

# Foreword

**This notice cancels and replaces Notice 179E (October 2009). Details of any changes to the previous version can be found in paragraph 1.1 of this notice.**

Part of paragraph 3.4 and 4.9.1 of this notice which refer to record keeping requirements have the force of law under the Revenue and Traders (Accounts and Records) Regulation 1992. These paragraphs are indicated by being placed in a box.

## Example:

<b>The following rule has the force of law</b>
If you receive a net payment you must include the full value before such deductions (and including VAT) in your scheme turnover. This will usually be the value shown on your sales invoice.

## 1. Introduction

### 1.1 What is this notice about?

This notice replaces the October 2009 version. It gives details of the various biofuels and their excise duty rates. It also explains the roles and responsibilities of producers (and in some cases, users) of these products.

### 1.2 What has changed?

From 1 April 2012 changes will be made to the duty differential for biodiesel made from waste or used cooking oil (UCO). This notice explains those changes.

We have added a new sub-paragraph 1.8 which explains about the Renewable Transport Fuel Obligation (RTFO).

This notice has also been reviewed and altered in parts to improve its readability.

You can access details of any changes to this notice since August 2011 either on our website or by phoning the Helpline on 0300 200 3700.

### 1.3 Who should read this notice?

You should read this notice if you:

- manufacture biofuels
- blend biodiesel or bioethanol with other oils
- manufacture other fuel substitutes and fuel additives

- use biofuels in the production of electricity

## 1.4 Other notices you may find useful

Notice	Description
75	Fuel for road vehicles
175	Motor & heating fuels: relief from excise duty: oils used to generate electricity
179	Motor & heating fuels: general information and accounting for excise duty and VAT
184A	Mineral (hydrocarbon) oil put to certain use: excise duty relief
192	Registered dealers in controlled oils
203A	Registered Consignees
206	Revenue Traders Records
208	Excise Assessments
209	Civil Penalties
473	Production, distribution and use of denatured alcohol
989	Visits by Customs and Excise Officers (future versions will refer to HM Revenue & Customs)

## 1.5 What law covers this notice?

Legislation	Description
Primary	Customs and Excise Management Act 1979 (CEMA) The Hydrocarbon Oils Duties Act 1979 (HODA)

Secondary	<p>The Biofuels and Other Fuel Substitutes (Payment of Excise Duties etc.) Regulations 2004 (SI 2004/2065)~</p> <p>The Biofuels and Other Fuel Substitutes (Payment of Excise Duties etc) (Amendment) Regulations 2007 (SI 2007/1640)</p> <p>The Biofuels and Other Fuel Substitutes (Payment of Excise Duties etc) (Amendment) (No2) Regulations 2007 (SI 2007/3307)</p> <p>The Other Fuel Substitutes (Rates of Excise Duty etc) Order 1995 (SI1995/2716)</p> <p>The Excise Warehousing (Energy Products) Regulations 2004 (SI 2004/2064)</p> <p>The Warehousekeepers and Owners of Warehoused Goods Regulations 1999 (SI 1999/1278) ('WOWGR')</p> <p>The Revenue Traders (Accounts and Records) Regulations 1992 (SI 1992/3150 ) ('RTR')</p> <p>The Hydrocarbon Oil Regulations 1973 (SI 1973/1311) ('HOR')</p> <p>The Hydrocarbon Oil, Biofuels and Other Fuel Substitutes (Determination of Composition of a Substance and Miscellaneous Amendments) Regulations 2008 (SI 2008/753)</p>
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Changes to excise duty rates are normally contained in the annual Finance Act and are published in Tax Information and Impact Notes. The VAT law is the Value Added Tax Act 1994 and orders and regulations made under that Act.

This notice explains how we interpret the law and is not a substitute for the law. However, parts of this notice have the force of law. These are identified at the relevant places in the notice. Where appropriate we will quote the law and we will use the titles and abbreviations used above.

## 1.6 Health and safety

You must comply with all the legal provisions relating to health and safety such as the Health and Safety at Work Act 1974. These provisions may include the need to display warning notices, and to issue health and safety instructions, to both staff and visitors.

If you issue special equipment or protective clothing to your staff when they are undertaking activities such as handling, inspecting or sampling biodiesel then you must provide similar clothing and equipment to us when we undertake the same activities.

## 1.7 Health & Safety Executive (HSE) – domestic production of biodiesel

The HSE has published advice on the hazards of producing biodiesel at home. The main points are as follows:

Biodiesel is produced commercially and can be bought from some petrol stations. However there are 'recipes' available on the internet for the domestic production of biodiesel. These usually involve mixing methanol with sodium hydroxide (also known as caustic soda or lye), and pouring the resulting mixture into vegetable oil.

Such home production raises serious health and safety concerns, as it involves hazardous chemicals and the risk of fire and explosion.

**Making biodiesel is a potentially hazardous process that should only be carried out in controlled conditions by people with the proper training and experience.**

At the very least a poorly made product could seriously damage a vehicle engine.

Further information can be obtained from the [HSE website](#) or by phoning the HSE Info line on Tel 0845 345 0055.

## **1.8 Renewable Transport Fuel Obligation administered by the Department for Transport**

Support is available for UK biofuels through the Renewable Transport Fuel Obligation (RTFO). Fossil fuel suppliers have an obligation to supply a certain percentage of their fuel as biofuel. They demonstrate this by either redeeming Renewable Transport Fuel Certificates (RTFCs) or paying a buy out price\*.

Suppliers of biofuels in the UK can apply to the Department for Transport (DfT) to receive one RTFC for every litre of liquid biofuel or kilogram of biogas they supply. These certificates may be traded (providing a potential revenue stream to biofuel suppliers), and can be used by fossil fuel suppliers to meet their obligation. The DfT also requires reports on the carbon and sustainability of biofuel supplied.

The DfT is currently working towards the implementation of the transport elements of the EC's Renewable Energy Directive and the Fuel Quality Directive which will bring changes to the regulation of biofuel in the UK, including mandatory carbon and sustainability criteria. Implementation is expected to be completed in December 2011. Further information is available by calling 0207 944 8555, emailing [RTFO-compliance@dft.gsi.gov.uk](mailto:RTFO-compliance@dft.gsi.gov.uk) and from the [DfT website](#).

Find out more about [biofuel regulation and the RTFO](#).

\* At the time of publication the buy out price is £0.30 as detailed in the Renewable Transport Fuel Order. Details, and notification of any change, can be found on the [DfT's website](#).

## 2. Biofuel producers' obligations

### 2.1 What are biodiesel, bioblend, bioethanol and bioethanol blend?

Biodiesel is described in the law as a diesel quality\* liquid fuel that is produced from biomass or waste cooking oil:

- the ester content of which is not less than 96.5 per cent by weight, and
- the sulphur content of which does not exceed 0.005 per cent by weight, or is nil

\*diesel quality means that the fuel is a substitute for diesel rather than petrol.

'Bioblend' means any mixture that is produced by mixing:

- biodiesel, and
- heavy oil that has not been charged with the excise duty on hydrocarbon oil

'Bioethanol' means a liquid fuel:

- consisting of ethanol produced from biomass, and
- capable of being used for the same purposes as light oil

'Bioethanol blend' means any mixture that is produced by mixing:

- bioethanol, and
- hydrocarbon oil not charged with excise duty

### 2.2 Other fuel substitutes

Any liquid that is not hydrocarbon oil, biodiesel, bioblend, bioethanol or bioethanol blend but is used in place of mineral oil to fuel any engine, motor or other machinery is classed as a fuel substitute. Please see paragraph 3.1.1 for further details. This includes:

- any liquid used as a fuel in place of mineral oil
- any liquid which is used as an additive or extender to a mineral oil, or
- any liquid which is used as an additive or extender in a fuel substitute

However, water is not considered to be a fuel substitute when used in a diesel emulsion when the emulsion is stabilised with additives. Duty is charged only on the non-water part of the fuel.

## 2.3 Fuel additives

Products such as fuel system cleaners, injector cleaners, fuel conditioners and biocides are considered to be fuel additives and are liable to excise duty. Any product that is added into the fuel supply of vehicles either via the filler cap or via various parts of the fuel system, for example the carburettor, is treated as a fuel additive.

The duty rate is determined by what sort of engine the product is designed to be used in. Therefore products designed for use in a diesel engine attract the heavy oil rate; products designed for an unleaded petrol engine attract the unleaded petrol rate; and products designed for use in leaded petrol engines attract the leaded petrol rate. Products designed to be multi-purpose (that is, for use in any kind of engine) attract the unleaded petrol rate.

Any product that is 100 per cent hydrocarbon oil and is used solely for lubrication is exempt from excise duty.

## 2.4 What are my obligations?

If you produce 2,500 litres or more biofuels a year, or use 2,500 litres or more of biofuels as motor fuel on which duty has not been paid, you will need to contact us so that we can make arrangements for you to account for the excise duty due on any products set aside, or delivered for use, as a motor fuel.

You will need to do the following:

No.	Action
1.	'Make entry' of your premises (in other words, register with HMRC as a producer and/or user of biofuels).
2.	Keep records relating to the production and trade in biofuels.
3.	Issue detailed delivery notes for each supply of biofuels.
4.	Complete and send returns to HMRC showing the excise duty due for the return period (for example, 1 June to 30 June).
5.	Pay the excise duty due (see paragraph 4.4).

**Note:** If you have produced less than 2,500 litres in the last 12 months, or if you expect to produce less than this amount in the next 12 months, you may be an exempt producer. If you are an exempt producer you are only required to keep production records (see item 2 in the above table). See paragraph 4.2.1 for more information.

## **2.5 Making entry (registering your production)**

You can download registration forms from our website. If the business is a sole proprietor or a partnership you should complete 'excise entry' form EX 103 and if the business is an incorporated company, form EX 103A. You can also contact the Helpline on 0300 200 3700 for copies of the forms.

Completed forms should be sent to:

HM Revenue & Customs  
Mineral Oil Reliefs Centre  
Building 4, BP4002  
Benton Park View  
Longbenton  
Newcastle upon Tyne  
NE98 1ZZ

Following receipt of your application, you may be visited to examine the suitability of your premises.

## **2.6 Producing biofuels and/or fuel substitutes on your registered (entered) premises**

You only need to enter your premises once for all your production of biofuels and/or fuel substitutes. However, if you change premises, add more premises or change the type of fuel that you produce, you must notify us at the address in paragraph 2.5 above.

## **2.7 Are there any other obligations?**

The transport, storage, use and the treatment processes associated with producing biodiesel from tallow (melted and clarified animal fat) and waste vegetable oil (and in some circumstances from virgin non-waste vegetable oils) can be subject to various controls regulated by the Environment Agency. These controls may include a requirement for a Pollution Prevention and Control (PPC) Permit or a Waste Management Licence (WML).

Generally, the production of biodiesel by individuals such as householders and farmers for their own use, that is, for non-commercial purposes, would not be subject to the PPC Regulations. Where a PPC permit is not required and where biodiesel production involves the treatment of waste the requirement for waste management controls will still be relevant.

In light of European case law the Environment Agency is obliged to consider that waste derived biodiesel has not ceased to be waste until it has been burnt in an engine for energy recovery. However the Environment Agency has set out a position that it does not consider that requiring environmental authorisations for the storage, supply and use of waste derived biodiesel for use as a motor fuel is in the public interest.

The use of waste derived biodiesel to support combustion in industrial plant such as a boiler will be subject to controls under the Waste Incineration Directive and regulated through PPC by Local Authorities or Environment Agency.

Failure to secure the appropriate authorisation from the Agency may lead to enforcement action. Further details on which controls apply can be obtained by contacting your local Environment Agency office on Tel 08708 506 506.

## **3. Biodiesel, bioethanol and their blends**

### **3.1 What rates of duty apply to biofuels?**

The 2009 Pre-Budget Report announced that the 20 pence per litre (ppl) duty differential for bioethanol and biodiesel would cease from 1 April 2010, but the 20 ppl duty differential for biodiesel made from used cooking oil (UCO) would continue until 31 March 2012. The 2011 Budget confirmed that from 1 April 2012 the duty rate for biodiesel made from UCO will be the same as ordinary diesel.

Until 1 April 2012 biodiesel made from UCO must fully meet the definitions set out in paragraph 2.1 of this notice in order to qualify for the lower rate of duty.

The responsibility for this rests with the producer who must carry out sufficient tests to show that the specifications are met. We may also carry out sample tests as part of our audit programme. If the product does not meet the appropriate definition it will be considered a fuel substitute and will attract a higher rate of duty. See sub-paragraph 3.1.1 for more information.

Changes to excise duty rates are normally contained in the annual Finance Act and are published in Tax Information and Impact Notes available from our website. Current and previous rates are also available from our website.

#### **3.1.1 Duty rates for fuel substitutes**

Fuel substitutes attract the rate of duty applicable to the type of engine in which they are used. For example, a product designed for use in a diesel engine will attract the diesel rate. With fuel substitutes, the duty rate is applied to the whole non-hydrocarbon oil content of the liquid. So, if a duty paid fuel substitute is added to another fuel substitute which is not duty paid, duty is due under Section 6A of HODA on that part of the mixture that has not already been charged with duty under that section.

### **3.2 What is biomass?**

Biomass is described in HODA as meaning the biodegradable fraction of products, wastes and residues from agriculture, forestry and related activities as well as the biodegradable fractions of industrial and municipal waste. This does not include mineral oils.



### 3.3 Dual fuel tanks

Some vehicles have dual tanks, one containing diesel and the other a biofuel product. The engine is started using diesel, before switching to the biofuel. In these circumstances, the product in the biofuel tank must still meet all the conditions of the biodiesel specification to qualify for the lower (UCO) biodiesel rate of duty. If it does not meet all these conditions then the biofuel will be considered to be a fuel substitute and duty will be due at the appropriate rate (see paragraph 3.1.1).

### 3.4 Can I use straight vegetable oil (SVO) or used cooking oil (UCO) to produce biodiesel?

Yes. However, biodiesel produced from SVO and UCO are treated differently for excise duty purposes until 31 March 2012 (see paragraph 3.1 above).

If we suspect, either through lack of supporting evidence, or due to other information, that your product does not meet the biodiesel specification, we may take representative samples for testing (see regulations 10 and 11 of Biofuels and Other Fuel Substitutes (Payment of Excise Duties, etc) Regulations 2004). Producers should provide evidence by having their fuel regularly tested against all aspects of the specification. (See paragraph 2.1.)

<b>Important: The following paragraph has the force of law.</b>
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Under the powers given by Regulation 6 of the Revenue Traders (Accounts and Records) Regulations 1992 HMRC requires that details of recipes used to produce biodiesel are kept and preserved for six years. This requirement also applies to supporting documents showing that the recipe is followed for each batch produced and to the preservation of any test results linked to particular batches.
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If your production method includes the use of additives with SVO and/or UCO you should be aware that there are restrictions on the use of 'tied' oils, which are relieved of duty except when used as motor fuels. You can find more information on tied oils in Notice 184A Mineral (hydrocarbon) oil put to certain use: excise duty relief. Marked or rebated fuels (such as red diesel and kerosene) must not be used as road fuel or as additives in road fuel. More information can be found in Notice 192 Registered dealers in controlled oils, available from our website.

If you need further advice you should contact the Helpline on Tel 0300 200 3700.

### 3.4.1 How do I prove that my fuel is biodiesel?

We expect that anyone producing biofuels commercially will have their fuel analysed and tested on a regular basis as a part of normal quality control. These tests should give details of the sulphur/ester content and ideally show a breakdown of the composition of the fuel. The recipe or formulation for biodiesel production will often be enough to determine whether the finished product can meet the full biodiesel specification - for example, anything that would reduce the ester content below 96.5 per cent through having a low or nil ester content itself, for example, alcohol, terpene, water. However, the recipe alone does not provide proof that a product meets (or fails to meet) the specification. Tests should be carried out on the 'finished fuel' and not on the raw materials used in production. Producers should make sure that the fuel that is tested does not undergo any further process and that it is identical to the fuel put out for sale.

### 3.4.2 Frequency of testing

Testing should always be done when there are changes in the recipe, the raw materials used and/or the production method.

The following table is a guideline to the minimum frequency and level of tests HMRC expect.

Production (litres per month)	Frequency of testing
Below 1,000	Annually
1,000 to 5,000	Six monthly
5,001 to 10,000	Quarterly
10,001 to 30,000	Monthly
Above 30,000	By batch

## 3.5 Bioethanol

Bioethanol is a liquid fuel consisting of ethanol produced from biomass that is capable of being used for the same purposes as light oil. The duty rate of bioethanol at the time of publication is the same as that of unleaded petrol.

We have approved two formulations of denatured alcohol for use in the manufacture of bioethanol intended for blending with petrol for use as a road fuel and/or the production of biodiesel. The two formulations are described in paragraph 3.5.1 below.

### **3.5.1 Trade specific denaturants for alcohol (TSDA) - the approved formulations**

- TSDA 9 - With every 990 parts by volume of alcohol (of a strength not less than 85 per cent. alcohol by volume) mix 10 parts by volume of methanol (of standard BS506), and to the resulting mixture add denatonium benzoate in the proportion of 10 micrograms per millilitre. The approved use is for blending with petrol to be used as a road fuel or for the production of biodiesel in a tax warehouse.
- Denatonium benzoate is a proven denaturant and the level of addition of methanol (which acts as a chemical marker) falls well within the agreed standard for BS EN228.
- TSDA 11 - blending with unleaded petrol with a Research Octane Number (RON) greater than 91 - 1 per cent vol. The approved use is as a road fuel.

More information on denatured alcohol is available in Notice 473 - Production, distribution and use of denatured alcohol. If you wish to make applications for new denaturant formulations, see sub-paragraph 3.5.6 below.

### **3.5.2 Bioethanol blend brought into the UK from other EU member states**

If the bioethanol, which can originate from inside or outside the EU, is denatured according to the exporting Member State's regulations, and the blend is the finished product (for instance E5, E85, E92) the UK will accept it as being a fully denatured alcohol, meeting the specification requirements in HODA 2AB (3).

If denatured bioethanol brought in from another Member State **is not** a finished product it must be denatured according to the UK formulation or satisfy us that it has been denatured as closely as possible to UK formulation (Denatured Alcohol Regulations – Regulation (4)(6)). A finished product in these circumstances means fuel that is not subject to further processing and/or blending before being delivered for general sale, apart from proprietary additives such as performance and cold-start treatments.

### **3.5.3 Bioethanol blend imported from non-EU member states**

Bioethanol blend denatured by a country outside the EU must be denatured in accordance with the UK regulations (see sub-paragraph 3.5.1 above) or satisfy us that it has been denatured as closely as possible to one of the UK formulations (Denatured Alcohol Regulations – Regulation (4)(7)) – for the fuel to be treated as a bioethanol blend under HODA 2AB (3).

### **3.5.4 Bioethanol - denatured to the approved UK formulation**

Bioethanol produced in approved premises, which is denatured according to one of the UK formulations and set aside as road fuel, is liable to the bioethanol rate of duty (HODA 6AD).

### **3.5.5 Bioethanol producers**

Producers of bioethanol must hold a distiller's licence and obtain approval of plant and production process. Guidance is contained in Notice 39 available from our website.

If producers who hold a distiller's licence wish to denature bioethanol, they must still be authorised by us to do so. Anybody else who wishes to denature bioethanol must apply for a licence and obtain approval of plant and production process. Recipients of denatured bioethanol must also be licensed.

Once bioethanol is produced it is liable to alcohols duty. It becomes exempt from alcohols duty once it is denatured (Section 5(1) of FA95). However, although there is no alcohols duty on the denatured bioethanol, a trade specific denatured alcohol (TSDA) remains subject to obligations under the alcohols regime until it is put to its intended use (Denatured Alcohols Regulations 2005).

### **3.5.6 Alternative TSDA formulations**

We will consider applications for alternative TSDA formulations, but any new formulations must provide a similar level of revenue protection to that of the existing formulations. It may be worth contacting a licensed/authorised denature with your proposals to make sure that your formulation can be produced.

Before a new TSDA is approved, you must supply convincing evidence that the existing approved denatured alcohols, including TSDAs, are unsuitable for your intended purpose.

Guidance on the obligations of producers and recipients of denatured bioethanol, as well as the process for applying for a new TSDA, are contained in Notice 473, available from our website.

## **3.6 ETBE – ethyl tertiary butyl ether**

ETBE is produced by mixing ethanol and isobutylene and reacting them with heat over a catalyst. ETBE can then be blended with petrol or burnt in an engine for use as a road fuel. Blends of ETBE and petrol are treated as bioethanol blend under HODA 6AE upon its importation or release from a tax warehouse, and is charged to duty at a composite rate in accordance with that section.

ETBE produced from synthetic ethanol is a fuel substitute liable for duty at the rate for unleaded petrol.

ETBE/petrol blends will not require a further denaturing process but, like bioblend, ETBE/petrol blends must be produced in a tax warehouse. Following production of ETBE/petrol blends the ethanol used in the manufacture will no longer be considered an alcohol for spirits duty purposes and will instead be treated as a motor and heating fuel.

## 3.7 Movements of biofuels

Biodiesel and bioethanol that are to be used in the production of another product, such as bioblend, can be designated as 'process oils' – see Notice 179.

Warehousekeepers and producers may deliver process oils without payment of excise duty provided they move between tax warehouses.

Denatured bioethanol can be moved without payment of duty provided it originates from a tax warehouse and the purpose of the movement is to allow either blending with light oil in another tax warehouse or in the production of biodiesel, also in a tax warehouse.

The Excise Warehousing (Energy Products) Regulations 2004 provide for 'special energy products' such as biodiesel to be stored and moved without payment of excise duty. Such movements are subject to the usual conditions (such as the use of accompanying documents).

## 4. Accounting for excise duty

### 4.1 When is excise duty chargeable?

Excise duty is due on the setting aside (see paragraph 4.2 below) or use of biofuels for a 'chargeable use'. 'Chargeable use' means the use of that substance:

- (a) as a fuel for any engine, motor or other machinery, or
- (b) as an additive or extender in any substance used as fuel for any motor, engine or other machinery
- (c) for the production of bioblend or bioethanol blend.

Excise duty is not chargeable if you set aside or use biofuel:

- as a heating fuel
- for any other non-motor fuel use

See section 5 regarding the mixing of biodiesel and bioblend with rebated heavy oil. Biofuel producers (and motor and heating fuel users in general) are required to register (make entry of) their production premises with HMRC if they produce 2,500 litres or more a year. This includes producers of 100 per cent heating fuel.

## 4.2 When is excise duty payable on biofuels?

The excise duty point for biofuels is the time when they are:

- sent out from entered premises
- set aside, or
- used as a motor fuel

'Set aside' means the point at which it is decided that the product is going to be used as a motor fuel. This decision means that the fuel has been set aside for a chargeable use.

### 4.2.1 Exempt producers/users

If you have produced or used less than 2,500 litres of:

- any biofuel, or
- any other fuel substitute or additive

within the last 12 months, and/or expect to produce or use less than 2,500 litres in the next 12 months, you are an **exempt producer** and do not need to register with us and account for duty. However, there are simple record keeping requirements, which are described in paragraph 4.9.1.

Production includes the manufacture or processing of road fuel, and the setting aside of any product that has not been charged with duty, with the intention of using it as road fuel.

### 4.2.2 Large producers

If you have produced 450,000 litres or more of:

- any biofuel, and/or
- any other fuel substitute or additive

within the last 12 months, and/or expect to do so in the next 12 months, you are a large producer. HMRC will notify you that you are a large producer and send you monthly returns.

A large producer who has produced less than 450,000 litres in the last 12 months and does not expect to exceed the amount in the next 12 months should write in with details to:

HM Revenue & Customs  
Mineral Oil Reliefs Centre  
Building 4, BP4002  
Benton Park View  
Longbenton  
Newcastle upon Tyne  
NE98 1ZZ

### **4.2.3 Producers sharing premises and equipment**

Regulation 8A of the Biofuels and Other Fuel Substitutes (Payment of Excise Duties etc) (Amendment) Regulations 2007 (SI 1234 of 2007) which came into force on 30 June 2007, has a condition that separate producers at the same premises or sets of premises must register and account for duty if the total of that production is 2,500 litres or more a year. The threshold does not apply separately to each individual producer at the same premises - or sets of premises. The producer(s) must register if total annual production at the same premises or sets of premises is 2,500 litres or more.

Partnerships, collectives and cooperatives (including non-profit making organisations) are liable to register and account for duty if total annual production is 2,500 litres or more.

### **4.2.4 Can vegetable oil be used or sold as motor fuel free of excise duty?**

Vegetable oil (unused and used, processed or unprocessed) that is set aside or intended for use as motor fuel is liable to duty unless the producer is exempt as described in paragraph 4.2.1. Vegetable oil producers and retailers who make and supply their oils for cooking are not liable to register and account for duty on their sales if the oil is subsequently used as, or to produce, motor fuel. Cooking oil producers and retailers who supply direct to fuel producers and distributors are not liable for duty unless they have set aside all or part of their production as motor fuel. In these scenarios it is the fuel producer or distributor who is liable to register and account for duty.

## **4.3 What if I import special energy products and bioethanol?**

If special energy products and bioethanol intended for the production of bioethanol blend are delivered direct to an excise warehouse, then duty may be suspended until the product leaves the warehouse. The duty point will be the point at which the product is released to home use.

Normally, products travelling from the EU under duty suspension must be accompanied by the appropriate accompanying documentation. If you are in doubt as to whether your product requires accompanying documentation, you should check with the Helpline on Tel 0300 200 3700.



Bioethanol can only be imported into an excise warehouse if it is intended for blending to make bioethanol blend or for use in the production of biodiesel.

## 4.4 How do I account for excise duty due on biofuels and other fuel substitutes?

If you are not an exempt producer, you need to register your premises (see paragraph 2.5).

If you are not approved for deferment, after you have registered you will be sent form HO930 each calendar quarter or each month if you are a large producer (see paragraph 4.2.2).

If you do not use or set aside any biofuels in any given return period you should still send in the HO930 showing a nil liability. You should send the completed form together with payment for the duty due to:

Cumbernauld Accounting Team  
Accounts Office  
St Mungo's Road  
Cumbernauld  
G67 1YZ

Completed returns and payment must be received by the fifteenth day of the month following the end of each return period.

**Example:** if your return period ends on 30 June we must receive your return and payment by 15 July. When the fifteenth day is not a business day, the return and payment is due on the last business day **before** the fifteenth of the month.

If there is a change of duty rate during the accounting period then you must show the volumes set aside or delivered at the two different duty rates. There are blank lines at the bottom of the form to accommodate this.

If you are approved for deferment then you will need to complete form HO10. Further details are given in paragraph 4.7 below.

## 4.5 How do I account for the excise duty due on bioblend and bioethanol blend?

Blending biodiesel or bioethanol with duty suspended oil to produce bioblend or bioethanol blend must be done in a tax warehouse. Duty payment can be deferred if you have a deferment account. (See paragraph 4.7.)

The excise duty due on these blends must be split between the two grades on your HO10 and be shown against the appropriate tax types. For example, in the case of bioblend, you must account for duty under tax type 589 for the biodiesel portion and 541 for the diesel portion. The tax code for bioethanol is 595 and the tax code for unleaded petrol is 522.



In the case of rebated bioblend (for off-road use) you must account for duty under tax type 571 for the rebated biodiesel portion and 556 for the marked gas oil portion. Blends of kerosene and biodiesel for heating purposes are fully rebated (as described in paragraph 5.7).

You must be able to support the apportionment from your production and blending records. The proportions are to be calculated and shown in your records to the nearest 0.001 per cent.

## **4.6 Can I send my HO930 or HO10 form electronically?**

Not at present. Currently your returns have to be completed manually. However, we do have a commitment to move towards electronic submission of returns and will advise you when this facility is available.

## **4.7 Can I defer my excise liability?**

Subject to the deferment conditions contained in Notice 179, producers of fuel substitutes, biodiesel, bioethanol and their blends may defer their excise duty. You will need to obtain a deferment account and make your payments via Bacs or CHAPS.

If you account for your liabilities in this way, you will need to submit a duty account on form HO10 rather than on form HO930.

The standard accounting period currently runs from midnight on the fifteenth of the month to midnight on the fourteenth of the following month.

You will also need to provide a guarantee if you are going to defer your excise duty liability unless you are eligible for the Excise Payment Security System described in 4.7.1 below. At the time of publishing, this guarantee must be sufficient to cover one month's maximum excise duty liability, or £9.5 million whichever is the lower. However, guarantors can still be liable for up to twice the monthly amount shown on the guarantee. Details of how to obtain a deferment account and the excise duty accounting procedures are given in Notice 179 available from our website.

### **4.7.1 Excise Payment Security System (EPSS)**

A guarantee is required to cover any deferred payments of excise duty when excise goods (alcohol, tobacco and mineral oils) are removed to the UK home market from an excise warehouse or upon importation or making payments of excise duty on removals from a UK beer, wine, made-wine, cider or perry production premises.

However, you can apply for authorisation to make payments without a guarantee under EPSS providing you meet the eligibility and authorisation criteria. Details of the scheme and application forms are available from our website.

NB. This scheme is not available to Registered Consignee movements as European law requires them to be covered by a guarantee. See Notice 203A for more information.

## 4.8 How do I measure the volume of my product?

The law requires excise duty to be charged on litres measured at a standard temperature of 15°Centigrade, known as 'standard litres'. You are expected, wherever practicable, to account for excise duty using standard litres. In some circumstances it may be impractical or unreasonable to do so, therefore de minimis limits may apply to certain transactions. See Notice 179 for more details. However, this is not an automatic entitlement and you will need to contact the Helpline on Tel 0300 200 3700.

## 4.9 What records must I keep?

As a revenue trader you must maintain records relating to your business affairs. These will be your normal business, management and accounting records.

Additionally, the Biofuels and Other Fuel Substitutes (Payment of Excise Duties, etc.) Regulations 2004, as amended in 2007, require producers to keep and maintain a motor fuels record. The record keeping requirements that apply to registered producers differ depending on whether you are supplying biofuels to others, or using those that you produce yourself. The following table illustrates the requirements.

Supply	Own Use
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<p>Before the product leaves the producer's premises, record</p> <ul style="list-style-type: none"> <li>the date of each supply</li> <li>a description of each supply</li> <li>in the case of a fuel substitute, a description of the type of engine that it is suitable for use in</li> <li>the amount, in standard litres, of each supply set aside and sent out for a chargeable use</li> <li>the name and address of each person you make a supply to</li> <li>the address to which the supply is sent</li> <li>the number of the delivery note for each supply made</li> <li>the date on which the entry is made in the motor fuels record</li> <li>the amount and rate of duty charged on each supply.</li> </ul>	<p>No later than the chargeable use occurs, record</p> <ul style="list-style-type: none"> <li>the date of each chargeable use</li> <li>a description of the liquid being used</li> <li>in the case of a fuel substitute, a description of the type of engine that it is suitable for use in</li> <li>the amount, in standard litres, of biofuels put to a chargeable use</li> <li>the date on which the entry is made in the motor fuels record</li> <li>the amount and rate of duty due on each chargeable use.</li> </ul>
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Please also see the important note contained in paragraph 3.4 of this notice. Notice 206 Revenue traders records, available from our website, contains more information.

### 4.9.1 Exempt producers' records

If you are an exempt producer (as defined in paragraph 4.2.1) you only need to record and keep the following information:

- the date of each supply and/or own use
- the amount in standard litres of each supply or own use

You should check the amounts produced at the end of each month. If you have produced 2,500 litres or more in the last 12 months, or expect to produce 2,500 litres or more in the next 12 months, you must contact us within 30 days to register your premises as described in paragraph 2.5.

#### **Important: The following paragraph has the force of law.**

Under the powers given by regulation 6 of the Biofuels and Other Fuel Substitutes Payment of Excise Duties, etc. (Amendment) Regulations 2007, HMRC require that the records of litres and dates as specified in paragraph 4.10 below are kept by exempt producers and preserved for six years, or for a lesser period if HMRC allow.

## **4.10 How long must I keep my records?**

Registered and exempt producers must keep records for six years. If this will cause you problems you should contact the Helpline on Tel 0300 200 3700 who can advise you about asking for permission to keep your records for a shorter period.

## **4.11 Do I have to keep paper records?**

You can keep your records on film or electronically, provided that the records are legible and you provide the necessary facilities to read the records. Notice 206 Revenue Traders Records, available from our website, has more information.

## **4.12 What do I have to show on my delivery notes?**

Your delivery notes must show:

- the date on which the consignment was sent out
- a description of the consignment of fuel, for example, biodiesel
- in the case of other fuel substitutes, what type of engine the fuel is suitable for use in, see paragraph 2.2 for further details
- the quantity, in standard litres, of fuel sent out, see 4.8 for further details
- the name and address of the consignee
- the address where the fuel was sent to
- the address from where the consignment was sent

## **4.13 Can I place special energy products and/or bioethanol in a warehouse under duty suspension?**

Yes. These products can be held under duty suspension in an excise warehouse. However, bioethanol can be placed under duty suspension only for blending with duty-suspended oil or for use in the production of biodiesel. See paragraph 4.3 of this notice.

## **4.14 What happens if I stop producing biofuels?**

If you stop producing any of the fuels mentioned in this notice please contact us. We can then arrange to cancel any entries of premises, approvals and duty deferment accounts that you may have.

We will also advise you about how you may account for any additional duty that may be outstanding.

## **5. Biodiesel and bioblend for use other than as road fuel**

### **5.1 Is duty charged on biodiesel used as heating fuel?**

Biodiesel for use as a heating fuel is not subject to duty.

### **5.2 What rate of duty applies to biodiesel for off-road use?**

Biodiesel intended for use other than as a road fuel is subject to a rebated rate of duty. Current duty rates are available from our website.

### **5.3 Supplying biodiesel for off-road use**

If you supply biodiesel that is intended for use other than as a road fuel, your motor fuels record should contain a description indicating that the biodiesel was set aside for use other than as fuel for a road vehicle - or as an additive or extender to any substance so used. It is your responsibility to keep evidence of the use to which the fuel has been put.

### **5.4 Self-supply of biodiesel for off-road use**

If you use the biodiesel that you produce for off-road purposes (self-supply) you should apply the appropriate rate and record the supplies in your motor fuels record as described in paragraph 4.9. You should make sure that you retain evidence of the use that the fuel is put to.

## 5.5 Will I be required to mark rebated biodiesel?

At present there is no requirement to mark rebated biodiesel, but this will be kept under review. However, see paragraph 5.8 below on the marking requirements when rebated biodiesel is blended with gas oil and kerosene.

## 5.6 If I buy biodiesel for off-road use at the road fuel duty rate, can I claim the duty difference from HMRC?

The repayment scheme allowing users to reclaim the duty difference of the road fuel rate and off-road rate was cancelled in April 2008. Suppliers of biodiesel for off-road use should charge you the rebated rate. However, see paragraph 5.13 below for biofuel used for electricity generation.

## 5.7 What rates of duty apply to bioblends used other than as road fuel?

In the case of bioblend produced with rebated gas oil, the biodiesel component is subject to the rebated biodiesel rate of duty and the gas oil component is subject to the rebated gas oil rate of duty. This rate applies to all uses other than as road fuel.

In the case of biodiesel produced with kerosene for heating use, both the biodiesel and the kerosene components are subject to a full rebate of duty, so there is a nil duty rate. However, **no rebate** is permitted where biodiesel mixed with kerosene is used as motor fuel (on or off-road). The duty rate for these mixes is the rate applicable to (non-rebated) bioblend and will be accounted for at the biodiesel rate for the biodiesel portion and the heavy oil rate for the kerosene portion as described in 4.5 above.

## 5.8 Will I be required to mark rebated bioblend?

Rebated bioblend must be marked to qualify for the rebate. The marking requirements for rebated bioblend produced with gas oil are as though the mixture consisted entirely of gas oil. The marking requirements for rebated bioblend produced with kerosene are as though the mixture consisted entirely of kerosene.

Information on the requirement for marking rebated fuels is contained in Section 8 of Notice 179.

## **5.9 Supplying bioblend for off-road use**

If you supply rebated bioblend, you are required to be a Registered Dealer in Controlled Oil (RDCO) and to comply with the requirements of the scheme (please refer to Notice 192 for guidance). This requirement does not apply to suppliers of rebated biodiesel (not in a blend).

### **5.10 Can I mix biodiesel or bioblend with rebated oil?**

If mixing of biodiesel with oil takes place before the duty point, a bioblend is created, and duty should be charged accordingly.

If biodiesel on which duty has not been charged is mixed with oil on which a rebate of duty has been allowed, no duty is chargeable on the biodiesel if it is intended that the mixture will be used for heating.

There is no restriction on mixing rebated biodiesel or partially rebated bioblend with any rebated oil, provided it is not intended the mixture will be used as road fuel.

There is no restriction on mixing fully rebated bioblend with any rebated oil, provided it is not intended the mixture will be used as fuel for a road vehicle or any engine.

### **5.11 Can I use rebated biodiesel or bioblend as fuel in a road vehicle?**

No. It is illegal to use these fuels in a road vehicle unless you pay the difference between the full rate of duty on the fuel and the rebated rate actually paid on the fuel used. Please refer to Notice 75 for guidance.

### **5.12 Are there penalties for the misuse of rebated biodiesel or rebated bioblend?**

Yes. The penalties that apply to misuse of rebated biodiesel or rebated bioblend are the same as apply to misuse of rebated oil. Please refer to Notice 75 for guidance.

## **5.13 Biofuels and electricity generation**

Part 7 of the Biofuels and Other Fuel Substitutes (Payment of Excise Duties, etc.) Regulations 2004 allows relief from duty on biofuels used for electricity generation. This relief applies to all biofuels; it is not restricted solely to those that meet the biodiesel specification. Relief can only be claimed by the 'qualified claimant'. A qualified claimant is a person who uses biofuel to generate electricity.

If you are approved for deferment, you should set-off the relief against your normal excise duty liability in Section 2.b. of form HO10.

If you are not approved for deferment then you should set-off the relief against your normal excise duty liability on form HO930.

In any other case, you will need to make a claim, in writing, to the Mineral Oil Reliefs Centre at the address shown below. Claimants should use form EX55, which is available from our website or from the Helpline on Tel 0300 200 3700. EX55 can also be used to claim back duty paid on gas oil used to generate electricity - see Notice 175 Relief from excise duty: oils used to generate electricity.

The claim should then be sent, together with any supporting documentation, to the following address:

HM Revenue & Customs  
Mineral Oil Reliefs Centre  
Building 4, BP4002  
Benton Park View  
Longbenton  
Newcastle upon Tyne  
NE98 1ZZ

In all cases, we may ask you to provide evidence to substantiate your claim. These may be in the form of purchase orders, delivery notes and sales invoices, to show that the biofuel in question has been used as fuel to generate electricity. You may also need to provide evidence that the biofuels were duty-paid and are not the subject of any other application or claim for repayment, remission or drawback.

For further information please contact the Helpline on Tel 0300 200 3700.

## **5.14 Bioblend and electricity generation**

The Hydrocarbon Oil, Biofuels and Other Fuel Substitutes (Determination of Composition of a Substance and Miscellaneous Amendments) Regulations 2008 allow relief, in certain circumstances, from duty on bioblend used for electricity generation. This extends the relief given to rebated gas oil to include bioblend. Details of qualification for the relief and claim procedures are contained in Notice 175 Relief from excise duty: oils used to generate electricity, available from our website.



## **5.15 Treatment of duty paid fuel which has been accidentally mixed or become contaminated (also known as 'slops')**

When motor fuel is delivered to home use on payment of duty and subsequently becomes contaminated, or accidentally mixed, a credit of excise duty may be allowed under the provisions of HODA 1979 Section 20. Procedures to follow in such cases are set out in Notice 179 section 5. The introduction of rebated biodiesel and bioblend from 1 April 2008 means that most duty paid fuel consignments will contain varying proportions of biofuel and there may not be a clear audit trail to establish the exact amount if the fuel is contaminated or accidentally mixed. The following paragraphs explain the procedure to follow.

### **5.15.1 Establishing the biodiesel content of contaminated or accidentally mixed fuels – sent for marking or flushing into marked stock**

- (a) Where industrial gas oil is marked at a duty-paid terminal the assumption will be that there is no biodiesel component, as there is no (current) commercial reason why biodiesel should be present.
- (b) Where automotive gas oil (AGO) is marked at a duty paid terminal, unless there is an audit trail to show the exact biofuel content, it will be assumed that the AGO has been blended with 5 per cent biofuel.

See section 5 of Notice 179 for more information.

### **5.15.2 Establishing the biodiesel content of contaminated or accidentally mixed fuels – returned to producer**

- (a) Where there is an audit trail to show that the fuel came from blended stock and the blend ratio can be established (for example, the producer has a 4.6 per cent biofuel blend ratio for the period covering the delivery) this should be used to calculate the biodiesel element.
- (b) If the fuel comes from distribution terminals delivering from unblended stock it will be assumed that there is no biofuel element.
- (c) If the fuel comes from distribution terminals delivering from both unblended and blended stock and can be traced as coming from blended stock, it should be assumed to contain a 5 per cent biofuel element unless the blend ratio can be established. If the blend ratio can be established (as at (a) above) it should be used to calculate the biofuel element.

(d) If the fuel cannot be traced back to blended or unblended stock the biofuel element may either be assumed to be 5 per cent or be established by laboratory analysis. Laboratory analysis will be used to settle any disputes or doubts about the biofuel content and can be conducted at the duty suspended premises to which the fuel is returned or at an independent laboratory.

### 5.15.3 Record keeping and evidence required

The details which must be recorded by the receiving warehouse keeper or at the remote marking premises are set out in paragraphs 5.8.4 and 5.8.5 of Notice 179. Independent laboratory analysis is not a requirement for establishing the biofuel element.

Examples of audit trail documentation are:

- A suppliers invoice in respect of the related original delivery showing that a duty inclusive price had been paid.
- A statement from the supplying oil company (duty payer) that the delivery into the stock of source location was duty paid - **if possible** giving vessel name or parcel reference with date of arrival day/month/year. If so, the volumes should be matched against a cargo delivery ex-refinery/warehouse to the duty-paid location. The oil company will then be able to confirm that duty was paid on the cargo and included in HO10 for the period 15thXX –14th YY with payment on 30thYY.
- If it is not possible to match the delivery into the source locations stock with a particular movement: A statement from the supplying oil company, confirming that duty has been paid on all bulk deliveries to the location and that the delivery/deliveries concerned have all been drawn from stock on which duty has been paid via the deferment arrangements.

## 6. Dealing with HMRC

### 6.1 Visits by HMRC

We will normally make an appointment to see you and will try to make the visit with as little disruption to your business as is possible.

When we make our appointment we will tell you:

- who we want to see
- what records we want to see
- how long we think that the visit will take

You can find out more detailed information about visits by our officers in Notice 989 Visits by HM Revenue & Customs (Revenue & Customs) Officers, available from our website.

## 6.2 Officers' powers

Our officers may:

Action	Law
Enter and inspect any production premises. Or, in the case of a private dwelling, only the part of the dwelling used in connection with the revenue trade.	The Biofuels and Other Fuel Substitutes (Payment of Excise Duties, etc.) Regulations 2004, Regulation 10 & 11.
Examine any vehicle on those premises.	The Biofuels and Other Fuel Substitutes (Payment of Excise Duties, etc.) Regulations 2004, Regulation 10 & 11.
Inspect or sample any biofuel found on those premises.	The Biofuels and Other Fuel Substitutes (Payment of Excise Duties, etc.) Regulations 2004, Regulation 10 & 11.
Inspect or sample any biofuel found on or in any vehicle found on those premises.	The Biofuels and Other Fuel Substitutes (Payment of Excise Duties, etc.) Regulations 2004, Regulation 10 & 11.
Require the production of your business records, and remove or take copies of those records.	CEMA 1979 s.118B. See also Revenue Trader (Accounts and Records) Regulations 1992.

## 6.3 Penalties

If you make a false declaration in relation to the production or blending of biofuels, fail to keep records and/or fail to make returns showing your excise duty liability you could be liable to financial penalties.

## 6.4 What if I disagree

If you disagree with a decision made by one of our officers you may be able to have a review or to appeal to an independent tribunal. If so, we will offer you a review in our decision letter and tell you about your right of appeal.

If you disagree with the decision, you may either accept the review offer or appeal to the independent tribunal. If you accept the review offer, but do not agree with the review conclusion you will still be able to appeal to the independent tribunal. More information on HMRC's review and appeal procedures are available on our website.

## 7. Glossary

Term	Description
Bioblend	Any mixture that is made by mixing biodiesel and heavy oil not charged with the excise duty on hydrocarbon oil (duty-suspended heavy oil).
Biodiesel	A diesel quality liquid fuel derived from biomass or waste cooking oils, the ester content of which is not less than 96.5% by weight; and the sulphur content of which does not exceed 0.005 per cent by weight, or is nil.
Bioethanol	A liquid fuel consisting of ethanol produced from biomass and is capable of being used for the same purposes as light oil. The liquid does not include any substance that is gaseous at a temperature of 15°C and under a pressure of 1013.25 millibars.
Bioethanol blend	Any mixture that is produced by mixing bioethanol and hydrocarbon oil not charged with excise duty.
Biofuel	Biodiesel, bioethanol or fuel substitute.
Chargeable use	The use of biofuel as fuel for any engine, motor, or other machinery, or as an additive or extender in any substance so used.
Duty suspension	The process that allows oils to be moved or stored without paying excise duty.
Ethyl Tertiary Butyl Ether (ETBE)	ETBE is produced by mixing ethanol and isobutylene and reacting them with heat over a catalyst (see paragraph 3.6).
Excise duty	The United Kingdom revenue duty chargeable on both imported and home produced energy products. It is charged at a specific rate on the quantity and description of products delivered to home use.
Excise duty point	The time when the requirement to pay any duty with which the goods become chargeable is to take effect.
Excise goods	Goods that are liable to excise duty. Biodiesel and bioethanol are classed as excise goods when they are set aside or sent out for a chargeable use.

Fatty acid methyl ester (FAME)	FAME can be created by an alkali catalyzed reaction between fats or fatty acids and methanol. The molecules in commercially produced biodiesel are primarily FAMEs, usually obtained from vegetable oils by transesterification (see definition).
Fuel substitute	Any liquid used in place of a mineral (hydrocarbon) oil as fuel for any motor, engine or other machinery.
Gas oil	Heavy oil of which not more than 50 per cent by volume distils at a temperature not exceeding 240°C and of which more than 50 per cent by volume distils at a temperature not exceeding 340°C.
Fuel oil	Heavy oil which contains in solution an amount of asphaltenes of not less than 0.5% or which contains less than 0.5% but not less than 0.1% of asphaltenes and has a closed flash point not exceeding 150°C.
Heavy oil	Means hydrocarbon oil other than light oil (HODA Section 1(4)).
Home use	The United Kingdom home market.
Light oil	Means hydrocarbon oil – (a) of which not less than 90% by volume distils at a temperature not exceeding 210°C, or (b) which gives off an inflammable vapour at a temperature of less than 23°C when tested in the manner prescribed by the Acts relating to petroleum. (HODA Section 1(3)).
Marked oils	Those oils that have been marked to claim a rebate of excise duty.
Marking	Adding certain chemicals and dyes to oils in order to claim a rebate of excise duty.
Mineral oils	Hydrocarbons that are liquid below 15°C. The terms 'hydrocarbon oils' and 'mineral oils' mean the same thing.
Rebate	A reduction in excise duty that is allowed on oils that have been put to industrial and off-road use. They are marked to show that they have been rebated. <b>It is illegal to use rebated fuels as fuel in road vehicles.</b>
Revenue trader	A person importing, exporting, producing, handling, processing, packaging, transporting or dealing in goods chargeable with excise duty.

Special energy product	A substance that is: (a) petroleum gas; (b) animal fat set aside for use as motor or heating fuel; (c) vegetable fat set aside for use as motor or heating fuel; (d) non-synthetic methanol set aside for use as motor or heating fuel; (e) biodiesel; or (f) a mixture of two or more of the substances specified in paragraphs (a) to (e).
Standard litre	A litre of oil measured at a temperature of 15°C.
Tax warehouse	A place where excise goods are produced, processed, held, received or dispatched under duty-suspension arrangements by an authorised warehouse keeper. Authorisation is subject to certain conditions laid down by the competent authorities of the member state where the warehouse is situated.
Tied oil	Oil that has been delivered conditionally relieved of duty under Section 9 of HODA – see notice 184A for further details.

## Your rights and obligations

[Your Charter](#) explains what you can expect from us and what we expect from you.

## Do you have any comments or suggestions?

If you have any comments or suggestions to make about this notice, please write to:

HM Revenue & Customs  
Oils Policy  
3rd Floor West  
Ralli Quays  
3 Stanley Street  
Salford  
M60 9LA

Please note this address is not for general enquiries.

For your general enquiries please phone our Helpline Tel 0300 200 3700.

## Putting things right

If you are not satisfied with our service, please let the person dealing with your affairs know what is wrong. We will work as quickly as possible to put things right and settle your complaint. If you are still unhappy, ask for your complaint to be referred to the Complaints Manager.

For more information about our complaints procedures go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and under quick links select Complaints.

## How we use your information

HMRC is a Data Controller under the Data Protection Act 1998. We hold information for the purposes specified in our notification to the Information Commissioner, including the assessment and collection of tax and duties, the payment of benefits and the prevention and detection of crime, and may use this information for any of them.

We may get information about you from others, or we may give information to them. If we do, it will only be as the law permits to:

- check the accuracy of information
- prevent or detect crime
- protect public funds

We may check information we receive about you with what is already in our records. This can include information provided by you, as well as by others, such as other government departments or agencies and overseas tax and customs authorities. We will not give information to anyone outside HMRC unless the law permits us to do so. For more information go to **[www.hmrc.gov.uk](http://www.hmrc.gov.uk)** and look for Data Protection Act within the Search facility.