



# Vehicle Excise and Registration Act 1994

## 1994 CHAPTER 22

### PART I

#### VEHICLE EXCISE DUTY AND LICENCES

##### *Main provisions*

#### **1 Duty and licences.**

[<sup>F1</sup>(1) A duty of excise (“vehicle excise duty”) shall be charged in respect of every mechanically propelled vehicle that—

- (a) is registered under this Act (see section 21), or
- (b) is not so registered but is used, or kept, on a public road in the United Kingdom.

(1A) Vehicle excise duty shall also be charged in respect of every thing (whether or not it is a vehicle) that has been, but has ceased to be, a mechanically propelled vehicle and—

- (a) is registered under this Act, or
- (b) is not so registered but is used, or kept, on a public road in the United Kingdom.

(1B) In the following provisions of this Act “vehicle” means—

- (a) a mechanically propelled vehicle, or
- (b) any thing (whether or not it is a vehicle) that has been, but has ceased to be, a mechanically propelled vehicle.

(1C) Vehicle excise duty charged in respect of a vehicle by subsection (1)(a) or (1A)(a) shall be paid on a licence to be taken out—

- (a) by the person in whose name the vehicle is registered under this Act, or
- (b) if that person is not the person keeping the vehicle, by either of those persons.

(1D) Vehicle excise duty charged in respect of a vehicle by subsection (1)(b) or (1A)(b) shall be paid on a licence to be taken out by the person keeping the vehicle.]

*Status: This version of this part contains provisions that are prospective.*

**Changes to legislation:** Vehicle Excise and Registration Act 1994, Part I is up to date with all changes known to be in force on or before 23 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

(2) A licence taken out for a vehicle is in this Act referred to as a “vehicle licence”.

#### Textual Amendments

**F1** S. 1(1)-(1D) substituted (30.11.2003) for s. 1(1) by [Finance Act 2002 \(c. 23\)](#), s. 19, [Sch. 5 para. 2](#); [S.I. 2003/3086](#), [art. 2\(b\)](#)

#### Modifications etc. (not altering text)

**C1** [S. 1\(1\)\(b\)](#) excluded by 1988 c. 52, s. 12E (as inserted (10.3.2017) by [Deregulation Act 2015 \(c. 20\)](#), [ss. 73\(3\)](#), 115(7); [S.I. 2017/273](#), [art. 2\(a\)](#))

## 2 Annual rates of duty.

(1) Vehicle excise duty in respect of a vehicle of any description is chargeable by reference to the annual rate currently applicable to it in accordance with the provisions of Schedule 1 which relate to vehicles of that description.

[<sup>F2</sup>(2) Subsection (1) applies subject to the following provisions of this section.

(3) Where vehicle excise duty is charged by section 1(1)(b) or (1A)(b) in respect of the keeping of a vehicle on a road (and not in respect of its use), duty in respect of such keeping is chargeable by reference to the general rate currently specified in paragraph 1(2) of Schedule 1.

(4) Subsections (5) and (6) apply where—

- (a) vehicle excise duty is charged by section 1(1)(a) or (1A)(a) in respect of a vehicle, and
- (b) were the vehicle not registered under this Act, duty would not be charged by section 1(1)(b) or (1A)(b) in respect of the use of the vehicle on a road.

(5) Where one or more use licences have previously been issued for the vehicle, the duty charged by section 1(1)(a) or (1A)(a) is chargeable by reference to the annual rate currently applicable to a vehicle of the same description as that of the vehicle on the occasion of the issue of that licence (or the last of those licences).

(6) In any other case, the duty charged by section 1(1)(a) or (1A)(a) is chargeable by reference to the general rate currently specified in paragraph 1(2) of Schedule 1.

(7) In subsection (5) “use licence” means—

- (a) a vehicle licence issued for the use of a vehicle, or
- (b) a vehicle licence that is issued by reason of a vehicle being registered under this Act but which would have been issued for the use of the vehicle if the vehicle had not been registered under this Act.]

#### Textual Amendments

**F2** S. 2(2)-(7) substituted (30.11.2003) for s. 2(2)-(4) by [Finance Act 2002 \(c. 23\)](#), s. 19, [Sch. 5 para. 3](#); [S.I. 2003/3086](#), [art. 2\(b\)](#)

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### 3 Duration of licences.

- (1) A vehicle licence may be taken out for any vehicle for any period of twelve months running from the beginning of the month in which the licence first has effect.
- [<sup>F3</sup>(2) A vehicle licence may be taken out for a vehicle for a period of six months running from the beginning of the month in which the licence first has effect if—
  - (a) the annual rate of vehicle excise duty in respect of the vehicle exceeds £50, or
  - (b) the vehicle is one to which the annual rate of vehicle excise duty specified in paragraph 11C(2)(a) of Schedule 1 applies (tractive units: special cases).]
  - (3) The Secretary of State may by order provide that a vehicle licence may be taken out for a vehicle for such period as may be specified in the order.
  - (4) An order under subsection (3) may specify—
    - (a) a period of a fixed number of months (not exceeding fifteen) running from the beginning of the month in which the licence first has effect,
    - (b) in the case of [<sup>F4</sup>the first vehicle licence for] a vehicle of such description as may be specified in the order, a period exceeding by such number of days (not exceeding thirty) as may be determined by or under the order the period for which the licence would otherwise have effect by virtue of subsection (1) or (2) or of an order under paragraph (a), or
    - (c) in the case of a vehicle of such description (or of such description and used in such circumstances) as may be specified in the order, a period of less than one month.
  - (5) An order under subsection (3)—
    - (a) may be made so as to apply only to vehicles of specified descriptions, and
    - (b) may make different provision for vehicles of different descriptions or for different circumstances.
  - (6) The power to make an order under subsection (3) includes power to make transitional provisions and to amend or repeal subsection (1) or (2).
  - [<sup>F5</sup>(7) Neither subsection (2) nor any order under subsection (3) permits the first vehicle licence for a vehicle to be taken out for a period of less than twelve months if the annual rate of vehicle excise duty chargeable on the licence would be lower if it were not the first vehicle licence for the vehicle.]

#### Textual Amendments

- F3** S. 3(2) substituted (with effect in accordance with s. 87(2) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 87\(1\)](#)
- F4** Words in s. 3(4)(b) substituted (with effect in accordance with Sch. 4 para. 7(1) of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 4 para. 2\(2\)](#)
- F5** S. 3(7) inserted (with effect in accordance with Sch. 4 para. 7(1) of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 4 para. 2\(3\)](#)

### 4 Amount of duty.

- [<sup>F6</sup>(1) Where a vehicle licence for a vehicle of any description is taken out for a period of 12 months, vehicle excise duty is to be paid on the licence—
  - (a) at the annual rate of duty applicable to vehicles of that description, or

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- (b) if the duty is to be paid by more than one instalment pursuant to an agreement under section 19B, at a rate equal to 105% of that annual rate.
- (2) Subject to subsection (2A), where a vehicle licence for a vehicle of any description is taken out for a period of 6 months, vehicle excise duty is to be paid on the licence—
  - (a) at a rate equal to 55% of the annual rate of duty applicable to vehicles of that description, or
  - (b) if the duty is to be paid by direct debit pursuant to an agreement under section 19B, at a rate equal to 52.5% of that annual rate.
- (2A) In the case of a vehicle which is charged to HGV road user levy, the reference in subsection (2)(a) to 55% is to be read as a reference to 50%.]
- <sup>F7</sup>(3) . . . . .
- (4) Where a vehicle licence for a vehicle of any description is taken out for a period specified in an order under section 3(3), vehicle excise duty shall be paid on the licence at such rate as may be specified in the order.
- (5) A rate of vehicle excise duty specified in an order under section 3(3) in relation to a licence taken out for a vehicle for a period of—
  - (a) a fixed number of months other than twelve, or
  - (b) less than one month,
 shall be such as to bear to the annual rate of duty applicable to the vehicle no less proportion than the period for which the licence is taken out bears to a year.
- (6) A rate of vehicle excise duty specified in an order under section 3(3) in relation to a licence taken out for a vehicle for a period of three months or a period of four months shall not exceed for each month of the period ten per cent. of the annual rate of duty applicable to the vehicle.
- (7) The power to make an order under section 3(3) includes power to amend or repeal subsection (2) <sup>F8</sup>... of this section.

#### Textual Amendments

- F6** S. 4(1)-(2A) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), s. 89\(2\)\(10\)](#)
- F7** S. 4(3) repealed (7.4.2005 with effect as mentioned in [s. 7\(13\)](#) of the amending Act) by [Finance Act 2005 \(c. 7\), s. 7\(2\)\(a\), Sch. 11 Pt. 1](#)
- F8** Words in s. 4(7) repealed (7.4.2005 with effect as mentioned in [s. 7\(13\)](#) of the amending Act) by [Finance Act 2005 \(c. 7\), s. 7\(2\)\(b\), Sch. 11 Pt. 1](#)

## 5 Exempt vehicles.

- (1) No vehicle excise duty shall be charged in respect of a vehicle if it is an exempt vehicle.
- (2) Schedule 2 specifies descriptions of vehicles which are exempt vehicles.
- <sup>F9</sup>(3) The Secretary of State may by order amend Schedule 2 in order to make provision about the descriptions of—
  - (a) tractors, and
  - (b) vehicles used for purposes relating to agriculture, horticulture or forestry, that are to be exempt vehicles.

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- (4) An order under subsection (3) may in particular repeal any of paragraphs 20A to 20D of Schedule 2.]

#### Textual Amendments

**F9** S. 5(3)(4) inserted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), s. 106(1)

## 6 Collection etc. of duty.

- (1) Vehicle excise duty shall be levied by the Secretary of State.
- (2) For the purpose of levying vehicle excise duty the Secretary of State and his officers (including any body or person authorised by the Secretary of State to act as his agent for the purposes of this Act) have the same powers, duties and liabilities as the Commissioners of Customs and Excise and their officers have with respect to—
- (a) duties of excise (other than duties on imported goods),
  - (b) the issue and cancellation of licences on which duties of excise are imposed, and
  - (c) other matters (not being matters relating only to duties on imported goods),
- under the enactments relating to duties of excise and excise licences.
- (3) The enactments relating to duties of excise, or punishments and penalties in connection with those duties, (other than enactments relating only to duties on imported goods) apply accordingly.
- (4) Subsections (2) and (3) have effect subject to the provisions of this Act (including in particular, in the case of subsection (3), subsection (6) of this section and sections 47, 48 and 56).
- (5) The Secretary of State has with respect to vehicle excise duty and licences under this Act the powers given to the Commissioners of Customs and Excise by the enactments relating to duties of excise and excise licences for the mitigation or remission of any penalty or part of a penalty.
- (6) Vehicle excise duty, and any sums received by the Secretary of State by virtue of this Act by way of fees, shall be paid into the Consolidated Fund.

### Vehicle licences

## 7 Issue of vehicle licences.

- (1) Every person applying for a vehicle licence shall—
- (a) make [<sup>F10</sup>any such] a declaration, and
  - (b) furnish [<sup>F11</sup>any] such particulars [<sup>F12</sup>and any such documentary or other evidence],
- (whether or not with respect to the vehicle for which the licence is to be taken out) as may be [<sup>F13</sup>specified] by the Secretary of State.
- (2) The declarations [<sup>F14</sup>, particulars and evidence] which may be so [<sup>F15</sup>specified] include, in relation to a person applying for a licence for a goods vehicle [<sup>F16</sup>or a special vehicle], a declaration as to, [<sup>F17</sup>particulars of and evidence in relation to], any of the

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matters specified in subsection (3) as to which the Secretary of State may require information with a view to an alteration in the basis on which vehicle excise duty is chargeable in respect of goods vehicles [<sup>F18</sup>or, as the case may be, special vehicles].

(3) The matters referred to in subsection (2) are—

- (a) the construction of the vehicle,
- [<sup>F19</sup>(b) the vehicle's revenue weight,
- (ba) the place where the vehicle has been or is normally kept, and]
- (c) the use to which the vehicle has been or is likely to be put.

[<sup>F20</sup>(3A) A person applying for a licence shall not be required to make a declaration specified for the purposes of subsection (1)(a) if he agrees to comply with such conditions as may be specified in relation to him by the Secretary of State.

[<sup>F20</sup>(3B) The conditions which may be specified under subsection (3A) include

- [ a condition that particulars for the time being specified for the purposes of
- [<sup>F21</sup>(a)] subsection (1)(b) are furnished by being transmitted to the Secretary of State by such electronic means as he may specify [<sup>F22</sup>; and
- [<sup>F22</sup>(b) a condition requiring such payments as may be specified by the Secretary of State to be made to him in respect of—
- (i) steps taken by him for facilitating compliance by any person with any condition falling within paragraph (a); and
- (ii) in such circumstances as may be so specified, the processing of applications for vehicle licences where particulars are transmitted in accordance with that paragraph.]]

[<sup>F23</sup>(4) A vehicle licence is issued for the vehicle specified in the application for the licence (and for no other).]

(5) The Secretary of State is not required to issue a vehicle licence for which an application is made unless he is satisfied—

- (a) that the licence applied for is the appropriate licence for the vehicle specified in the application, and
- (b) in the case of an application for a licence for a vehicle purporting to be the first application for a licence for the vehicle, that a licence has not previously been issued for the vehicle.

[<sup>F24</sup>(5A) The Secretary of State is not required to issue a vehicle licence for a heavy goods vehicle if not satisfied that the appropriate HGV road user levy has been paid.]

[<sup>F25</sup>(5B) The Secretary of State may not issue a vehicle licence in respect of a vehicle—

- (a) completed before IP completion day,
  - (b) which is to be, or is normally, kept at a place in Great Britain, and
  - (c) in respect of which there is an EC certificate of conformity issued in reliance on a relevant European approval granted by or on the authority of an EU State,
- unless the vehicle satisfies one of the conditions in subsection (5C).

(5C) The conditions are—

- (a) the vehicle is qualifying Northern Ireland goods;
- (b) the vehicle was in the United Kingdom immediately before IP completion day;
- (c) a relevant UK certificate has effect with respect to the vehicle.

(5D) The Secretary of State may not issue a vehicle licence in respect of a vehicle which—

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- (a) is completed on or after IP completion day, and
  - (b) is to be kept, or is normally kept, at a place in Great Britain,
- unless the vehicle satisfies one of the conditions in subsection (5E).

(5E) The conditions are—

- (a) the vehicle is qualifying Northern Ireland goods in respect of which there is an EC certificate of conformity issued in reliance on a relevant European approval granted by or on the authority of an EU State;
- (b) a relevant UK certificate has effect with respect to the vehicle.

(5F) The Secretary of State may not issue a vehicle licence in respect of a vehicle—

- (a) completed before IP completion day, and
- (b) which is to be, or is normally, kept at a place in Northern Ireland,

unless the vehicle satisfies one of the conditions in subsection (5G).

(5G) The conditions are—

- (a) an EC certificate of conformity issued in reliance on a relevant European approval granted by or on the authority of an EU State has effect in respect of the vehicle;
- (b) the vehicle was in the United Kingdom immediately before IP completion day and a relevant UK certificate issued before that day has effect with respect to it.

(5H) The Secretary of State may not issue a vehicle licence in respect of a vehicle—

- (a) which is completed on or after IP completion day, and
- (b) which is, or is to be, kept at a place in Northern Ireland,

unless the vehicle satisfies one of the conditions in subsection (5I).

(5I) The conditions are—

- (a) an EC certificate of conformity issued in reliance on a relevant European approval granted by or on the authority of an EU State has effect in respect of the vehicle;
- (b) a relevant Northern Ireland certificate has effect in respect of the vehicle.]

<sup>F26</sup>(6) .....

<sup>F26</sup>(7) .....

[<sup>F27</sup>(8) In this [<sup>F28</sup>section—

“the appropriate HGV road user levy”, in relation to a vehicle licence, means the HGV road user levy charged for the period for which the licence would have effect;

[<sup>F29</sup>“EC certificate of conformity” has the meaning given in section 85 of the Road Traffic Act 1988;

“EU State” means—

- (a) in relation to the period before IP completion day, a member State other than the United Kingdom, and
- (b) in relation to the period on or after IP completion day, a member State;]

“heavy goods vehicle” has the same meaning as in the HGV Road User Levy Act 2013;

[<sup>F29</sup>“qualifying Northern Ireland goods” has the meaning given by regulations made under section 8C(6) of the European Union (Withdrawal) Act 2018;

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“relevant European approval” has the meaning given in section 55(1C) of the Road Traffic Act 1988;

“relevant Northern Ireland certificate” means—

- (a) a certificate issued pursuant to regulation 16(7) or 18(10) of the Road Vehicles (Approval) Regulations 2020 (S.I. 2020/818), as they apply in and in relation to Northern Ireland,
- (b) a certificate of conformity issued under Article 31A(3) of the Road Traffic (Northern Ireland) Order 1981,
- (c) a Department’s approval certificate issued under Article 31A(4) or (5) of that Order, or
- (d) an EC certificate of conformity issued in reliance on a valid relevant European approval granted by or on the authority of the Secretary of State in relation to Northern Ireland;

“relevant UK certificate” means—

- (a) a certificate of conformity issued under section 57 of the Road Traffic Act 1988,
- (b) a Minister’s approval certificate issued under section 58 of that Act,
- (c) a certificate issued pursuant to regulation 25(10) or 27(10) of the Road Vehicles (Approval) Regulations 2009 (S.I. 2009/717),
- (ca) a certificate issued pursuant to regulation 16(7) or 18(10) of the Road Vehicles (Approval) Regulations 2020 (S.I. 2020/818),
- (d) a certificate of conformity issued under Article 31A(3) of the Road Traffic (Northern Ireland) Order 1981,
- (e) a Department’s approval certificate issued under Article 31A(4) or (5) of that Order, or
- (f) an EC certificate of conformity which was issued otherwise than in reliance on a valid relevant European approval granted by or on the authority of an EU State;]

“special vehicle”] has the same meaning as in paragraph 4 of Schedule 1.]

#### Textual Amendments

- F10** Words in s. 7(1)(a) substituted (17.9.2002) by 2001 c. 3, Pt. 3, ss. 32(1)(a), 44; S.I. 2002/2377, **art. 2(a)**
- F11** Word in s. 7(1)(b) inserted (17.9.2002) by 2001 c. 3, Pt. 3, ss. 32(1)(b)(i), 44; S.I. 2002/2377, **art. 2(a)**
- F12** Words in s. 7(1)(b) inserted (17.9.2002) by 2001 c. 3, Pt. 3, ss. 32(1)(b)(ii), 44; S.I. 2002/2377, **art. 2(a)**
- F13** Words in s. 7(1) substituted (1.5.1995 with effect as mentioned in Sch. 4 Pt. V para. 30(3) of the amending Act) by 1995 c. 4, s. 19, **Sch. 4 Pt. V para. 30(1)(a)(3)**
- F14** Words in s. 7(2) substituted (17.9.2002) by 2001 c. 3, Pt. 4, ss. 43, 44, Sch. para. 3(a); S.I. 2002/2377, **art. 2(c)**
- F15** Word in s. 7(2) substituted (1.5.1995 with effect as mentioned in Sch. 4 Pt. V para. 30(3) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 30(1)(b)(3)
- F16** Words in s. 7(2) inserted (29.4.1996 with effect as mentioned in s. 17(14) of the amending Act) by 1996 c. 8, **s. 17(9)(a)(14)**
- F17** Words in s. 7(2) substituted (17.9.2002) by 2001 c. 3, Pt. 4, ss. 43, 44, Sch. para. 3(b); S.I. 2002/2377, **art. 2(c)**
- F18** Words in s. 7(2) inserted (29.4.1996 with effect as mentioned in s. 17(14) of the amending Act) by 1996 c. 8, **s. 17(9)(b)(14)**



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- F19** S. 7(3)(b)(ba) substituted (1.5.1995 with effect as mentioned in [Sch. 4 Pt. IV para. 29](#) of the amending Act) for s. 7(3)(b) by [1995 c. 4, s. 19, Sch. 4 Pt. IV paras. 18, 29](#)
- F20** S. 7(3A)(3B) inserted (29.4.1996 with effect as mentioned in [Sch. 2 para. 2\(3\)](#) of the amending Act) by [1996 c. 8, s. 23, Sch. 2 para. 2\(1\)-\(3\)](#)
- F21** Word in s. 7(3B) inserted (31.7.1997 with effect as mentioned in [s. 14\(2\)](#) of the amending Act) by [1997 c. 58, s. 14\(1\)\(2\)](#) (with [s. 3\(3\)](#))
- F22** S. 7(3B)(b)(i)(ii) and preceding “;and” inserted (31.7.1997 with effect as mentioned in [s. 14\(2\)](#) of the amending Act) by [1997 c. 58, s. 14\(1\)\(2\)](#) (with [s. 3\(3\)](#))
- F23** S. 7(4) substituted (30.11.2003) by [Finance Act 2002 \(c. 23\), s. 19, Sch. 5 para. 4; S.I. 2003/3086, art. 2\(b\)](#)
- F24** S. 7(5A) inserted (1.4.2014) by [HGV Road User Levy Act 2013 \(c. 7\), ss. 15\(1\), 21\(1\); S.I. 2014/797, art. 2](#)
- F25** S. 7(5B)-(5I) inserted (temp.) (31.12.2020 for a period of two years at the end of which this amending provision will expire) by [S.I. 2019/648, reg. 3\(2\)\(a\) \(with reg. 11\) \(as substituted by The Road Vehicles and Non-Road Mobile Machinery \(Type-Approval\) \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1393\), regs. 1\(2\), 2\(3\)\(a\)\(i\) \(with reg. 2\(12\)\)\)](#)
- F26** S. 7(6)(7) omitted (1.10.2014) by virtue of [Finance Act 2014 \(c. 26\), Sch. 19 paras. 2, 22](#)
- F27** S. 7(8) inserted (29.4.1996 with effect as mentioned in [s. 17\(14\)](#) of the amending Act) by [1996 c. 8, s. 17\(10\)\(14\)](#)
- F28** Words in s. 7(8) substituted (1.4.2014) by [HGV Road User Levy Act 2013 \(c. 7\), ss. 15\(2\), 21\(1\); S.I. 2014/797, art. 2](#)
- F29** Words in s. 7(8) inserted (temp.) (31.12.2020 for a period of two years at the end of which this amending provision will expire) by virtue of [The Road Vehicles and Non-Road Mobile Machinery \(Type-Approval\) \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/648\), regs. 1\(b\)\(ii\), 3\(2\)\(b\) \(with reg. 11\) \(as amended by S.I. 2020/1393, regs. 1\(2\), 2\(3\) and S.I. 2020/818, Sch. 6 para. 39\(3\) \(a\)\); 2020 c. 1, Sch. 5 para. 1\(1\)](#)

**Modifications etc. (not altering text)**

- C2** S. 7(1) extended (S.) (8.2.2007) by [Wireless Telegraphy Act 2006 \(c. 36\), ss. 51\(1\), 126\(2\)](#)

**[<sup>F30</sup>7A Supplement payable on [<sup>F31</sup>vehicle ceasing to be appropriately covered]**

- (1) Regulations may make provision for a supplement of a prescribed amount to be payable [<sup>F32</sup> where—
- (a) a vehicle has ceased to be appropriately covered,
  - (b) the vehicle is not, before the end of the relevant prescribed period, appropriately covered as mentioned in paragraph (a) or (b) of subsection (1A) below with effect from the time immediately after it so ceased or appropriately covered as mentioned in paragraph (d) of that subsection, and
  - (c) the circumstances are not such as may be prescribed.]

[ For the purposes of this section and section 7B a vehicle is appropriately covered if <sup>F33</sup>(1A) (and only if)—

- (a) a vehicle licence or trade licence is in force for or in respect of the vehicle,
- (b) the vehicle is an exempt vehicle in respect of which regulations under this Act require a nil licence to be in force and a nil licence is in force in respect of it,
- (c) the vehicle is an exempt vehicle that is not one in respect of which regulations under this Act require a nil licence to be in force, or
- (d) the vehicle is neither kept nor used on a public road and the declarations and particulars required to be delivered by regulations under section 22(1D) have been delivered in relation to it in accordance with the regulations <sup>F34</sup>...

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(1B) Where a vehicle for <sup>F35</sup>... which a vehicle licence is in force is transferred by the holder of the vehicle licence to another person, the vehicle licence is to be treated for the purposes of subsection (1A) as no longer in force <sup>F36</sup>... .

<sup>F37</sup>(1C) .....

(1D) In subsection (1)(b) “the relevant prescribed period” means such period beginning with the date on which the vehicle ceased to be appropriately covered as is prescribed.]

(2) A supplement under this section—

- (a) shall be payable by such person, or jointly and severally by such persons, as may be prescribed;
- (b) shall become payable at such time as may be prescribed;
- (c) may be of an amount that varies according to the length of the period between—
  - [<sup>F38</sup>(i) the time of a notification (in accordance with regulations under section 7B(1)) to, or in relation to, a person by whom it is payable, and
  - (ii) the time at which it is paid.]

(3) A supplement under this section that has become payable—

- (a) is in addition to any vehicle excise duty charged in respect of the vehicle concerned;
- (b) does not cease to be payable by reason of [<sup>F39</sup>the vehicle being again appropriately covered] after the supplement has become payable;
- (c) may, without prejudice to section 6 or 7B(2) and (3) or any other provision of this Act, be recovered as a debt due to the Crown.

(4) In this section—

- (a) <sup>F40</sup> .....
- (b) “prescribed” means prescribed by, or determined in accordance with, regulations;
- (c) “regulations” means regulations made by the Secretary of State with the consent of the Treasury.

(5) No regulations to which subsection (6) applies shall be made under this section unless a draft of the regulations has been laid before, and approved by a resolution of, each House of Parliament.

(6) This subsection applies to regulations under this section that—

- (a) provide for a supplement to be payable in a case where one would not otherwise be payable,
- (b) increase the amount of a supplement,
- (c) provide for a supplement to become payable earlier than it would otherwise be payable, or
- (d) provide for a supplement to be payable by a person by whom the supplement would not otherwise be payable.

#### Textual Amendments

**F30** Ss. 7A, 7B inserted (24.7.2002 for the purpose of the exercise of any power to make regulations and 30.11.2003 otherwise) by [Finance Act 2002 \(c. 23\)](#), s. 19, [Sch. 5 para. 5](#) ; [S.I. 2003/3086](#), [art. 2\(b\)](#)

**F31** Words in s. 7A heading substituted (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), s. 66(8)

*Status: This version of this part contains provisions that are prospective.*

**Changes to legislation:** Vehicle Excise and Registration Act 1994, Part I is up to date with all changes known to be in force on or before 23 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- F32** Words in s. 7A(1) substituted (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 66\(3\)](#)
- F33** S. 7A(1A)-(1D) inserted (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 66\(4\)](#)
- F34** Words in s. 7A(1A)(d) omitted (17.7.2013) by virtue of [Finance Act 2013 \(c. 29\), s. 189\(2\)](#)
- F35** Words in [s. 7A\(1B\)](#) omitted (1.10.2014) by virtue of [Finance Act 2014 \(c. 26\), Sch. 19 paras. 3\(2\)\(a\), 22](#)
- F36** Words in [s. 7A\(1B\)](#) omitted (1.10.2014) by virtue of [Finance Act 2014 \(c. 26\), Sch. 19 paras. 3\(2\)\(b\), 22](#)
- F37** [S. 7A\(1C\)](#) omitted (1.10.2014) by virtue of [Finance Act 2014 \(c. 26\), Sch. 19 paras. 3\(3\), 22](#)
- F38** S. 7A(2)(c)(i)(ii) substituted (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 66\(5\)](#)
- F39** Words in s. 7A(3)(b) substituted (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 66\(6\)](#)
- F40** S. 7A(4)(a) repealed (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\), ss. 66\(7\), 70, Sch. 11 Pt. 5\(1\)](#)

## 7B <sup>[F41]</sup>Section 7A] supplements: further provisions

- (1) The Secretary of State may by regulations make provision for notifying the person in whose name a vehicle is registered under this Act about—
- (a) any supplement under section 7A that may or has become payable <sup>[F42]</sup>in relation to] the vehicle;
  - (b) when <sup>[F43]</sup>the vehicle ceasing to be appropriately covered] may result in the person being guilty of an offence under section 31A.
- (2) The Secretary of State may by regulations make provision—
- (a) for assessing an amount of supplement due under section 7A from any person and for notifying that amount to that person or any person acting in a representative capacity in relation to that person;
  - (b) for an amount assessed and notified under such regulations to be deemed to be an amount of vehicle excise duty due from the person assessed and recoverable accordingly;
  - (c) for review of decisions under such regulations and for appeals with respect to such decisions or decisions on such reviews.
- (3) Regulations under subsection (2) may, in particular, make provision that, subject to any modifications that the Secretary of State considers appropriate, corresponds or is similar to—
- (a) any provision made by sections 12A and 12B of the Finance Act 1994 (assessments related to excise duty matters), or
  - (b) any provision made by sections <sup>[F44]</sup>13A to 16] of that Act (customs and excise reviews and appeals).
- (4) Sums received by way of supplements under section 7A shall be paid into the Consolidated Fund.]

### Textual Amendments

- F30** Ss. 7A, 7B inserted (24.7.2002 for the purpose of the exercise of any power to make regulations and 30.11.2003 otherwise) by [Finance Act 2002 \(c. 23\), s. 19, Sch. 5 para. 5 ; S.I. 2003/3086, art. 2\(b\)](#)
- F41** Words in s. 7B heading substituted (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 66\(11\)](#)
- F42** Words in s. 7B(1) substituted (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 66\(10\)\(a\)](#)
- F43** Words in s. 7B(1) substituted (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 66\(10\)\(b\)](#)
- F44** Words in [s. 7B\(3\)\(b\)](#) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\), art. 1\(2\), Sch. 1 para. 215](#)

*Status: This version of this part contains provisions that are prospective.*

**Changes to legislation:** Vehicle Excise and Registration Act 1994, Part I is up to date with all changes known to be in force on or before 23 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## [<sup>F45</sup>7C Recovery of section 7A supplements: Scotland

- (1) The Secretary of State may by regulations provide for the recovery of supplement that has become payable under section 7A by diligence authorised by summary warrant.
- (2) Regulations under subsection (1) may, in particular, provide—
  - (a) for such summary warrants—
    - (i) to be granted by the sheriff on the application of the Secretary of State; and
    - (ii) to authorise any of the diligences mentioned in subsection (3);
  - (b) for such applications to be accompanied by a certificate mentioned in subsection (4); and
  - (c) for the fees and outlays of sheriff officers incurred in executing such summary warrants to be chargeable against the debtor.
- (3) The diligences referred to in subsection (2)(a)(ii) are—
  - (a) an attachment;
  - (b) an earnings arrestment;
  - (c) an arrestment and action of furthcoming or sale.
- (4) The certificate referred to in subsection (2)(b) is a certificate by the Secretary of State —
  - (a) stating that none of the persons specified in the application has paid the supplement due;
  - (b) stating that payment of the amount due from each such person has been demanded from him;
  - (c) stating whether in response to that demand any such person disputes liability to pay; and
  - (d) specifying the amount due from and unpaid by each such person.
- (5) No fee shall be chargeable by the sheriff officer against the debtor for—
  - (a) collecting; or
  - (b) accounting to the Secretary of State for,
 sums paid to him by the debtor in respect of the amount owing.
- (6) No summary warrant for recovery of supplement payable under section 7A may be granted against a person if—
  - (a) he disputes liability to pay; or
  - (b) an action for payment to recover such supplement from him has already been raised.
- (7) Failure to respond to a demand to pay shall not be taken to mean liability to pay is disputed.
- (8) An action for payment to recover supplement payable under section 7A may be raised against a person notwithstanding that a summary warrant has already been granted for recovery of such supplement from him but only if none of the diligences mentioned in subsection (3) has been executed against him.
- (9) Where such an action is raised, the summary warrant shall cease to have effect in relation to such person.
- (10) This section extends to Scotland only.]

*Status: This version of this part contains provisions that are prospective.*

**Changes to legislation:** Vehicle Excise and Registration Act 1994, Part I is up to date with all changes known to be in force on or before 23 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

### Textual Amendments

**F45** S. 7C inserted (S.) (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [s. 15](#)

## 8 Vehicles removed into UK.

- (1) Where an application is made for a vehicle licence for a vehicle which—
- (a) appears to the Secretary of State to have been removed into the United Kingdom from a place outside the United Kingdom, and
  - (b) is not already registered under this Act,
- the Secretary of State may refuse to issue the licence unless subsection (2) applies to the vehicle.
- (2) This subsection applies to a vehicle if the Secretary of State is satisfied in relation to the removal of the vehicle into the United Kingdom—
- [<sup>F46</sup>(a) that any value added tax charged on any supply involving the removal of the vehicle into the United Kingdom has been or will be paid or remitted,]
  - (b) that any value added tax or customs duty charged on the importation of the vehicle <sup>F47</sup>... has been or will be paid or remitted, or
  - (c) that no such tax or duty has been charged on the <sup>F48</sup>... importation of the vehicle or on any supply involving its removal into the United Kingdom.

### Textual Amendments

- F46** S. 8(2)(a) substituted (31.12.2020) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), [s. 57\(3\)](#), [Sch. 8 para. 107\(a\)](#) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), [regs. 1\(2\), 21](#)), [S.I. 2020/1545](#), [Pt. 4](#) and [2020 c. 26](#), [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642](#), [reg. 4\(b\)](#) (with [reg. 7](#))
- F47** Words in s. 8(2)(b) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), [s. 57\(3\)](#), [Sch. 8 para. 107\(b\)](#) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), [regs. 1\(2\), 21](#)), [S.I. 2020/1545](#), [Pt. 4](#) and [2020 c. 26](#), [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642](#), [reg. 4\(b\)](#) (with [reg. 7](#))
- F48** Words in s. 8(2)(c) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), [s. 57\(3\)](#), [Sch. 8 para. 107\(c\)](#) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), [regs. 1\(2\), 21](#)), [S.I. 2020/1545](#), [Pt. 4](#) and [2020 c. 26](#), [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642](#), [reg. 4\(b\)](#) (with [reg. 7](#))

### Modifications etc. (not altering text)

- C3** [S. 8](#) modified (17.12.2020 for specified purposes, 31.12.2020 in so far as not already in force) by 1994 c. 23, [Sch. 9ZA para. 77](#) (as inserted by [Taxation \(Post-transition Period\) Act 2020 \(c. 26\)](#), [s. 11\(1\)\(e\)](#), [Sch. 2 para. 2](#) (with [s. 3\(4\)](#), [Sch. 2 para. 7\(7\)-\(10\)](#)); [S.I. 2020/1642](#), [reg. 9](#))

## 9 Temporary vehicle licences.

- (1) Where an application is made for a vehicle licence for a vehicle for any period, the Secretary of State may, if he thinks fit, instead of issuing immediately a vehicle licence for that period—

*Status: This version of this part contains provisions that are prospective.*

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- (a) issue a vehicle licence (a “temporary licence”) for fourteen days, or such other period as may be prescribed by regulations made by the Secretary of State, having effect from such day as may be so prescribed, and
  - (b) from time to time issue a further temporary licence for the vehicle.
- (2) Nothing in this section affects the amount of any duty payable on a vehicle licence.
- (3) Where an application for a vehicle licence is made to a body (other than a Northern Ireland department) authorised by the Secretary of State to act as his agent for the purpose of issuing licences, the body may, before issuing a licence under subsection (1) (a), require the applicant to pay to it in connection with the issue a fee of [<sup>F49</sup>£2.35]
- (4) The Secretary of State may by regulations substitute for the sum for the time being specified in subsection (3) such other sum as may be prescribed by the regulations.

#### Textual Amendments

**F49** S. 9(3): prescribed sum substituted (2.9.1996) by [S.I. 1996/2008](#), [reg. 2](#)

### <sup>F51</sup>**10 Transfer<sup>F50</sup> ... of vehicle licences.**

.....

#### Textual Amendments

**F50** Words in s. 10 heading omitted (1.1.2009) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 144\(2\)\(7\)](#)

**F51** S. 10 omitted (1.10.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 19 paras. 4, 22](#)

### *Trade licences*

## **11 Issue of trade licences.**

- (1) Where—
- (a) a motor trader or vehicle tester, or
  - (b) a person who satisfies the Secretary of State that he intends to commence business as a motor trader or vehicle tester,
- applies to the Secretary of State (in the manner [<sup>F52</sup>specified] by the Secretary of State) to take out a licence under this section (a “trade licence”), the Secretary of State may, subject to the conditions [<sup>F53</sup>prescribed by regulations made by the Secretary of State], issue such a licence to him on payment of vehicle excise duty at the rate applicable to the licence.
- [<sup>F54</sup>(1A) The power to prescribe conditions under subsection (1) includes, in particular, the power to prescribe conditions which are to be complied with after the licence is issued.]
- (2) In the case of a motor trader who is a manufacturer of vehicles, a trade licence is a licence for—
- (a) all vehicles which are from time to time temporarily in his possession in the course of his business as a motor trader,
  - (b) all vehicles kept and used by him solely for purposes of conducting research and development in the course of his business as such a manufacturer, and

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- (c) all vehicles which are from time to time submitted to him by other manufacturers for testing on roads in the course of that business.
- (3) In the case of any other motor trader, a trade licence is a licence for all vehicles which are from time to time temporarily in his possession in the course of his business as a motor trader.
- (4) In the case of a vehicle tester, a trade licence is a licence for all vehicles which are from time to time submitted to him for testing in the course of his business as a vehicle tester.

#### Textual Amendments

- F52** Words in s. 11(1) substituted (1.5.1995 with effect as mentioned in [Sch. 4 para. 30\(3\)](#) of the amending Act) by [1995 c. 4, s. 19, Sch. 4 Pt. V para. 30\(2\)\(a\)\(3\)](#)
- F53** Words in s. 11(1) substituted (1.5.1995 with effect as mentioned in [Sch. 4 para. 30\(3\)](#) of the amending Act) by [1995 c. 4, s. 19, Sch. 4 Pt. V para. 30\(2\)\(b\)\(3\)](#)
- F54** S. 11(1A) inserted (29.4.1996) by [1996 c. 8, s. 23, Sch. 2 para. 3](#)

## 12 Use of vehicles by holders of trade licences.

- (1) The holder of a trade licence is not entitled by virtue of the licence—
  - (a) to use more than one vehicle at any one time,
  - (b) to use a vehicle for any purpose other than a purpose prescribed by regulations made by the Secretary of State, or
  - (c) except in such circumstances as may be so prescribed, to keep any vehicle on a road if it is not being used on the road.
- (2) The Secretary of State shall by regulations prescribe—
  - (a) the conditions subject to which trade licences are to be issued, and
  - (b) the purposes for which the holder of a trade licence may use a vehicle by virtue of the licence.
- (3) The purposes which may be prescribed as those for which the holder of a trade licence may use a vehicle under the licence shall not include the conveyance of goods or burden of any description other than—
  - (a) a load which is carried solely for the purpose of testing or demonstrating the vehicle or any of its accessories or equipment and which is returned to the place of loading without having been removed from the vehicle except for that purpose or in the case of accident,
  - (b) in the case of a vehicle which is being delivered or collected, a load consisting of another vehicle used or to be used for travel from or to the place of delivery or collection,
  - (c) a load built in as part of the vehicle or permanently attached to it,
  - (d) a load consisting of parts, accessories or equipment designed to be fitted to the vehicle and of tools for fitting them to the vehicle, or
  - (e) a load consisting of a trailer other than a trailer which is for the time being a disabled vehicle.
- (4) For the purposes of subsection (3), where a vehicle is so constructed that a trailer may by partial superimposition be attached to the vehicle in such a manner as to cause a substantial part of the weight of the trailer to be borne by the vehicle, the vehicle and the trailer are deemed to constitute a single vehicle.



*Status: This version of this part contains provisions that are prospective.*

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- (5) In subsection (3)(e) “disabled vehicle” includes a vehicle which has been abandoned or is scrap.

### 13 Trade licences: duration and amount of duty.

- (1) A trade licence may be taken out—

- (a) for one calendar year,
- (b) for a period of six months beginning with the first day of January or of July, or
- (c) where subsection (2) applies, for a period of seven, eight, nine, ten or eleven months beginning with the first day of any month other than January or July [F55and ending no later than the relevant date].

- [F56(1A) In subsection (1)(c) “the relevant date” means—

- (a) in relation to a licence taken out for a period beginning with the first day of any of the months February to June in any year, 31st December of that year;
- (b) in relation to a licence taken out for a period beginning with the first day of any of the months August to December in any year, 30th June of the following year.]

- (2) This subsection applies where the person taking out the licence—

- (a) is not a motor trader or vehicle tester (having satisfied the Secretary of State as mentioned in section 11(1)(b)), or
- (b) does not hold any existing trade licence.

- (3) The rate of duty applicable to a trade licence taken out for a calendar year [F57(“the applicable annual rate”)] is—

- (a) the annual rate currently applicable to a vehicle under sub-paragraph [F58(1)(d)] of paragraph 2 of Schedule 1 if the licence is to be used only for vehicles to which that paragraph applies, and
- (b) otherwise, the [F59basic goods vehicle rate currently applicable].

- [F60(3A) Where a trade licence is taken out for a calendar year and the duty is to be paid by more than one instalment pursuant to an agreement under section 19B, the rate of duty is 105% of the applicable annual rate.]

- [F61(4) The rate of duty applicable to a trade licence taken out for a period of 6 months is—

- (a) 55% of the applicable annual rate for a corresponding trade licence taken out for a calendar year, or
- (b) if the duty is to be paid by direct debit pursuant to an agreement under section 19B, 52.5% of that applicable annual rate.]

- (5) The rate of duty applicable to a trade licence taken out for a period of seven, eight, nine, ten or eleven months is the aggregate of—

- (a) fifty-five per cent. of the [F62applicable annual rate for a] corresponding trade licence taken out for a calendar year, and
- (b) one-sixth of the amount arrived at under paragraph (a) in respect of each month in the period in excess of six.

- (6) In determining a rate of duty under [F63subsection (3A), (4)] or (5) any fraction of five pence—

- (a) if it exceeds two and a half pence, shall be treated as five pence, and
- (b) otherwise, shall be disregarded.



*Status: This version of this part contains provisions that are prospective.*

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[<sup>F64</sup>(7) In this section “the basic goods vehicle rate” means the annual rate applicable, by virtue of sub-paragraph (1) of paragraph 9 of Schedule 1, to a rigid goods vehicle which—

- <sup>F65</sup>(a) .....  
(b) falls within column (3) of the table in that sub-paragraph and has a revenue weight exceeding 3,500 kilograms and not exceeding 7,500 kilograms.]

#### Textual Amendments

- F55** Words in s. 13(1)(c) inserted (1.5.1995 with effect as mentioned in Sch. 4 para. 31(3) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 31(1)(3)  
**F56** S. 13(1A) inserted (1.5.1995 with effect as mentioned in Sch. 4 para. 31(3) of the amending Act) by 1995 c. 4, s. 19, Sch. 4 Pt. V para. 31(2)(3)  
**F57** Words in s. 13(3) inserted (1.10.2014) by Finance Act 2014 (c. 26), s. 89(3)(a)(10)  
**F58** Words in s. 13(3)(a) substituted (24.7.2002 with application as mentioned in s. 18(3) of the amending Act) by Finance Act 2002 (c. 23), s. 18(2)  
**F59** Words in s. 13(3)(b) substituted (7.4.2005 with effect as mentioned in s. 7(16) of the amending Act) by Finance Act 2005 (c. 7), s. 7(3)  
**F60** S. 13(3A) inserted (1.10.2014) by Finance Act 2014 (c. 26), s. 89(3)(b)(10)  
**F61** S. 13(4) substituted (1.10.2014) by Finance Act 2014 (c. 26), s. 89(3)(c)(10)  
**F62** Words in s. 13(5)(a) substituted (1.10.2014) by Finance Act 2014 (c. 26), s. 89(3)(d)(10)  
**F63** Words in s. 13(6) substituted (1.10.2014) by Finance Act 2014 (c. 26), s. 89(3)(e)(10)  
**F64** S. 13(7) inserted (7.4.2005 with effect as mentioned in s. 7(14)(16) of the amending Act) by Finance Act 2005 (c. 7), s. 7(5)  
**F65** S. 13(7)(a) and word omitted (with effect in accordance with Sch. 18 paras. 12-14, 16 of the amending Act) by virtue of Finance Act 2014 (c. 26), Sch. 18 para. 10(a)

## 14 Trade licences: supplementary.

- (1) Nothing in sections 11 to 13 prevents a person entitled to take out a trade licence from holding two or more trade licences.
- (2) The holder of a trade licence may at any time [<sup>F66</sup>request that the Secretary of State cancel the licence].
- (3) Where—
- (a) the Secretary of State refuses an application for a trade licence by a person entitled to make such an application, and
  - (b) the applicant, within the period prescribed by regulations made by the Secretary of State, requests him to review his decision,
- the Secretary of State shall comply with the request and (in doing so) consider any representations made to him in writing during that period by the applicant.

<sup>F67</sup>(4) .....

#### Textual Amendments

- F66** Words in s. 14(2) substituted (1.10.2014) by Finance Act 2014 (c. 26), Sch. 19 paras. 5(a), 22  
**F67** S. 14(4) omitted (1.10.2014) by virtue of Finance Act 2014 (c. 26), Sch. 19 paras. 5(b), 22

*Status: This version of this part contains provisions that are prospective.*

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*Additional duty, rebates etc.*

**15 Vehicles becoming chargeable to duty at higher rate.**

(1) Where—

- (a) a vehicle licence has been taken out for a vehicle at any rate of vehicle excise duty, and
- (b) at any time while the licence is in force the vehicle is used so as to subject it to a higher rate,

duty at the higher rate becomes chargeable in respect of the licence for the vehicle.

(2) For the purposes of subsection (1) a vehicle is used so as to subject it to a higher rate if it is used in an altered condition, in a manner or for a purpose which—

- (a) brings it within, or
- (b) if it was used solely in that condition, in that manner or for that purpose, would bring it within,

a description of vehicle to which a higher rate of duty is applicable.

<sup>F68</sup>(2A) .....

(3) For the purposes of subsection (1) a vehicle in respect of which a lower rate of duty is chargeable by virtue of regulations under paragraph 13 of Schedule 1 is also used so as to subject it to a higher rate if it is used in contravention of a condition imposed under or by virtue of sub-paragraph (2) of that paragraph.

(4) [<sup>F69</sup>Subject to section 7(5),]Where duty at a higher rate becomes chargeable under subsection (1) in respect of a vehicle licence, the licence may be exchanged for a new vehicle licence for the period—

- (a) beginning with the date on which the higher rate of duty becomes chargeable, and
- (b) ending with the period for which the original licence was issued.

(5) A new vehicle licence may be obtained under subsection (4) only on payment of the appropriate proportion of the difference between—

- (a) the amount of duty payable on the original licence, and
- (b) the amount of duty payable on a vehicle licence taken out for the period for which the original licence was issued but at the higher rate of duty.

(6) For the purposes of subsection (5) “the appropriate proportion” means the proportion which the number of months in the period—

- (a) beginning with the date on which the higher rate of duty becomes chargeable, and
- (b) ending with the period for which the original licence was issued,

bears to the number of months in the whole of the period for which the original licence was issued (any incomplete month being treated as a whole month).

(7) If the higher rate has been changed since the issue of the original licence, the amount under subsection (5)(b) is calculated as if that rate had been in force at all material times at the level at which it is in force when it becomes chargeable.

*Status: This version of this part contains provisions that are prospective.*

**Changes to legislation:** Vehicle Excise and Registration Act 1994, Part I is up to date with all changes known to be in force on or before 23 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

#### Textual Amendments

- F68** S. 15(2A) omitted (with effect in accordance with Sch. 18 paras. 12-14, 16 of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 18 para. 10\(c\)](#)
- F69** Words in s. 15(4) inserted (1.5.1995 with effect as mentioned in [Sch. 4 para. 29](#) of the amending Act) by [1995 c. 4, s. 19](#), [Sch. 4 Pt. IV paras. 19, 29](#)

#### Modifications etc. (not altering text)

- C4** S. 15 restricted (1.5.1995 with effect as mentioned in [Sch. 4 para. 39\(1\)](#) of the amending Act) by [1995 c. 4, s. 19](#), [Sch. 4 Pt. IX para. 39](#)
- S. 15 restricted (29.4.1996 with effect as mentioned in [s. 17\(12\)](#) of the amending Act) by [1996 c. 8, s. 17\(12\)\(13\)](#)
- S. 15 modified (27.7.1999) by [1999 c. 16, s. 9](#), [Sch. 1 para. 9\(3\)-\(5\)](#)

### [<sup>F70</sup> 15A Exception for tractive units from charge at higher rate

- (1) Where—
- (a) a vehicle licence has been taken out for a tractive unit, and
  - (b) the licence was taken out at a rate of vehicle excise duty applicable to a tractive unit which is to be used with semi-trailers with a minimum number of axles,
- duty at a higher rate does not become chargeable under section 15 by reason only that while the licence is in force the tractive unit is used with a semi-trailer with fewer axles than that minimum number, if the condition in subsection (2) is satisfied.
- (2) The condition is that the rate of duty at which the licence was taken out is equal to or exceeds the rate which would have been applicable if the revenue weight of the tractive unit had been a weight equal to the actual laden weight, at the time of the use, of the articulated vehicle consisting of the tractive unit and the semi-trailer.]

#### Textual Amendments

- F70** S. 15A inserted (10.7.2003 with effect as mentioned in [s. 16\(3\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [s. 16\(1\)](#)

## 16 Exceptions from charge at higher rate in case of tractive units.

<sup>F71</sup> .....

#### Textual Amendments

- F71** S. 16 repealed (10.7.2003 with effect as mentioned in [s. 16\(3\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [ss. 16\(2\), 216](#), [Sch. 43 Pt. 1\(4\)](#)

## 17 Other exceptions from charge at higher rate.

- (1) Where a vehicle licence has been taken out for a vehicle of any description, duty at a higher rate applicable to a vehicle of another description does not become chargeable under section 15 unless the vehicle as used while the licence is in force satisfies all

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the conditions which must be satisfied in order to bring the vehicle into the other description of vehicle for the purposes of vehicle excise duty.

(2) Where—

- (a) duty has been paid in respect of a vehicle at a rate applicable under Part VIII of Schedule 1, and
- (b) the vehicle is to a substantial extent being used for the conveyance of goods or burden belonging to a particular person (whether the person keeping the vehicle or not),

duty at a higher rate does not become chargeable under section 15 by reason only that the vehicle is used for the conveyance without charge in the course of their employment of employees of the person to whom the goods or burden belong.

<sup>F72</sup>(3) .....

(4) .....

(5) .....

(6) .....

(7) .....

- (8) This section does not have effect where section 15 applies by reason of the use of a vehicle in contravention of a condition imposed under or by virtue of paragraph 13(2) of Schedule 1.

#### Textual Amendments

**F72** S. 17(3)-(7) repealed (1.5.1995 with effect in accordance with Sch. 29 Pt. V(2) Note of the amending Act) by 1995 c. 4, ss. 19, 162, Sch. 4 Pt. III paras. 15, 16, Sch. 29 Pt. V(2) Note

## 18 Vehicles for export becoming liable to VAT.

- (1) Where, by virtue of sub-paragraph (2) of paragraph 23 of Schedule 2, a vehicle which is an exempt vehicle under sub-paragraph (1) of that paragraph is deemed never to have been an exempt vehicle under that sub-paragraph, vehicle excise duty is payable—

- (a) by the person by whom the vehicle was acquired from its manufacturer, in relation to the whole period since the registration of the vehicle, or
- (b) by any other person who is for the time being the keeper of the vehicle, in relation to the period since the vehicle was first kept by him,

unless, or except to the extent that, the Secretary of State waives payment of the duty.

- (2) Subsection (1) is without prejudice to section 30; but duty with respect to a vehicle is not payable by a person under that subsection in relation to any part of a period if an amount with respect to it has been ordered to be paid by him under that section in relation to the part of the period.

## <sup>F73</sup>19 Rebates

- (1) [<sup>F74</sup>If any of the rebate conditions is satisfied in relation to a vehicle in respect of which a vehicle licence is in force, the relevant person is entitled to receive (by way of rebate of duty paid on the licence)][<sup>F75</sup>the relevant amount from the Secretary of State].

*Status: This version of this part contains provisions that are prospective.*

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<sup>F76</sup>(2) .....

[<sup>F77</sup>(3) The rebate conditions are as follows—

- (a) the vehicle has been stolen and the Secretary of State has been notified of that by the relevant person,
- (b) the vehicle has been destroyed and the Secretary of State has been notified of that by the relevant person,
- (c) a nil licence for the vehicle has been issued in accordance with regulations under section 22,
- (d) a qualifying application for a vehicle licence for the vehicle has been received by the Secretary of State,
- (e) the vehicle is neither used nor kept on a public road and the particulars and declaration required to be furnished and made by regulations under section 22(1D) have been furnished and made in relation to it in accordance with the regulations,
- (f) the vehicle has been sold or disposed of and the particulars prescribed by regulations under section 22(1)(d) have been furnished in relation to it in accordance with the regulations, or
- (g) the vehicle has been removed from the United Kingdom with a view to its remaining permanently outside the United Kingdom and the Secretary of State has been notified of that by the relevant person.]

[<sup>F78</sup>(h) a relevant application for a vehicle licence for the vehicle has been received by the Secretary of State.]

[<sup>F79</sup>(3ZA) An application for a vehicle licence is a qualifying application for the purposes of subsection [<sup>F80</sup>(3)(d)] if—

- (a) paragraph 1ZA of Schedule 1 applies to the vehicle when the application is made, but
- (b) that paragraph did not apply to the vehicle when the licence which is unexpired when the application is made was taken out.]

[<sup>F81</sup>(3ZB) An application for a vehicle licence is a relevant application for the purposes of subsection (3)(h) if—

- (a) there is an unexpired licence for the vehicle in respect of which the application is made,
- (b) when the unexpired licence was taken out, the vehicle was chargeable to HGV road user levy under section 5 of the HGV Road User Levy Act 2013 at a rate applicable to a vehicle that does not meet Euro 6 emissions standards, and
- (c) the vehicle now meets those standards, and an application for a rebate of HGV road user levy has been made under section 7 of that Act as a result of an entitlement arising under subsection (2A) of that section.]

[<sup>F82</sup>(3A) Subject to [<sup>F83</sup>subsections (3B) and (3C)], the relevant amount is an amount equal to one-twelfth of the annual rate of duty chargeable on the licence (at the time when it was taken out) in respect of each complete month of the period of the currency of the licence which is unexpired [<sup>F84</sup>when the rebate condition is satisfied].

(3B) Where—

- (a) the licence is the first vehicle licence for the vehicle,
- [<sup>F85</sup>(b) the rebate condition in question is that in subsection (3)(e), (f) or (g), and]

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- (c) the annual rate of duty rate chargeable on the licence (at the time when it was taken out) would have been lower if it had not been the first vehicle licence for the vehicle,

the relevant amount is an amount equal to one-twelfth of that lower annual rate of duty in respect of each such complete month.]

- [<sup>F86</sup>(3C) Where the annual rate of duty chargeable on a vehicle licence at the time when it was taken out is determined in accordance with paragraph 1GE(2) of Schedule 1 (higher rates of duty: vehicles with a price exceeding £40,000) the relevant amount is given by—

$$\frac{(H \times R) + (L \times P)}{12}$$

where—

H is the annual rate of duty chargeable on the licence at the time when it was taken out;

R is the number of complete months (if any) of that part of the currency of the licence which is unexpired—

- (a) in respect of which the rebate condition is satisfied, and
- (b) which are within the period of six years beginning with the day of registration;

L is the annual rate of duty that would have been chargeable on the licence at the time when it was taken out if that time had been after the period of six years beginning with the day of registration;

P is the number of complete months (if any) of that part of the currency of the licence which is unexpired—

- (a) in respect of which the rebate condition is satisfied, and
- (b) which are not within R.

- (3D) In subsection (3C) the “day of registration” means the day on which the vehicle in respect of which the licence is in force was first registered under this Act or under the law of a country or territory outside the United Kingdom.]

- [<sup>F87</sup>(4) In subsections (1) and (3) “the relevant person” means the person in whose name the vehicle is registered immediately before the rebate condition is satisfied.]

- [<sup>F88</sup>(5) The Secretary of State may specify requirements which must be complied with before a rebate condition can be satisfied.

- (5A) The requirements that may be specified include (in particular)—

- (a) a requirement that particulars which are required to be furnished to the Secretary of State are transmitted to the Secretary of State by such electronic means as may be specified, and
- (b) in a case within subsection (3)(a), requirements relating to the reporting to the police that the vehicle has been stolen.]

- [<sup>F89</sup>(7) Where any of the rebate conditions [<sup>F90</sup>(other than the condition in subsection (3)(h))] is satisfied in relation to a licence, the licence ceases to be in force.]

- [<sup>F91</sup>(7A) Where the rebate condition in subsection (3)(h) is satisfied in relation to a licence, the licence ceases to be in force immediately before the first day of the period for which

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the relevant person is treated as not having paid levy in respect of the vehicle as a result of section 19(3)(c) of the HGV Road User Levy Act 2013.]

- (8) Where a [<sup>F92</sup>request is made] under section 14(2), the [<sup>F93</sup>holder of the trade licence] is entitled to receive from the Secretary of State (by way of rebate of the duty paid on the licence) an amount equal to one-twelfth of the annual rate of duty chargeable on the licence (at the time when it was taken out) in respect of each complete month of the period of the currency of the licence which is unexpired at the date [<sup>F94</sup>the request is received by the Secretary of State].]

#### Textual Amendments

- F73** S. 19 substituted (1.1.2009) by [Finance Act 2008 \(c. 9\), s. 144\(3\)\(7\)](#)
- F74** Words in s. 19(1) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(2\), 22](#)
- F75** Words in s. 19(1) substituted (with effect in accordance with Sch. 4 para. 7(1) of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 4 para. 3\(2\)](#)
- F76** S. 19(2) omitted (with effect in accordance with Sch. 4 para. 7(1) of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 4 para. 3\(3\)](#)
- F77** S. 19(3) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(3\), 22](#)
- F78** S. 19(3)(h) inserted (with effect in accordance with s. 60(10) of the amending Act) by [Finance Act 2019 \(c. 1\), s. 60\(8\)\(a\)](#)
- F79** S. 19(3ZA) inserted (retrospective to 8.4.2013) by [Finance Act 2013 \(c. 29\), Sch. 37 paras. 2\(3\), 7](#)
- F80** Word in s. 19(3ZA) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(4\), 22](#)
- F81** S. 19(3ZB) inserted (with effect in accordance with s. 60(10) of the amending Act) by [Finance Act 2019 \(c. 1\), s. 60\(8\)\(b\)](#)
- F82** S. 19(3A)(3B) inserted (with effect in accordance with Sch. 4 para. 7(1) of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 4 para. 3\(4\)](#)
- F83** Words in s. 19(3A) substituted (with effect in accordance with s. 105(4) of the amending Act) by [Finance Act 2021 \(c. 26\), s. 105\(2\)](#)
- F84** Words in s. 19(3A) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(5\), 22](#)
- F85** S. 19(3B)(b) and word substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(6\), 22](#)
- F86** S. 19(3C)(3D) inserted (with effect in accordance with s. 105(4) of the amending Act) by [Finance Act 2021 \(c. 26\), s. 105\(3\)](#)
- F87** S. 19(4) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(7\), 22](#)
- F88** S. 19(5)(5A) substituted for s. 19(5)(6) (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(8\), 22](#)
- F89** S. 19(7) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(9\), 22](#)
- F90** Words in s. 19(7) inserted (with effect in accordance with s. 60(10) of the amending Act) by [Finance Act 2019 \(c. 1\), s. 60\(8\)\(c\)](#)
- F91** S. 19(7A) inserted (with effect in accordance with s. 60(10) of the amending Act) by [Finance Act 2019 \(c. 1\), s. 60\(8\)\(d\)](#)
- F92** Words in s. 19(8) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(10\)\(a\), 22](#)
- F93** Words in s. 19(8) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(10\)\(b\), 22](#)
- F94** Words in s. 19(8) substituted (1.10.2014) by [Finance Act 2014 \(c. 26\), Sch. 19 paras. 6\(10\)\(c\), 22](#)

#### [<sup>F95</sup>19A Payment for licences by cheque.

- (1) The Secretary of State may, if he thinks fit, issue a vehicle licence or a trade licence on receipt of a cheque for the amount of the duty payable on it.
- (2) In a case where—



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- (a) a vehicle licence or a trade licence is issued to a person on receipt of a cheque which is subsequently dishonoured, and
  - (b) the Secretary of State sends a notice <sup>F96</sup>... to the person informing him that the licence is void as from the time when it was granted,
- the licence shall be void as from the time when it was granted.
- (3) In a case where—
- (a) a vehicle licence or a trade licence is issued to a person on receipt of a cheque which is subsequently dishonoured,
  - (b) the Secretary of State sends a notice <sup>F97</sup>... to the person requiring him to secure that the duty payable on the licence is paid within such reasonable period as is specified in the notice,
  - (c) the requirement in the notice is not complied with, and
  - (d) the Secretary of State sends a further notice <sup>F98</sup>... to the person informing him that the licence is void as from the time when it was granted,
- the licence shall be void as from the time when it was granted.
- (4) Section 102 of the <sup>M1</sup>Customs and Excise Management Act 1979 (payment for excise licences by cheque) shall not apply in relation to a vehicle licence or a trade licence.]

#### Textual Amendments

- F95** S. 19A inserted (1.5.1995 with effect as mentioned in [Sch. 4 para. 32\(4\)](#) of the amending Act) by [1995 c. 4, s. 19, Sch. 4 Pt. V para. 32\(1\)\(4\)](#)
- F96** Words in [s. 19A\(2\)\(b\)](#) omitted (1.10.2014) by virtue of [Finance Act 2014 \(c. 26\), s. 89\(5\)\(a\)\(10\)](#)
- F97** Words in [s. 19A\(3\)\(b\)](#) omitted (1.10.2014) by virtue of [Finance Act 2014 \(c. 26\), s. 89\(5\)\(b\)\(10\)](#)
- F98** Words in [s. 19A\(3\)\(d\)](#) omitted (1.10.2014) by virtue of [Finance Act 2014 \(c. 26\), s. 89\(5\)\(b\)\(10\)](#)

#### Marginal Citations

- M1** [1979 c. 2.](#)

### [<sup>F99</sup>**19B Issue of licences before payment of duty.**

- (1) The Secretary of State may, if he thinks fit, issue a vehicle licence or a trade licence to a person who has agreed with the Secretary of State to pay the duty payable on the licence in a manner provided for in the agreement.

[ An agreement to pay the duty payable on a vehicle licence or a trade licence may <sup>F100</sup>(1A) provide—

- (a) for the duty to be paid by instalments,
  - (b) that if any of the rebate conditions in section 19(3) is satisfied in relation to the vehicle for which the licence was issued, the licence is to cease to be in force from the time specified in the agreement and any instalments falling due after that time are no longer to be due, and
  - (c) for any instalments falling due after a request under section 14(2) is received by the Secretary of State no longer to be due.]
- (2) In a case where—
- (a) a vehicle licence or a trade licence is issued to a person in accordance with subsection (1),



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- (b) the duty payable on the licence is not received by the Secretary of State in accordance with the agreement, and
  - (c) the Secretary of State sends a notice <sup>F101</sup>... to the person informing him that the licence is void as from the time when it was granted,
- the licence shall be void as from the time when it was granted.

(3) In a case where—

- (a) paragraphs (a) and (b) of subsection (2) apply,
  - (b) the Secretary of State sends a notice <sup>F102</sup>... to the person requiring him to secure that the duty payable on the licence is paid within such reasonable period as is specified in the notice,
  - (c) the requirement in the notice is not complied with, and
  - (d) the Secretary of State sends a further notice <sup>F103</sup>... to the person informing him that the licence is void as from the time when it was granted,
- the licence shall be void as from the time when it was granted.

<sup>F104</sup> [ But subsections (2) and (3) do not apply in a case where the agreement under subsection (1) provides for the duty payable to be paid by more than one instalment (and for this case see subsection (5)).

(5) In a case where—

- (a) a vehicle licence or a trade licence is issued to a person in accordance with subsection (1),
  - (b) the duty payable on the licence is not received by the Secretary of State in accordance with the agreement,
  - (c) the agreement provides for the duty payable to be paid by more than one instalment,
  - (d) the Secretary of State sends a notice to the person requiring the person to secure that the duty payable on the licence (both in respect of instalments which have fallen due and in respect of future instalments) is paid within the period specified in the notice,
  - (e) the requirement in the notice is not complied with, and
  - (f) the Secretary of State sends a further notice to the person informing that person that the licence is void from the time specified in the notice,
- the licence is to be void from the time specified.]]

#### Textual Amendments

**F99** S. 19B inserted (19.3.1997) by 1997 c. 16, s. 19(1)

**F100** S. 19B(1A) inserted (1.10.2014) by Finance Act 2014 (c. 26), s. 89(6)(a)(10)

**F101** Words in s. 19B(2)(c) omitted (1.10.2014) by virtue of Finance Act 2014 (c. 26), s. 89(6)(b)(10)

**F102** Words in s. 19B(3)(b) omitted (1.10.2014) by virtue of Finance Act 2014 (c. 26), s. 89(6)(c)(10)

**F103** Words in s. 19B(3)(d) omitted (1.10.2014) by virtue of Finance Act 2014 (c. 26), s. 89(6)(c)(10)

**F104** S. 19B(4)(5) inserted (1.10.2014) by Finance Act 2014 (c. 26), s. 89(6)(d)(10)

#### [<sup>F105</sup>19C Fee for payment of duty by credit card

(1) This section applies where—

- (a) a person applies for a vehicle licence or a trade licence, and

*Status: This version of this part contains provisions that are prospective.*

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- (b) the Secretary of State, or an authorised body, accepts a credit card payment in respect of the duty payable on the licence.
- (2) Before issuing the licence, the Secretary of State, or the authorised body, shall require—
  - (a) the applicant, or
  - (b) a person acting on behalf of the applicant,
 to pay to him, or it, such fee (if any) in respect of the acceptance of the credit card payment as may be prescribed by, or determined in accordance with, regulations.
- (3) In cases of such descriptions as the Secretary of State may, with the consent of the Treasury, determine, the whole or a part of a fee paid under this section may be refunded.
- (4) In this section—
  - “authorised body” means a body (other than a Northern Ireland department) which is authorised by the Secretary of State to act as his agent for the purpose of issuing licences;
  - “credit card” has such meaning as may be prescribed by regulations;
  - “regulations” means regulations made by the Secretary of State.]

#### Textual Amendments

**F105** S. 19C inserted (22.7.2004 with effect as mentioned in [s. 18\(4\)](#) of the amending Act and with effect 14.10.2005 in accordance with Appointed Day Order) by [Finance Act 2004 \(c. 12\)](#), [s. 18\(2\)](#); [S.I. 2005/2356](#), [art. 2](#)

PROSPECTIVE

## 20 Combined road-rail transport of goods.

- (1) This section applies where—
  - (a) goods are loaded on a relevant goods vehicle for transport between member States,
  - (b) the vehicle is transported by rail between the nearest suitable rail loading station to the point of loading and the nearest suitable rail unloading station to the point of unloading, and
  - (c) part of the rail transport of the vehicle takes place in the United Kingdom at a time when a vehicle licence for it is in force.
- (2) Where this section applies, the holder of the licence is, on making a claim, entitled to receive from the Secretary of State (by way of rebate of the duty paid on the licence) an amount calculated by the method prescribed by regulations made by the Secretary of State.
- [<sup>F106</sup>(3) In this section “relevant goods vehicle” means any vehicle the rate of duty applicable to which is provided for in Part VIII of Schedule 1 or which would be such a vehicle if Part VI of that Schedule did not apply to the vehicle.]
- (4) The Secretary of State may by regulations prescribe—
  - (a) when and how a claim for a rebate under this section is to be made, and

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*Status:* This version of this part contains provisions that are prospective.

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(b) the evidence to be provided in support of such a claim.

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#### Textual Amendments

**F106** S. 20(3) substituted (1.5.1995 with effect as mentioned in [Sch. 4 para. 29](#) of the amending Act) by [1995 c. 4, s. 19, Sch. 4 Pt. IV paras. 21, 29](#)

**Status:**

This version of this part contains provisions that are prospective.

**Changes to legislation:**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 7(1A) inserted by [2006 c. 49 s. 47\(2\)](#)
- s. 7(5)(za) inserted by [2006 c. 49 s. 47\(3\)](#)
- s. 22(1)(aa) inserted by [2006 c. 49 s. 47\(6\)](#)
- s. 22(1AA) inserted by [2006 c. 49 s. 47\(9\)](#)
- s. 22(1BA) inserted by [2006 c. 49 s. 47\(10\)](#)
- Sch. 1 para. 1N inserted by [2023 c. 1 s. 10\(5\)\(e\)\(7\)](#)
- Sch. 2 para. 20G(2)(za)-(zc) inserted by [2023 c. 1 s. 10\(2\)\(a\)\(i\)\(7\)](#)