



Red Diesel Changes 2022

HMRC red diesel tax relief rules will change on 1 April 2022

This change means some BATA customers that use rebated red diesel, otherwise known as gas oil, off-road diesel or tractor oil, will no longer be able to do so or benefit from the associated tax relief.

Non-exempt customers will need to look at using an alternative fuel such as white diesel (DERV) or cleaner sources of energy.

The sectors that can continue to use red diesel are:

- Agriculture, horticulture, fish farming and forestry
- Rail transport
- Fuel used for power generation and heating in non-commercial public service premises (such as schools, hospitals and prisons)
- Community amateur sports clubs and golf course equipment
- Sailing, boating and marine transport excluding private pleasure craft in Northern Ireland
- Travelling fairs and travelling circuses

From 1 April 2022, as a Registered Dealer in Controlled Oil (RDCO), we will only provide rebated red diesel for the allowed applications.

Please check if your business has to change

Sectors and applications such as construction, manufacturing, and some transport and logistics will no longer be able to purchase or use red diesel from 1st April 2022.

If you use one vehicle or machinery for two purposes, you must clean down and flush the tank to remove traces of the rebated fuel before switching or use full duty paid fuel for both purposes. You will need to keep records of each change.

What you need to do to comply:

- Run down your stock of red diesel before 1st April 2022.
- You can sell your surplus or give it to someone who can continue using red diesel.
- Dispose of the fuel safely and correctly via an approved waste oil recycling or disposal company.

You must keep records to demonstrate how and when the fuel was disposed of or sold for all of these actions.



As a Registered Dealer in Controlled Oil (RDCO), we are required by HMRC to check the correct fuel is being used.

This means when an order for rebated fuel is being placed, our customer service team will run through a list of questions to ensure we only supply rebated fuels for the permitted uses. Our customers are not permitted to purchase above normal levels to avoid stockpiling.

Here's an example of the questions our customer service team will ask:

- Will the fuel be used for an allowable sector?
- What type of equipment is in use?
- How is the equipment being used?
- For heat and power generation: is the building being used for a public sector (such as a school, prison or hospital)?
- Is the public service building a private establishment run for profit?

Due to this new legislation, we must not supply a customer if we suspect the fuel will not be used for legitimate use. Or if we believe the fuel will be used for a purpose that attracts a higher rate of fuel duty. We are also obliged with carrying out additional checks. For example, our drivers may undertake a tank check before delivering the fuel.