

ALL UK VESSELS WILL USE WHITE DIESEL FROM 2022

This article has been reproduced with kind permission of the Cruising Association with whom we have been liaising on the fuel issue and who have been in direct negotiation with HMRC along with RYA. The article was first published in the Cruising Association's quarterly magazine 'Cruising' in the June 2020 edition.



HM Revenue and Customs has now confirmed to the CA'S Regulations and Technical Group that UK leisure vessels will have to use white diesel from April 22 onwards.

HMRC has said that, as a result of the March Budget Statement, the Finance Bill 2020 will include enabling legislation relating to the propulsion of private pleasure craft. The intention is that from April 1st 2022 red diesel in the UK can only be used in agricultural equipment, and railways and for non-commercial heating.

Since the propulsion of waterborne craft does not fit into these categories, they will have to use white diesel for this purpose. The duty on white diesel for boats will be the same as the full rate paid on white road diesel in the UK. This means that the present so called 60-40 fuel duty split will disappear, but commercial vessels, such as fishing boats, will still be able to claim rebate on the full rate through their Marine Voyages Relief Scheme.

HMRC is exploring the issues involved in introducing a scheme that allows private pleasure craft to pay only the current lower rate for red diesel non-propulsion usage, i.e. for heating or generators.

We welcome the clarification on the use of white diesel, which should make it more conveniently available throughout the UK marinas and ports, as they will have to supply all marine vessels with one colour of diesel. Sailors can continue to fulfil the SOLAS V regulations for diesel in their tanks when visiting EU maritime states.

HMRC continues to promise a consultation which will deal with the full range of issues involved. Unfortunately, there is no indication as to when this will be published due to the Covid-19 pandemic, in the meantime the CA will continue contact with HMRC, focusing on details such as:

- The Channel Islands (as Crown Dependencies) with their red diesel
- The scheme for on-board heating/generation diesel use.
- Realistic timing and changeover of red to white diesel in the tanks of fuel suppliers and vessels.
- Observing all environmental pollution regulations.

The CA points out that private pleasure craft should continue to legally use red diesel as they currently do, since it is the only available fuel throughout the UK. If members are able to sail to EU State waters in the remainder of the 2020 season, they might wish to continue to follow the advice published by the CA and RYA on using red diesel when visiting the EU. Further info in the CA website - www.theca.org.uk