivery pump or other container or outlet

(*a*) if it contains any heavy oil in which either of the markers is present, shall be indelibly labelled to the effect that such oil is not to be used as road fuel ;

(*b*) if it contains any light oil in which either of the markers is present, shall be indelibly labelled to the effect that such oil is to be used only as fuel in approved furnaces.

22. Any person who supplies any oil in which either of the markers is present shall furnish to the recipient a delivery note bearing a statement to the effect, in the case of marked gas oil, that such oil is not to be used as road fuel, and in the case of marked light oil, that such oil is to be used only as fuel in approved furnaces.

23. (i) No person shall add either of the markers to any oil except with the authority of the Commissioners.

(ii) No person shall add to any oil any substance which is calculated to impede the identification of either of the markers.

(iii) No person shall remove either of the markers or the colouring substance from any oil to which they, or any of them, have been added.

24. The importation is prohibited of any oil of a description required by these Regulations to be marked to which there has been added any substance calculated to impede the identification of either of the markers.

25. Oil on which rebate of duty is allowed under section 6(4) of the Finance Act 1964 on delivery for home use shall—

(i) be supplied only to an approved furnace operator ; and

(ii) be supplied only to such premises, and be of such description, as may have been specified in the written approval of such furnace operator.

General

26. (i) No allowance under section 206 of the Customs and Excise Act 1952 shall be paid in relation to any oil delivered for home use without payment of duty under section 6(1) of the Finance Act 1964.

(ii) No allowance under section 206 of the Customs and Excise Act 1952 and no drawback of customs or excise duty shall be allowed or paid in relation to any oil in respect of which a claim lies for repayment of duty under these Regulations.

27. (i) An officer may enter and inspect any premises, other than a private dwelling house, and may inspect, test or sample any oil on those premises, or any oil forming part of the fuel supply of, or in or on, any vehicle on those premises, whether or not such vehicle is in the same ownership as those premises, and the right of entry afforded to an officer by this Regulation shall extend to any vehicle for the time being used by him for carrying out the provisions of this Regulation.

(ii) Any person occupying or for the time being in charge of such premises shall, when required by an officer so to do, give facilities for inspecting, testing or sampling any oil found on those premises or forming part of the fuel supply of, or in or on, any vehicle.

(iii) An officer may examine any vehicle and may inspect, test or sample any oil forming part of the fuel supply thereof, or in or on any vehicle.

(iv) A person owning or for the time being in charge of a vehicle shall, when required by an officer so to do, and for the purpose of enabling him to search for, inspect, test or sample any oil forming part of the fuel

supply of the vehicle, open or cause to be opened the fuel tank or other source of fuel supply and remove or cause to be removed any device or obstruction which might hinder the officer from inspecting or taking a sample of such oil.

(v) The person in charge of any vehicle shall produce to an officer on demand all books or documents of whatsoever nature carried by him or on the vehicle relating to the vehicle or to any oil forming part of the fuel supply of, or in or on, the vehicle.

28. Every person concerned with the sale, purchase or disposal of any oil shall produce to an officer on demand any books or documents relating thereto.

29. No dark oil shall be sold for the purpose of being used as fuel for a heavy oil vehicle.

30. In these Regulations—

"approved" means approved by the Commissioners of Customs and Excise;

"Colour Index" means the Colour Index, 2nd Edition (1956) compiled by the Society of Dyers and Colourists and the American Association of Textile Chemists and Colourists;

"dark oil" means heavy oil which is darker than ASTM Color 3·0 in the Table of Glass Color Standards included in "Tentative Method of Test for ASTM Color of Petroleum Products" which bears ASTM Designation D 1500–58 T and which appears in Parts 17 and 18 of "1964 Book of ASTM Standards" published by the American Society for Testing and Materials, when the heavy oil and ASTM Color 3·0 are compared in the manner described in that publication for that method of test;

"refiner" means the owner or occupier of any premises approved by the Commissioners for the treatment of hydrocarbon oil;

"warehousekeeper" means the owner or occupier of a place of security approved under section 80(1) of the Customs and Excise Act 1952.

31. The Interpretation Act 1889(a) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

32. These Regulations may be cited as the Hydrocarbon Oil Duties (Rebates and Reliefs) Regulations 1964 and shall come into operation on the 1st September 1964.

33. The Hydrocarbon Oils (Marking of Gas Oil) Regulations 1961(b) are hereby revoked.

25th August 1964.

A. W. Taylor,
Commissioner of Customs and Excise.

King's Beam House,
Mark Lane,
London, E.C.3.

(a) 52 & 53 Vict. c. 63.

(b) S.I. 1961/861 (1961 II, p. 1689).

EXPLANATORY NOTE

(This Note does not form part of the Regulations, but is intended to indicate their general purport.)

These Regulations prescribe the procedure to be followed by persons applying for the approval of the Commissioners of Customs and Excise for the use of hydrocarbon oil without payment of duty, or on repayment of duty, as a material, solvent, etc.; or for the use of light oil on rebate of duty as furnace fuel.

As regards oil in respect of which repayment of duty is claimed, and light oil used as furnace fuel, they prescribe the conditions to be observed by approved persons, and, as regards the former, the form and circumstances in which claims for repayment may be made.

The Regulations further prescribe that gas oil which is to be used otherwise than as road fuel, and light oil which is to be used as furnace fuel, shall be marked and coloured with specified quantities of two chemical markers and a colouring substance, as a condition of obtaining rebate of duty. The Regulations prescribe the method of adding these markers and colouring substance to the oil, storage requirements, and accounts to be kept.

The Regulations also provide for powers of inspection and sampling by Customs officers for the purposes of control of these reliefs from duty and rebates of duty, and prevention of abuse.

So far as the marking of gas oil is concerned, these Regulations replace the provisions of the Hydrocarbon Oils (Marking of Gas Oil) Regulations 1961, which are revoked.