



Red diesel changes April 2022.

| Your guide to a greener future.



Are you eligible?



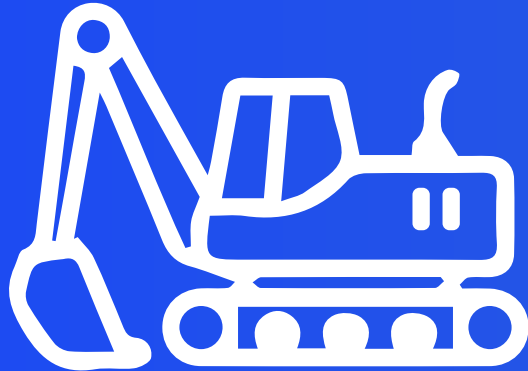
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Red diesel changes April 2022.

01

Who has been affected?



WHO IS **AFFECTED**?

Following the 2020 Budget, from April 1st 2022 legislation to restrict the entitlement to use red diesel and rebated biofuels was introduced.

This has had an impact on companies who used red diesel for the below purposes:

- Construction
- Manufacturing
- Distribution (including refrigeration)
- Waste management
- Commercial heating
- Leisure
- Mining and quarrying

Some examples of industries that can continue to rely on using red diesel as a rebated fuel from April 2022 include:

- Agriculture
- Horticulture
- Fish farming
- Forestry
- Railways
- Heating and Electricity of non commercial properties
- Maintaining amateur sports clubs and golf courses
- Traveling fairs and circuses
- Marine craft operating in the UK

If you are unsure if you are eligible to use rebated fuels, please refer back to the [direct.gov](https://www.gov.uk) website for official guidance.

02

What changes?



What happens to prices?

Red diesel users are entitled to a rebate of 42.77ppl giving it an effective duty of 10.18ppl. Its closest alternative, white diesel, is not subject to a rebate, holding a duty rate of 52.95ppl. As a result of these differences, there has been financial implications on businesses, however these have not been fully quantified or explained with evolving guidelines from the Government.

Please keep up to date with the [direct.gov](https://www.direct.gov.uk) website.

To ensure businesses are helping to tackle climate change, reduce harmful emissions they produce and to incentivise the development and adoption of greener alternatives the limitation of the entitlement to use rebated red diesel has been implicated. Removing most red diesel entitlements will help to ensure that the tax system incentivises users of polluting fuels like diesel to improve the energy efficiency of their vehicles and machinery, invest in cleaner alternatives, or just use less fuel. The target will require the UK to bring all greenhouse gas emissions to net zero by 2050.

Duty rates explained

Red diesel

Effective duty rate

10.18
ppl

Currently has a rebate of 42.77 ppl

White diesel

Duty rate

52.95
ppl

More than 5 times the current duty rate

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03

How to stay in line with regulations



Please see below our **three best tips** to guarantee compliance.



01 RESEARCH

Government guidelines are regularly being updated regarding the red diesel duty rebate changes. We recommend that you familiarise yourself with the guidelines, paying particular attention to the list of 'permitted applications'. Users who do not see their red diesel uses on the list of approved applications should take mitigating steps to address red diesel use and explore alternative fuel choices to comply with legislation.



02 RETURN

Ensure red diesel stocks had been run down in advance of the legislation change and no rebated fuels have been purchased by non-exempt businesses. Additionally, we recommend having old red diesel storage tanks cleaned before any other fuel is stored to ensure there is no trace of red diesel. This also allows customers to take full advantage of the benefits our greener fuels offer.



03 RETAIN

HMRC will be highly focused on ensuring all non exempt companies are following government regulations, whereby no red diesel has been purchased after April 2022. To prove compliance, all purchasing and delivery documentation must be retained in order to provide an audit trail as evidence to inspectors.

03

How to find the right alternative for your business.



If you are no longer eligible to use red diesel or are simply looking to reduce your environmental impact, Ukay fuels have a range of alternative products on offer.

Most of these are drop-in solutions ensuring a swift and easy transition.



SHELL GTL (GTL D)

GTL can be used in all off road diesel engines, generators and boilers without the need for modifications, new infrastructure, or investment. Further benefits of this product is that it helps to reduce emissions of air pollutants and support meeting local environmental regulations. It also helps reduce noise levels in some engines, enabling you to work at night or in restricted areas.

GTL is virtually free of unwanted components, such as sulphur, metals and aromatics, making it non-toxic and less harmful to the environment. It is also safer to handle and store, with no unpleasant smell.



HYDROTREATED VEGETABLE OIL (HVO Diesel)

HVO is a fossil free, paraffinic fuel made from 100% renewable raw materials. A more sustainable, high quality fuel, that is suitable for all diesel powered vehicles and industrial powered generators. Produced from waste fats and vegetable oils, the fats are transformed into biofuel by hydrogenation. HVO can reduce emissions by as much as 90% and has excellent cold weather performance.



INDUSTRIAL HEATING OIL (Ultra 35)

Ultra 35 is a suitable replacement for red diesel being used only for heating purposes. It is a clean burning heating oil that is used by a wide variety of commercial clients, from hospitals to quarries. With a low sulphur content, Ultra 35 is an environmental improvement in the manufacture of traditional heating oils Ultra 35 also offers significant cost savings over traditional heating oils.

04

Why? For a cleaner, greener future



Together, we can create a cleaner, greener future.

To ensure businesses are helping to tackle climate change, reduce harmful emissions they produce and to incentivise the development and adoption of greener alternatives the limitation of the entitlement to use rebated red diesel. Removing most red diesel entitlements will help to ensure that the tax system incentivises users of polluting fuels like diesel to improve the energy efficiency of their vehicles and machinery, invest in cleaner alternatives, or just use less fuel. The target will require the UK to bring all greenhouse gas emissions to net zero by 2050.

If you are still eligible to use rebated biofuels such as red diesel then we are happy to announce our greener red diesel alternatives GTL and HVO. For more information please see the GTL and HVO pages on our website.

All of our eco friendly alternatives are readily available for delivery now, so please don't hesitate to give our sales team a call on 01376 574 650 to discuss which choice will work best for your business.



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