



Red diesel changes April 2022.

| Your guide to a greener future.





contents

Are you still eligible?



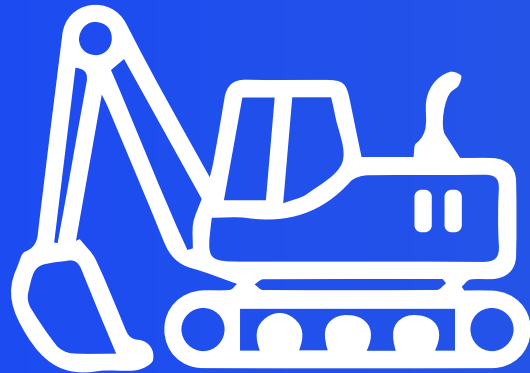
- 01 WHO
- 02 WHAT
- 03 HOW
- 04 WHEN

Let us help you prepare for the red diesel changes.

Red diesel changes April 2022.

01

Who is likely to be affected?



WHO WILL THIS AFFECT?

Following the 2020 Budget, legislation to restrict the entitlement to use red diesel and rebated biofuels was announced.

This will have an impact on anyone who currently uses red diesel for the below:

- 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 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 going to be affected then please refer back to the [direct.gov](https://www.gov.uk) website for official guidance.

02

What is going to change?



What happens to prices?

Currently red diesel users are entitled to a rebate of 46.81ppl giving it an effective duty of 11.14ppl. Its closest alternative, white diesel, is not subject to a rebate, holding a duty rate of 57.95ppl. As a result of these differences, there will no doubt be financial implications on business', however these have not been fully quantified or explained with evolving guidelines from the Government. Please keep up to date with the direct.gov 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 is being 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 - currently

Effective duty rate

11.14
ppl

Currently has a rebate of 46.81 ppl

Red diesel - from 1st April 2022

Duty rate

57.95
ppl

More than 5 times the current duty rate



Don't forget to also factor in the VAT rate increase. All orders will now be subject to 20% VAT charges.

Red diesel changes April 2022.

03

How to stay in line with regulations



01 RESEARCH

Government guidelines are regularly being updated regarding the red diesel tax 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 RUN DOWN

Running down your existing red diesel stocks in advance of the April 2022 deadline will enable you to transition fluently following the new legislation. This will also enable sufficient time to arrange a tank clean to ensure there is no trace of red diesel when the deadline hits. This allows you to fully take advantage of the performance benefits our alternative fuels offer.



03 REMEMBER

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.

Red diesel changes April 2022.

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 G)

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 (Green D+ / Green G+)

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

When? Why wait until April 2022?



Together, we can create a cleaner, greener future.

Ukay Fuels are committed to supporting our customers through their red diesel changes and providing them with more sustainable options.

Legislation restricting the use of red diesel as a rebated fuel becomes effective on April 1st 2022. However, we highly recommend exploring all options now in order to ensure your business is fully prepared and informed about the new product choice.

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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