

2012 No. 943

CLIMATE CHANGE LEVY

**The Climate Change Levy (General) (Amendment) Regulations
2012**

<i>Made</i> - - - -	<i>27th March 2012</i>
<i>Laid before the House of Commons</i>	<i>27th March 2012</i>
<i>Coming into force</i> - -	<i>1st April 2012</i>

The Commissioners for Her Majesty's Revenue and Customs(a) make the following Regulations in exercise of the powers conferred by section 30 of, and paragraphs 22, 43(A)(8) and (9), 62(1)(ca) and (cb), 125(1) and 146(7)(c) of Schedule 6 to, the Finance Act 2000(b):

Citation and commencement

1. These Regulations may be cited as the Climate Change Levy (General) (Amendment) Regulations 2012 and come into force on 1st April 2012.

Amendments to the Climate Change Levy (General) Regulations 2001

2. Amend the Climate Change Levy (General) Regulations 2001(c) as follows.

3. In paragraph (1) of regulation 2 (general interpretation)—

- (a) before “and “reduced-rate part”” insert “, recycling lower-rate part”;
- (b) before “a reduced-rate supply” insert “a recycling lower-rate supply or”;
- (c) after the definition of “recipient” insert—
““recycling lower-rate supply” means a taxable supply to which paragraph 42(1)(d)(d) of the Act applies (a supply for use in scrap metal recycling);”.

4. In sub-paragraph (c)(ii) of regulation 8 (obligation to keep records) before “reduced-rate supply” insert “recycling lower-rate supply or a”.

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- (a) The regulations made under the powers cited are to be made by the Commissioners: paragraph 147 of Schedule 6 to the Finance Act 2000 (c. 17) defines “the Commissioners” as meaning the Commissioners of Customs and Excise. Section 50(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11) provides that a reference to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
 - (b) 2000 c. 17. Paragraphs 43A and 62(1)(ca) and (cb) were added by a resolution passed by the House of Commons on 26th March 2012 under the Provisional Collection of Taxes Act 1968 (c. 2), section 1. This resolution has statutory effect but will cease to have effect once provisions corresponding to those in the resolution are enacted in the Finance Act 2012. In any case it will cease to have effect at the end of seven months after the date on which it is expressed to take effect or, if no such date is expressed, after the date on which it is passed. Relevant amendments to section 1 were made by section 60 of the Finance Act 1968 (c. 44), section 205(5) of the Finance Act 1993 (c. 34), paragraph 1 of Schedule 7 to the Finance Act 2000 (c. 17), section 112(1) of the Finance Act 2007 (c. 11) and section 88 of the Finance Act 2011 (c. 11). Paragraph 125(1) of Schedule 6 to the Finance Act 2000 was amended by section 192(9) of the Finance Act 2003 (c. 14).
 - (c) S.I.2001/838. Relevant amendments have been made by S.I. 2003/604, 2005/1716, 2007/2903.
 - (d) Paragraph 42(1)(d) was added by the resolution referred to in footnote (b) above.

5. In regulation 11 (other tax credits: entitlement)—
- (a) in paragraph (1)—
 - (i) in sub-paragraph (c) before “a reduced-rate supply” (in both places) insert “a recycling lower-rate supply or”;
 - (ii) after sub-paragraph (c) insert—
 - “(ca) after a taxable supply has been made on the basis that it was (to any extent) a recycling lower-rate supply, it is determined that the supply was such a supply to a greater extent than previously determined.”;
 - (b) in sub-paragraph (2)(a) after “(c),” insert “(ca)”.
6. In paragraph (1) of regulation 12 (tax credits: general) before “and reduced-rate supplies” insert “, recycling lower-rate supplies”.
7. In regulation 33 (special rules for excluded, exempt and reduced-rate supplies), and the heading to that regulation, before “and reduced-rate supplies” insert “, recycling lower-rate supplies”.
8. In the heading to Part III before “**AND REDUCED-RATE SUPPLIES**” insert “, **RECYCLING LOWER-RATE**”.
9. In sub-paragraph (1)(a) of regulation 34 (supplier certificates: basic rules)—
- (a) for “, 18” substitute “or 18”; and
 - (b) omit “or 18A (recycling processes)”.
10. In regulation 35 (delivery of supplier certificates)—
- (a) in paragraph (1) before “a reduced-rate” insert “ a recycling lower-rate or”;
 - (b) for sub-paragraph (2)(a) substitute—
 - “(a) represent (as the case may be) that the supply (or a quantified part of it)—
 - (i) meets the requirements of a reduced-rate supply in paragraph 44(1) of the Act (reduced-rate for supplies covered by climate change agreements), or
 - (ii) is for use in scrap metal recycling, within the meaning of paragraph 43A(1) of the Act (supplies for use in scrap metal recycling),”;
 - (c) in paragraph (3) after “reduced-rate-supply” insert “or is for use in scrap metal recycling”.
11. In Schedule 1—
- (a) in the heading after “**EXEMPT**” insert “, **RECYCLING LOWER-RATE**”;
 - (b) in paragraph 2—
 - (i) in the CCL relief formula, after “0.65R” insert “+ 0.8L”;
 - (ii) in the definition of “M” omit sub-paragraph (fa);
 - (iii) after the definition of “0.65R” insert—
 - “0.8L = 80% of the quantity of the taxable commodity referable to the sum of every recycling lower-rate part.”;
 - (c) in paragraph 3(1)—
 - (i) after “regulation 35(2)” insert “(recycling lower-rate and reduced-rate)”;
 - (ii) for “(reduced rates)” substitute “(reduced-rate for certain supplies to a facility covered by a climate change agreement)”;
 - (d) in paragraph 5—
 - (i) in sub-paragraph (7)—
 - (aa) for “45A” substitute “43B”;

- (bb) for “Reduced-rate supplies” substitute “Supplies for use in scrap metal recycling and reduced-rate supplies”;
- (ii) in sub-paragraphs (8) and (9C) for “45A(2)” substitute “43B(2)”;
- (iii) in sub-paragraph (9) for “45A(2)(a)” substitute “43B(2)(a)”;
- (e) in paragraph 6(1)—
 - (i) in sub-paragraph (c) before “a reduced-rate supply” (in both places) insert “a recycling lower-rate supply or”;
 - (ii) after sub-paragraph (c) insert—
 - “(ca) after a taxable supply has been made on the basis that it was (to any extent) a recycling lower-rate supply, it is determined that the supply was such a supply to a greater extent than previously determined;”;
- (f) in paragraph 9(5) for “three” substitute “4”.

Dave Hartnett
Simon Bowles

27th March 2012

Two of the Commissioners for Her Majesty’s Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st April 2012, amend the Climate Change Levy (General) Regulations 2001 (“the General Regulations”) to take account of the removal of the exemption from climate change levy (CCL) provided for in paragraph 18A(1) of Schedule 6 to the Finance Act 2000 (“the Act”) (exemption if commodity supplied for use in a recycling process for which there is a relevant competing process) and the introduction of a lower rate of CCL for such supplies (“recycling lower-rate supplies”).

They amend provisions in the General Regulations about record keeping, tax credits and the delivery of supplier certificates to cover recycling lower-rate supplies. They also amend the CCL relief formula in Schedule 1 to the General Regulations to include such supplies and make other consequential amendments. They also correct the time limit described in paragraph 9(5) of that Schedule so that it corresponds with the time limit in paragraph 64 of Schedule 6 to the Act (as amended by the Finance Act 2009 (c.10)).

A Tax Information and Impact Note covering this instrument was published on 6th December 2011 alongside draft clauses of the Finance Bill 2012 and is available on the HMRC website at http://www.hmrc.gov.uk/the_library/tiins.htm. It remains an accurate summary of the impacts that apply to this instrument.

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STATUTORY INSTRUMENTS

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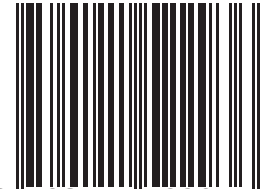
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