Mineral Oil Manual (2003 version)

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Note: This manual is currently subject to review and may not reflect up-to-date position. Most recent version.

Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

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Table of Contents

Part 1 – General Provisions 10

1. General Outline of Charging Provisions 11

1.1. Introduction 11

1.2. Law 11

1.3. Charge and Scope of Tax 11

1.4. Rates of Mineral Oil Tax 12

1.5. Tax Charge-Point 12

1.6. Reliefs from Mineral Oil Tax 13

2. Tax Charge on Light Oils 14

2.1. Introduction 14

2.2. Re-classification of Certain Light Oils as Heavy Oils 14

2.3. Sampling to Verify Declarations etc. 15

2.4. Tax Charge on Leaded Petrol 15

2.5. Tax Charge on Unleaded Petrol 15

2.6. Tax Charge on Super Unleaded Petrol 17

2.7. Tax Charge on Aviation Gasoline 18

3. Tax Charge on Heavy Oils 21

3.1. Introduction 21

3.2. Sampling to Verify Declarations etc. 21

3.3. Application of Standard Rate of Tax 21

3.4. Application of Reduced Rates of Tax 22

3.5. Reduced Rate of Tax on Kerosene 22

3.6. Reduced Rate on Fuel Oil 22

Note: This manual is currently subject to review and may not reflect up-to-date position. Most recent version.

3.7. Reduced Rate on Other Heavy Oil 23

4. Liquefied Petroleum Gas 25

4.1. Introduction 25

4.2. Charging Provision 25

4.3. Description 25

4.4. Licence 25

4.5. Repayments and Remissions 25

4.6. Returns 25

4.7. Payment of Mineral Oil Tax on Delivery from Tax Warehouse for Home Consumption 26

4.8. Statement on Invoice 26

4.9. Liquid Take-Off Points 26

4.10. Survey of LPG Users 27

4.11. Marking of Storage Tanks / Delivery Pumps 28

4.12. Powers of Officers 28

4.13. Offences 29

5. Substitute Fuel 30

5.1. Definition of Substitute Fuel 30

5.2. Production of Substitute Fuel in the State 30

5.3. Charge of Mineral Oil Tax 30

5.4. Movements of Substitute Fuel 30

5.5. Importation and Sale of Substitute Fuel Within the State 31

5.6. Re-use of Waste Substitute Fuel as a Propellant 31

5.7. Payment of Mineral Oil Tax 31

5.8. Records, Stock Accounts, etc. 31

Note: This manual is currently subject to review and may not reflect up-to-date position. Most recent version.

5.9. Marking of Delivery Pumps and Storage Tanks..31

5.10. Licence..32

5.11. Powers of Officers..32

5.12. Offences...32

6. Additives...33

6.1. General...33

6.2. Additives added to Mineral Oil in a Tax Warehouse 33

6.3. Additives added to Mineral Oil at Importation......................................34

6.4. Additives Imported in Packages...35

7. Tax Charge on Recycled Used Mineral Oil..36

7.1. Introduction...36

7.2. Charge of Tax...36

7.3. Approval to Recycle Mineral Oil..36

7.4. Control of Approved Places of Recycling 37

7.5. Importation and exportation of recycled mineral oil...............................37

7.6. Mixing of Recycled Mineral Oil with other Tax-Paid Mineral Oil 37

7.7. Offences...38

8. Mineral Oil Trader's Licence...39

8.1. General...39

8.2. Format of Mineral Oil Trader's Licence 39

8.3. Procedure in Collector's Office 39

8.4. Distributors/Dealers who do not own their Own Premises......................39

8.5. Tax Clearance Certificate 40

8.6. Application Form..40

Note: This manual is currently subject to review and may not reflect up-to-date position. Most recent version.

8.7. Revocation of Mineral Oil Trader's Licence 40
8.8. Offences Relating to Mineral Oil Trader's Licences 40
9. Ascertaining the Volume of Oil..........41
9.1. Introduction 41
9.2. Raising Accounts of Oil in Bulk Storage Tanks 41
9.3. Accuracy of Measurement Instruments 43
9.4. Conversion to Standard Litres..........44
10. Mineral Oil Traders' Records 47
10.1. Introduction 47
10.2. Details of Records to be kept by Mineral Oil Traders..........47
10.3. Alterations to Records..........49
10.4. Retention of Records..........50
10.5. Place where Records are to be held..........50
10.6. Power to Search for and Inspect Records..........50
11. Importation of Mineral Oil 51
11.1. Imports from other Member States..........51
11.2. Imports from Third Countries 51
11.3. Examination of Import Consignments..........52
11.4. Lubricating Oil 52
11.5. Mineral Oil in the Standard Tank of Commercial Motor Vehicles..........52
11.6. Mineral Oil in the Fuel Tank of Private Vehicles..........53
11.7. Importation of Trade Samples..........53
12. Exportation 54
12.1. Exports of Tax-Suspended Mineral Oil 54

Note: This manual is currently subject to review and may not reflect up-to-date position. Most recent version.

12.2. Exports of Tax-Paid Mineral Oil 54

13. Contaminated Oil 56

13.1. Introduction 56

13.2. Contaminated Oil returned to a Tax Warehouse 56

13.3. Contaminated Oil not returned to a Tax Warehouse 57

14. Sampling of Mineral Oil 59

14.1. Introduction 59

14.2. Products to be Sampled 59

14.3. Frequency of Sampling and Size of Sample 59

14.4. Sampling Procedure 61

14.5. Result of Test of Samples taken in Tax Warehouses / Facilitation Stations 63

15. Return of Monthly Mineral Oil Tax Statistics 64

15.1. General 64

15.2. Completion and Transmission of Monthly Return 64

15.3. Assistant Principals' Duties 64

15.4. Supplies of Form C.&E. No. 1109 64

16. Mixing of Mineral Oils 65

16.1. Law 65

17. Return of land frontier oil imports 66

17.1. General 66

17.2. Monthly Return by Facilitation Station Officers 66

Part 2 – Warehousing....67

1. Approval of Tax Warehouses 68

1.1. Approval of Tax Warehouses 68

Note: This manual is currently subject to review and may not reflect the most recent version. Most recent version. may not reflect up-to-date position.

1.2. Approval of Store or Compartment 68

1.3. Approval of Non-Proprietorial Authorised Warehousekeepers 68

1.4. Approval of Storage Tanks 69

1.5. Applications for Approval 69

1.6. Processing of Applications 69

1.7. Revenue Security....70

1.8. Bond 70

2. Receipts of Tax Warehouses 71

2.1. Introduction 71

2.2. Advance Notification of Arrivals....71

2.3. Method of Ascertaining the Quantity Received....71

2.4. Securing and Sealing of Valves, Pipe Connections, etc. 72

2.5. Raising the "Prior Account" 73

2.6. Raising the "After Account" 74

2.7. Concurrent receipts and deliveries 76

2.8. Receipts of Fuel Oil 76

2.9. Receipts of L.P.G. 77

2.10. Assistant Principals' Duties....77

2.11. Charge to Merchants for Officer's Attendance 77

2.12. Examination of Packaged Mineral Oils....77

2.13. Losses in Transit in the State and between Member States....77

3. Deliveries for Home Use....79

3.1. Introduction 79

3.2. Daily Tax Payment Arrangements 79

Note: This manual is currently subject to review and may not reflect up-to-date position. Most recent version.

3.3. Monthly Tax Accounting Procedures 82

3.4. Centralised Tax Payment Arrangements 86

3.5. Payment of Customs (CCT) Duty and VAT 88

4. Accounts, Records and Returns 89

4.1. Warehouse Period Accounts 89

4.2. Official Stock Records and Accounts 91

4.3. Ledger Accounts 91

4.4. Monthly Vouchers 93

Note: This manual is currently subject to review and may not reflect the most recent version. Most recent up-to-date position.

Mineral Oil Manual (2003 version)

Part 1 – General Provisions

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1. General Outline of Charging Provisions

1.1. Introduction

A new excise duty was introduced on 1 October 2001 on mineral oil. The new tax replaced the excise duties previously charged, under various charging provisions, on hydrocarbon oils, LPG, substitute motor fuels, recycled hydrocarbon oil and additives. The new excise duty is to known as mineral oil tax.

1.2. Law

The legal provisions governing the new mineral oil tax are contained in:

- **Part 2, Chapter 1, sections 94 to 109 of the Finance Act, 1999 (as amended), and**
- **the Mineral Oil Tax Regulations, 2001, S.I. No. 442 /2001.**

1.3. Charge and Scope of Tax

1.3.1. Outline of Charging Provisions

Under subsection 95 (1) of the Finance Act, 1999, mineral oil tax is chargeable on all mineral oil:

(a) produced in the State, or
(b) imported into the State.

For the purposes of subsection 95 (1), “mineral oil” means:

- hydrocarbon oil;
- liquefied petroleum gas;
- substitute fuel, and
- additives.

However, it is to be particularly noted that, notwithstanding the generality of **subsection 95 (1),** only hydrocarbon oil and liquefied petroleum gas coming within the definition of “mineral oil” in **Article 2(1) of the Council Directive No.92/81/EEC** of the 19 October, 1992 are subject to mineral oil **tax (subsection 95(4)).**

For the purposes of charging the tax, hydrocarbon oil is divided into two classes, namely “light oil” and “heavy oil”. Further instructions on charging the tax on light oil and heavy oil are contained in sections 2 and 3 respectively. Instructions on charging the tax on LPG, substitute fuel, recycled mineral oil and additives are contained in sections 4 to 7 respectively.

1.3.2. Volume of Oil for Tax Purposes

The volume of mineral oil, for the purposes of charging the tax, is to be ascertained at a temperature of 15º Celsius in accordance with the instructions in section 9.

1.4. Rates of Mineral Oil Tax

1.4.1. Schedule of Rates

Under **section 96 of the Finance Act, 1999,** mineral oils are liable to tax at the rates specified in Schedule 2 of the Act. Separate rates, per 1000 litres of product, are specified for each of the various product descriptions/uses set out in the Schedule.

1.4.2. Standard and Reduced Rates

Rates of mineral oil tax are, depending on the description and use of the oil, divided into two categories, namely standard rates and reduced rates.

The standard rate in relation to light oils means the appropriate rate for petrol and in relation to any other mineral oil product means the rate for that product when it is used as a propellant.

The application of a reduced rate (i.e. a rate lower than the appropriate standard rate) may be subject to the Revenue Commissioners being satisfied as to the intended use, (or actual use), of the oil concerned and to compliance with such other conditions as they may impose.

The Revenue Commissioners may either remit or repay the difference between the standard rate and the reduced rate concerned or, in cases where mineral oil tax was paid at a reduced rate, repay the difference between that reduced rate and any lower reduced rate at which the product is liable.

1.5. Tax Charge-Point

Under **Regulation 22 of the Mineral Oil Tax Regulations, 2001,** where any tax suspension arrangements apply to mineral oil, the time when the tax is payable (referred to as the tax charge-point) shall be –

(a) the time when the tax ceases to be suspended in accordance with those arrangements, or
(b) the time when there is any contravention of, including failure to comply with, any requirement relating to those arrangements, or
(c) the time when the tax ceases to be suspended by virtue of following paragraph, whichever is the earliest.

The tax shall cease to be suspended when: -

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(a) the premises in which the mineral oil is held ceases to be a warehouse,

(b) the person holding the mineral oil ceases to be a warehousekeeper,

(c) losses, other than those provided for in **section 106 of the Finance Act,**

(d) **2001** are recorded,

(e) the mineral oil is consumed, or

(f) the mineral oil is removed from a warehouse unless it is removed under a suspension arrangement.

1.6. Reliefs from Mineral Oil Tax

Section 100 of the Finance Act, 1999 provides for various reliefs from the tax, provided the Revenue Commissioners are satisfied that any conditions necessary for the grant of a relief, including any conditions imposed by them, have been complied with. These reliefs may be granted by the Revenue Commissioners by means of remission or repayment of the tax. In addition, *sections 98 and 99* (as amended) provide for the partial repayment of tax in relation to horticultural production and the provision of passenger road services, school transport services and certain tourist transport services**,** respectively.

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2. Tax Charge on Light Oils

2.1. Introduction

For the purposes of applying the tax charge, light oil is divided into four product categories, as follows:

- leaded petrol (see par 2.4),
- unleaded petrol (see par 2.5),
- super unleaded petrol (see par 2.6), and
- aviation gasoline (see par 2.7).

The general charging provisions relating to all mineral oil products, including the time when the tax is payable (i.e. the tax charge-point), are set out in section 1 and are to be read in conjunction with this section.

The terms "light oil" and "hydrocarbon oil" are defined in **section 96 (1) of the Finance Act, 1999,** as follows

> **"light oil",** means hydrocarbon oil of which, when tested in accordance with the method known as the ASTM D86 method or other equivalent method approved by the Commissioners, not less than 50 per cent by volume distils at a temperature not exceeding 185° Celsius or of which not less than 95 per cent by volume distils at a temperature not exceeding 240° Celsius or which, when tested in accordance with the method known as the ASTM D93 or other equivalent method approved by the Commissioners has a flashpoint of less than 22.8° Celsius but does not include white spirit or light oil which is charged as heavy oil in accordance with section 96(4).
>
> **"hydrocarbon oil"** includes petroleum oil and oil produced from coal, shale, peat, or any other bituminous substance, and all liquid hydrocarbons, but does not include any oil which is a hydrocarbon or a bituminous or asphaltic substance and is, when tested in a manner prescribed by the Commissioners, solid or semi-solid at a temperature of 15° Celsius.

2.2. Re-classification of Certain Light Oils as Heavy Oils

Section 96(4) of the Finance Act, 1999 provides that, where it is shown to the satisfaction of the Revenue Commissioners that any light oil is an oil which, according to its use, should be classed with heavy oil, the oil shall be liable to tax at the rate appropriate to such heavy oil

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Any application from a trader for re-classification of light oil as heavy oil under the above provision may be allowed by the Collector provided that

- the application specifies the purpose for which the oil is to be used, such purpose indicating that it is an oil which, according to its use, should be classified as heavy oil and that the Assistant Principal and HEO are satisfied that it will be used for the purpose stated, and
- the test note contains, in addition to the result of test, a statement by the State Chemist to the effect that the oil is not essentially of the nature of petrol.

Where these conditions are not fulfilled or where, in any particular case, the result of test shows that the oil fulfills all the requirements specified in the definition of light oil**,** any application for exclusion from liability to the mineral oil tax on light oil is to be submitted to Beer and Oils Administration Branch with a covering report.

2.3. Sampling to Verify Declarations etc.

The sampling requirements for light oil and the procedures to be following when sampling light oil are outlined in section 14.

2.4. Tax Charge on Leaded Petrol

The rate of tax on leaded petrol is set down in **Schedule 2 of the Finance Act, 1999.** It is the highest rate applicable to any light oil product. For the purposes of the tax,**"leaded petrol"** means light oil which:

- contains more than 0.013 grammes of lead per litre as established in accordance with the provisions of Council Directive No.
- 85/210/EEC of 20 March, 1985 (see V2-P3-A1-1), and
- is not aviation gasoline.

Light oil warehoused as leaded petrol is to be stored separately from all other oils and separate warehouse accounts are to be maintained for this description of oil.

It is to be noted that, since 1/1/2000, the marketing and sale of leaded petrol to the general public is prohibited as part of the EU Auto Oil Programme. Small quantities of leaded petrol may, however, be sold to, and distributed by, vintage car clubs. The enforcement of this prohibition is the responsibility of the Department of Environment and Local Government.

2.5. Tax Charge on Unleaded Petrol

2.5.1. General

Mineral oil tax on unleaded petrol is chargeable at the appropriate standard rate for such description of oil, as shown in **Schedule 2 of the Finance Act,** *1999.* This standard rate is lower than the standard rates applicable to both super unleaded

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petrol and leaded petrol. To be eligible for this reduced standard rate, the oil must satisfy the definition of unleaded petrol set out in **section 94 (1) of the Finance Act, 1999,** as follows:

> **"unleaded petrol"** means light oil which
>
> (a) contains not more than 0.013 grammes of lead per litre as established in accordance with the provisions of Council Directive No. 85/210/EEC of 20 March, 1985,
> (b) has a research octane number of less than 96 or a motor octane number of less than 86, and
> (c) is not aviation gasoline.

2.5.2. Declaration Required on Importation of Unleaded Petrol

On entry for immediate home consumption of oil which is claimed to be liable to tax as unleaded petrol, a declaration and claim to the appropriate rate of mineral oil tax is to be made by the importer on the import entry or in a written declaration attached to the entry, in the following terms:-

> "I hereby declare that the light oil entered to this entry is unleaded petrol which has a lead content of not more than 0.013 grammes of lead per litre and a research octane number of less than 96 or a motor octane number of less than 86 and I claim the oil is eligible to the unleaded rate of mineral oil tax."

In the case of unleaded petrol delivered from a tax warehouse for home consumption, the home consumption warrant contains a declaration to cover all mineral oils delivered at a reduced rate of mineral oil tax.

2.5.3. Warehousing Procedure

2.5.3.1. Storage

Unleaded petrol is to be stored separately from all other mineral oil products. In the event that any unleaded petrol is accidentally mixed with any other oil product, the resultant mixture is to be sampled for analysis by the State Laboratory to determine the appropriate product description of the mixture for the purposes of charging tax on same. Where the result of test indicates that the mixture falls under a different oil product description the necessary adjustments are to be made immediately to the relevant warehouse records.

2.5.3.2. Warehouse Accounts

A separate warehouse account of unleaded petrol is to be maintained in the ledger. The quantity delivered for home consumption at the unleaded petrol rate of mineral oil tax is to be shown separately in the monthly voucher.

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2.6. Tax Charge on Super Unleaded Petrol

2.6.1. Introduction

Mineral oil tax on super unleaded petrol is chargeable at the appropriate standard rate for such description of oil, as shown in **Schedule 2 of the Finance Act, 1999.** This standard rate is lower than the standard rate applicable to leaded petrol and higher than the standard rate for unleaded petrol. To be eligible for this reduced standard rate, the oil must satisfy the definition of super unleaded petrol set out in **section 94 (1) of the Finance Act, 1999,** as follows:

> **"super unleaded petrol"** means light oil which is not leaded petrol and which has a research octane number of 96 or more and a motor octane number of 86 or more".

2.6.2. Declaration Required on Importation of Super Unleaded Petrol

On entry of oil for immediate home consumption, which is claimed to be liable to tax as super unleaded petrol, a declaration and claim to the appropriate rate of mineral oil tax is to be made by the importer on the import entry or in a written declaration attached to the entry, in the following terms:-

> "I hereby declare that the light oil entered to this entry is super unleaded petrol which has a lead content of not more than 0.013 grammes of lead per litre and a research octane number of 96 or more and a motor octane number of 86 or more and I claim the oil is eligible to the super unleaded rate of mineral oil tax."

In the case of super unleaded petrol delivered from a tax warehouse for home consumption, the home consumption warrant contains a declaration to cover all mineral oils delivered at a reduced rate of mineral oil tax.

2.6.3. Warehousing Procedure

2.6.3.1. Storage

Super unleaded petrol is to be stored separately from all other mineral oil products. In the event that any super unleaded petrol is accidentally mixed with any other oil product, the resultant mixture is to be sampled for analysis by the State Laboratory to determine the appropriate product description of the mixture for the purposes of charging tax on same. Where the result of test indicates that the mixture falls under a different oil product description the necessary adjustments are to be made immediately to the relevant warehouse records.

2.6.3.2. Warehouse Accounts

A separate warehouse account of super unleaded petrol is to be maintained in the ledger. The quantity delivered for home consumption at the super unleaded petrol rate of mineral oil tax is to be shown separately in the monthly voucher.

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2.7. Tax Charge on Aviation Gasoline

2.7.1. Introduction

Aviation gasoline is a special grade of light oil intended for use in fuelling piston-engined aircraft and known commercially as "avgas". Special provisions governing this description of mineral oil are contained in **Regulations 49 to 53 of the Mineral Oil Tax Regulations, 2001.** It is defined in section 94 (1) of the Finance Act, 1999 as follows:

> **"Aviation gasoline"** means light oil which:-
>
> (a) is specially manufactured as fuel for aircraft, (b) is not normally used in motor vehicles, and (c) is delivered for use, solely as fuel for aircraft.

Mineral oil tax is chargeable, at the reduced rate shown in **Schedule 2 of the Finance Act, 1999,** on aviation gasoline used in aircraft engaged in internal flights within the State, whether for private or commercial use, provided that it satisfies all the conditions set out in the above definition. Where any of these conditions is not satisfied, the oil is chargeable at the standard rate applicable to light oil (i.e. the rate applicable to leaded, unleaded or super unleaded petrol, depending on which of these categories it falls within).

Under **section 100(1) (d) of the Finance Act, 1999**, relief from mineral oil tax is allowed on aviation gasoline which is loaded into any aircraft for use in a voyage from a place in the State to a place outside the State.

2.7.2. Warehousing Provisions

2.7.2.1. General

Aviation gasoline must be deposited in a tax warehouse prior to its delivery for home use **(Regulation 49 of the Mineral Oil Tax Regulations, 2001 refers).** On the warehousing of light oil which is claimed to be aviation gasoline, documentary evidence in support of the claim is to be called for. Normally such documentary evidence will take the form of a Certificate of Quality and Product Specification from the refinery supplying the oil. Where these documents are produced and found to be satisfactory, the oil may be warehoused as aviation gasoline and entered in the warehouse ledger accounts accordingly; the supporting documents are to be filed with the relevant warehousing SAD or AAD. Where satisfactory documentary evidence is not produced, the Collector's directions are to be sought before the oil is warehoused as aviation gasoline. Oil warehoused as aviation gasoline is to be stored separately from any other mineral oil.

2.7.2.2. Warehouse and Control Officer's Duties

Purchasers of aviation gasoline are to be closely monitored by the warehouse officer who is to report immediately through the normal channels any delivery to a person who does not appear to have a bona-fide use for the oil. Details of large or

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regular purchases of aviation gasoline are to be frequently advised to the purchaser's local officer, for verification as to use. Occasionally, smaller deliveries are also to be similarly advised, so that over a period of time all purchases of aviation gasoline are brought within the scope of official enquiry. Where appropriate, the control officer is to examine the supplier's invoice and the aircraft log-book to ascertain whether usage of aviation gasoline is commensurate with the user's operations. Suitable records are to be kept of the particulars extracted for verification, of the enquiries made and of the results. Any irregularity discovered is to be reported immediately through normal channels.

2.7.3. Sale, Delivery or Transport of Aviation Gasoline

No person shall sell or deliver aviation gasoline where there is reason to believe that it will be used otherwise than as fuel for aircraft. Any person selling or delivering aviation gasoline, other than in the course of fuelling an aircraft, must furnish to the purchaser or the person taking delivery of such oil a movement document (e.g. an invoice, delivery note, etc. or a true copy thereof). A person in charge of any vehicle transporting aviation gasoline must have in his or her possession or custody at all times a movement document covering the oil being transported and must produce the document (or true copy thereof), on demand, to an officer. The movement document must contain the particulars set out in **Regulation 31 of the Mineral Oil Regulations, 2001,** except that it must have the following statement indelibly written or printed thereon in lieu of the statement contained in **Regulation 31(4)(f):**

> "This aviation gasoline is delivered for use solely as fuel for aircraft and must not be used for any other purpose."

2.7.4. Aviation Gasoline Delivered for Other than Aviation Use

Notwithstanding Regulation 50 (a) to (c) of the Mineral Oil Tax Regulations,

2001, the Revenue Commissioners, under **Regulation 4 of the Regulations** allow aviation gasoline to be delivered from a tax warehouse for use in car rallying on condition that mineral oil tax at the appropriate standard rate for petrol is paid on the fuel and that it is not used for any other purpose other than car rallying.

2.7.5. Aviation Gasoline in the Fuel Tank of Incoming Aircraft

Mineral oil tax is not chargeable in the State on aviation gasoline contained in the standard fuel tanks of incoming aircraft used for commercial or private pleasure purposes – **(Section 100 (1)(f), Finance Act, 1999 as amended by S. 165, Finance Act, 2001 and section 104(2)(b), Finance Act, 2001 refer).**

2.7.6. Storage of Aviation Gasoline

No person may mix aviation gasoline with any other mineral oil except with the authority of the Revenue Commissioners.

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A permanent, clearly legible, indelible notice must be securely fixed, in a prominent position, to every overground vessel in which aviation gasoline is stored and on every delivery pump or other outlet by which aviation gasoline is delivered, stating:-

> "It is an offence to keep aviation gasoline in the fuel tank, or use in the engine, of a motor vehicle."

2.7.7. Other Restrictions Applying to Aviation Gasoline

Regulation 50 (a) & (b) of the Mineral Oil Tax Regulations, 2001 provides that no person shall use aviation gasoline otherwise than as a fuel for an aircraft, or take it into a fuel tank other than the fuel tank of an aircraft. Exceptionally, the Revenue Commissioners allow aviation gasoline to be used for fuel in car rallying subject to certain conditions – see par 2.7.4 above.

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3. Tax Charge on Heavy Oils

3.1. Introduction

Under **section 94 (1) of the Finance Act, 1999,** “heavy oil” means hydrocarbon oil other than light oil. The main oil products falling under this description include:

- crude oils,
- diesel oils (DERV and gas oil),
- kerosene and
- fuel oils.

Some light oils may also be re-classified as heavy oil under the provisions of **section 96 (4) of the aforementioned Act.**

3.2. Sampling to Verify Declarations etc.

The sampling requirements for heavy oil and the procedures to be following when sampling heavy oil are outlined in section 14.

3.3. Application of Standard Rate of Tax

Heavy oil used as a propellant is chargeable with tax at one of the standard rates shown in **Schedule 2 of the Finance Act, 1999,** as amended. There are two rates of mineral oil tax on heavy oil used as a propellant. They apply to:

(a) Heavy oil used as a propellant with a maximum sulphur content of 50 milligrammes per kilogramme, and
(b) Other heavy oil used as a propellant.

In practice the oil companies in Ireland only sell DERV with a maximum sulphur content of 50 milligrammes per kilogramme (i.e. diesel known as “ultra-low sulphur diesel”)

“**Propellant**” means

(a) in relation to mineral oil, mineral oil used for combustion in the engine of a motor vehicle, or
(b) in relation to heavy oil with a sulphur content greater than 50 milligrams per kilogram, such heavy oil used for combustion in the engine of a train.

Note: Paragraph (b) above will come into operation on such day as the Minister for Finance may by Order appoint.

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3.4. Application of Reduced Rates of Tax

Reduced rates of tax are chargeable on heavy oil products which are used otherwise than as a propellant. Different reduced rates apply to kerosene, fuel oil and other heavy oil products, as shown in **Schedule 2 of the Finance Act, 1999,** as amended.

3.5. Reduced Rate of Tax on Kerosene

3.5.1. Eligibility to Reduced Rate

To qualify for the reduced rate applicable to "kerosene used other than as a propellant", the oil must:

- satisfy the definition of kerosene set down on section 94(1), Finance
- Act, 1999 (as amended), as follows
- "kerosene" means heavy oil of which not more than 50 per cent. by volume distils at a temperature not exceeding 240 degrees Celsius;
- be for use other than as a propellant, and
- be marked with the markers prescribed in **Regulation 34 of the Mineral Oil Tax Regulations, 2001 (as amended by Regulation 3, Mineral Oil Tax (Amendment) Regulations, 2002 (S.I. No. 399/2002))** unless the Collector has authorised the user, in writing, to receive it unmarked.

3.5.2. Declaration on Entry / Home Consumption Warrant

On entry of kerosene for immediate home consumption, which is claimed to be eligible to the reduced rate of tax applicable to "kerosene for use other than as a propellant", a declaration and claim to the appropriate reduced rate of mineral oil tax is to be made by the importer on the import entry or on a written declaration attached to the entry, in the following terms:-

"I hereby declare that the mineral oil entered to this entry is kerosene, within the meaning of **section 94(1), Finance Act, 1999,** which is intended for use other than as a propellant and I claim that the oil is eligible to the reduced rate of mineral oil tax applicable to kerosene."

In the case of kerosene delivered from tax warehouse for home consumption, the home consumption warrant contains a declaration to cover all mineral oils delivered at a reduced rate of mineral oil tax.

3.6. Reduced Rate on Fuel Oil

3.6.1. Eligibility to Reduced Rate

To qualify for the reduced rate applicable to fuel oil, the oil must

- satisfy the definition of fuel oil set down in **section 94 (1) of the Finance Act, 1999,** as follows:
  "fuel oil" means heavy oil, the viscosity of which as determined by the

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Redwood No. 1 Viscometer at 38° Celsius is more than 115 seconds, the ash content of which is less than 0.2 per cent when tested in accordance with the method known as the ASTM D482 method or other equivalent method approved by the Commissioners and the colour of which is darker than 8 when tested in accordance with the method known as the ASTM D1500 method or other equivalent method approved by the Commissioners,

and

- be for use other than as a propellant.

Fuel oils which are known commercially as light, medium and heavy fuel oils come within the scope of the abovementioned definition.

3.6.2. Declaration on Entry / Home Consumption Warrant

On entry of fuel oil for immediate home consumption, which is claimed to be liable to the reduced rate of tax applicable to fuel oil, a declaration and claim to the appropriate reduced rate of mineral oil tax is to be made by the importer on the import entry or on a written declaration attached to the entry, in the following terms:-

"I hereby declare that the mineral oil entered to this entry is fuel oil, within the meaning of **section 94 (1) of the Finance Act, 1999** which is intended for use other than as a propellant and I claim that the oil is eligible to the reduced rate of mineral oil tax applicable to fuel oil."

In the case of fuel oil delivered from tax warehouse for home consumption, the home consumption warrant contains a declaration to cover all mineral oils delivered at a reduced rate of mineral oil tax.

3.7. Reduced Rate on Other Heavy Oil

3.7.1. Eligibility to Reduced Rate

To qualify for the reduced rate applicable to other heavy oil, the oil must

- satisfy the definition of heavy oil set down in section 94 (1) of the Finance Act, 1999, and
- be for use other than as a propellant;

In addition, if the heavy oil is gas oil as defined in **Regulation 3 (1) of the Mineral Oil Tax Regulations, 2001,** it must be marked with the markers prescribed in **Regulation 34**, unless the Collector has authorised the user, in writing, to receive it unmarked.

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3.7.2. Declaration on Entry / Home Consumption Warrant

On entry of oil for immediate home consumption, which is claimed to be liable to the reduced rate of tax applicable to “other heavy oil”, a declaration and claim to the appropriate reduced rate of mineral oil tax is to be made by the importer on the import entry or on a written declaration attached to the entry, in the following terms:-

> “I hereby declare that the mineral oil entered to this entry is heavy oil, within the meaning of **section 94(1), Finance Act, 1999,** which is intended for use other than as a propellant and I claim that the oil is eligible to the reduced rate of mineral oil tax applicable to other heavy oil.”

In the case of oil delivered from tax warehouse for home consumption, the home consumption warrant contains a declaration to cover all mineral oils delivered at a reduced rate of mineral oil tax

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4. Liquefied Petroleum Gas

4.1. Introduction

The production of liquefied petroleum gas (LPG) and the receipt & storage of LPG under duty-suspension must take place in a tax warehouse. The mineral oil tax is paid by warehousekeepers on delivery from the tax warehouse for home consumption on the basis of company accounts, which will be subsequently audited by the warehouse control officer. LPG is a mineral oil and comes under the provisions of the **Mineral Oil Tax Regulations, 2001 (S.I. 442 of 2001).** Part 11 of the Regulations is specific to LPG and is in addition to any other Regulation that may apply.

4.2. Charging Provision

Section 95(1), Finance Act, 1999 provides for the charging of mineral oil tax on LPG at the rates specified in Schedule 2 of that Act. There are two rates of mineral oil tax on LPG. The standard rate is chargeable on LPG used as a propellant and a reduced rate is chargeable on LPG intended for use or used other than a propellant.

4.3. Description

LPG includes butane, propane and methane kept under pressure in liquid form but does not include natural gas. It is commonly used for heating, cooking and for combustion in the engine of motor vehicles.

4.4. Licence

Any person who produces, sells, delivers or deals in or on any premises any LPG for use as a propellant is required to take out a mineral oil trader's licence. Section 8 covers the general provisions in relation to mineral oil trader's licences.

4.5. Repayments and Remissions

The repayments and reliefs applicable to mineral oil products specified in **sections 98, 99 and 100, Finance Act, 1999** apply to LPG.

4.6. Returns

Authorised warehousekeepers are required, under **Regulation 47, Mineral Oil Tax Regulations, 2001,** to submit a quarterly return (in addition to the returns specified in Part 3 of the Regulations) of all LPG delivered by him or her at the reduced rate of mineral oil tax specifying:

(a) the name and address of each consignee, and
(b) the quantity delivered to each consignee during the quarter.

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The return is not required for individual deliveries of less than 120 litres or deliveries in containers of less than 120 litres capacity per container.

4.7. Payment of Mineral Oil Tax on Delivery from Tax Warehouse for Home Consumption

Mineral oil tax is payable before delivery of LPG from the tax warehouse for home consumption. The instructions in section 3 of Part 2 are to be applied, to such deliveries.

4.8. Statement on Invoice

In addition to the provisions of **Regulation 31(4) (f),** Mineral Oil Tax, Regulations, 2001 concerning a statement on the invoice for LPG supplied at a reduced rate of mineral oil tax, **Regulation 43(2)** provides that the invoice or movement document for deliveries of quantities in excess of 120 litres of LPG delivered on payment of the standard rate of mineral oil tax must contain the following statement:

> "This liquefied petroleum gas was delivered at the standard rate of tax and may be used in the engine of a motor vehicle".

4.9. Liquid Take-Off Points

It is illegal for any person for any purpose whatsoever to use:

(a) any container or vessel to which is connected a valve or other device whereby LPG may be drawn off in liquid form, or,
(b) any valve or device whereby LPG may be drawn off in liquid form and which is not ordinarily connected to a container or vessel,

without the prior approval of the Revenue Commissioners or without complying with such conditions as they may lay down in such approvals **(Regulation 45, Mineral Oil Tax Regulations, 2001 refers).**

Every authorised warehousekeeper, importer, vendor or user of LPG is required by Regulation 46 to give to the Revenue Commissioners all information concerning the location, use or intended use of containers, vessels, valves and other devices which may be used for the storage of LPG and from which the LPG may be drawn off in liquid form.

Mineral oil traders who want approval for the fitting of a liquid take-off point to any vessel are to make an application in writing to their local excise officer. The application is to contain the information outlined above together with details of any motor vehicle owned by the applicant or any of his / her employees which is capable of using LPG as a propellant. The officer is to visit the premises, interview the applicant, examine the vessel or vessels and inspect any relevant records. He / she is

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to write a report on the application and forward it through the Assistant Principal to the appropriate Collector. The report is to cover the following aspects:

(a) Name and address of applicant and premises,
(b) Nature of applicant business,
(c) The intended use of liquid take-off point,
(d) Description, location and capacity of LPG tanks,
(e) Number and type of LPG motor vehicles in use by the applicants and their employees,
(f) Number and type of off-road vehicles entitled to use reduced rate LPG, e.g. fork lift trucks, industrial tractors, etc.,
(g) Estimated annual usage of:-
   (i) Reduced rate PG,
   (ii) LPG for motor vehicle use.
(h) Marking of tanks in accordance with **Mineral Oil Tax Regulations, 2001,**
(i) Whether the records required by the **Mineral Oil Tax Regulations, 2001** are being kept satisfactorily,
(j) Any other relevant particulars.

The Regulations provide that the Revenue Commissioners may attach conditions to the grant of approval to use any tank or device. The purpose of the Regulations is to prevent LPG that has been delivered at a reduced rate of mineral oil tax from being used for combustion in the engine of a motor vehicle. The Revenue Commissioners authorise Collectors to issue such approvals subject to such conditions as they consider necessary for revenue control purposes. It may be taken that except in special circumstances, a tank containing reduced rate LPG will not be permitted to have a liquid take- off point. The Collector, if satisfied to the bona fides of the application, is to issue the approval direct to the applicant and return the papers with a copy of the approval to the excise officer for necessary action.

Collectors are to keep a record in written or in computer form of "Tanks fitted with Liquid Take-off Points and Devices for Taking-off of Gas in Liquid Form".

Where liquid take-off points on tanks are no longer required, they will generally be required to be removed or permanently sealed off. Officers are to ensure that liquid take off points that are no longer required by a mineral oil trader or mineral oil user are removed and returned to the supplier or are put permanently beyond use.

4.10. Survey of LPG Users

4.10.1. Users with Approval to Use a Liquid Take-Off Point

The Collector is to decide on the scale of survey of approved users of liquid take-off points based on appropriate risk analysis criteria.

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4.10.2. Other Users

The control officers in charge of LPG tax warehouses are to examine the quarterly returns of deliveries of reduced rate LPG, which are required to be furnished by authorised warehousekeepers under Regulation 47, Mineral Oil Tax Regulations, 2001 and compare them with previous returns. They are to select a proportion of the users who use large quantities of reduced rate LPG and any other user where they consider that there is a risk that reduced rate LPG may be used as a propellant and forward details of deliveries for a three month period to the excise officer in whose area the users reside. The officer is to survey the users to determine that any LPG delivered at the reduced rate of mineral oil tax is not being used as a propellant. They are also to examine the LPG storage tanks to check that there are no tanks fitted with liquid take-off points that are not authorised by the Revenue Commissioners. The tax warehouse control officers are to ensure that each large scale user of reduced rate LPG are surveyed by the appropriate excise officer once every two years.

4.11. Marking of Storage Tanks / Delivery Pumps

Regulation 44(2), Mineral Oil Tax Regulations, 2001 provides that a permanent, clearly legible, indelible notice shall be securely fixed, in a prominent position, to every overground vessel exceeding 120 litres capacity in which LPG, on which the standard rate of tax has not been paid, is stored and on every delivery pump or other outlet by which such LPG is delivered, stating that:-

> “It is an offence to keep liquefied petroleum gas on which tax at the standard rate has not been paid in the fuel tank, or use it in the engine, of a motor vehicle”.

4.12. Powers of Officers

The powers of officers in relation to mineral oil outlined in **sections 133 to**

144, Finance Act, 2001 apply to LPG. However, it is not intended that any sampling of LPG be carried out. Domestic type cylinders or bottles of LPG are invariably delivered at a rate of mineral oil tax lower than the standard rate, consequently, if these are discovered in use for fuelling a motor vehicle the case is to be regarded as one of fraud and appropriate action taken.

Officers are to use every endeavour by observation and enquiry to prevent or detect the use in road vehicles of LPG on which mineral oil tax at the standard rate has not been paid.

Officers should be careful to exercise tact and discretion when making enquires from members of the public. Any irregularity coming to notice is to be reported through the normal channels. Cases of suspected fraud are to be reported to the Revenue Anti-Evasion Team or Investigation Branch as appropriate.

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4.13. Offences

The offences in **section 102, Finance Act, 1999 apply to LPG.** In addition to the specific offences outlined in section 102 (b), (c), (d) & (e), it is an offence under **section 102(1)** to contravene or fail to comply with any Regulation in the **Mineral Oil Tax Regulations, 2001** e.g. it is an offence under **Regulation 44(1)** for any person to sell or deliver LPG where he or she has reason to believe that it will be used as a propellant and on which tax at the standard rate has not been paid.

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5. Substitute Fuel

5.1. Definition of Substitute Fuel

"Substitute fuel", as defined in **section 94(1) of the Finance Act, 1999**, means any product, including biofuel, in liquid form, manufactured, produced or intended for use**,** capable of being used or used as fuel for a motor or as a heating fuel but does not include an additive, hydrocarbon oil or liquefied petroleum gas.

5.2. Production of Substitute Fuel in the State

The production of substitute fuel in the State must take place in a tax warehouse approved under **section 109, Finance Act, 2001.** Collectors are authorised to issue such approvals to persons who produce substitute fuel for their own use only subject to limited conditions that include the keeping of records and payment of mineral oil tax.

5.3. Charge of Mineral Oil Tax

Under **section 95(1) of the Finance Act, 1999,** mineral oil tax is chargeable on substitute fuel at the rates specified in Schedule 2 of that Act. Two rates of tax apply to substitute fuel the **standard** rate is chargeable when substitute fuel is for use, or used, as a propellant and the reduced rate when used for other purposes.

Substitute fuel is eligible for partial repayment of tax under section 98 (horticulture) and **section 99** (passenger road and school transport services) and for the reliefs from tax outlined in **section 100** of the *Act.*

The general charging provisions relating to all mineral oil products set out in section 1 are to be read in conjunction with this section.

5.4. Movements of Substitute Fuel

5.4.1. Movements from Other Member States

Substitute fuel does not, at present, come under the provisions of **sections 110 to 117 of the Finance Act, 2001 or the Control of Excisable Products Regulations, S.I. No. 443 of 2001).** Consequently, the movement of substitute fuel between Member States of the E.U. does not require to be accompanied by an AAD etc.

5.4.2. Movements Within the State

The provisions of **Part 7, Mineral Oil Tax Regulations, 2001 (S.I. 442 of 2001)** apply to substitute fuel within the State.

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5.5. Importation and Sale of Substitute Fuel Within the State

Any person, other than an authorised warehousekeeper, who imports or sells substitute fuel in the State is required to be approved by the Commissioners under the provisions of **Regulation 54, Mineral Oil Tax Regulations, 2001.** Any person requiring approval is to apply in writing to his/her local excise officer giving full details of his/her premises, a description of the substitute fuel, the name and address of consignors and any other particulars relevant to the application.

5.6. Re-use of Waste Substitute Fuel as a Propellant

Waste substitute fuel, which is reused as a propellant, is liable to mineral oil tax. Persons who collect substitute fuel (e.g. waste cooking oil) from hospitals, restaurants, etc. for use as a propellant in their own motor vehicle/s are to be visited and their responsibilities with regard to the payment of mineral oil tax on the fuel explained to them. They may be allowed to continue to use the substitute fuel provided that they agree to keep records and pay mineral oil tax on a regular basis. They are to be given a stock of Excise Duty Entries and shown how to complete the form. For the moment, the assessment of duty is to be done locally on a case-by-case basis with Beer and Oil Branch being informed of any such arrangement.

5.7. Payment of Mineral Oil Tax

As is the case with all mineral oils there is no provision for deferment of mineral oil tax on substitute fuel. Traders approved by the Commissioners to import and sell substitute fuel will be required to pay mineral oil tax in accordance with the conditions of their approval. Authorised warehousekeepers will be required to pay the mineral oil tax on delivery from the tax warehouse for home consumption in the same manner as other mineral oils.

5.8. Records, Stock Accounts, etc.

The provisions of **Part 6, Mineral Oil Tax Regulations, 2001** apply to substitute fuel.

5.9. Marking of Delivery Pumps and Storage Tanks

Regulation 56, Mineral Oil tax Regulations, 2001 provides that a permanent, clearly legible, indelible notice be securely fixed in a prominent position to every overground vessel in which substitute fuel is stored and on every delivery pump or other outlet by which substitute fuel is delivered stating:-

> "It is an offence to keep in a fuel tank, or to use in the engine, of a motor vehicle substitute fuel on which a reduced rate of tax has been paid or which has been delivered on remission of tax"

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5.10. Licence

The licensing provisions of **section 101(1), Finance Act, 1999** apply to the substitute fuel (section 8 covers the licence duty charging provisions).

5.11. Powers of Officers

The powers of officers contained in **sections 133 to 144 of the Finance Act, 2001,** are applicable to substitute fuel.

5.12. Offences

The offences contained in **section 102(1), Finance Act, 2001** apply to substitute fuel as appropriate.

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6. Additives

6.1. General

Under section 96(2) of the Finance Act, 1999, mineral oil tax is chargeable on additives at the rate applicable to the mineral oil product to which the additives are added or intended to be added.

"Additive", under **section 94(1) of the Finance Act, 1999,** means any product (other than hydrocarbon oil, liquefied petroleum gas, or substitute fuel) which may be added to

(a) hydrocarbon oil,
(b) liquefied petroleum gas, or
(c) substitute fuel,

as an extender or for the purpose of improving performance or for any other purpose.

Additives are not currently subject to the control and movement provisions of **Directive 92/12/EEC.** They are mainly imported in bulk by oil warehousekeepers and the appropriate mineral oil tax is paid on the quantities added to mineral oil products on delivery from warehouse for home consumption.

6.2. Additives added to Mineral Oil in a Tax Warehouse

6.2.1. Whitegate Refinery

The main oil companies who purchase oil from Whitegate refinery have their own individual calibrated tanks for the storage of additives. The additives are added to the mineral oil by in-line injection prior to the meters at the gantry and the mineral oil tax on the oil and the additives are calculated together.

A stock account is to be kept of all additives received and used by each oil company using the refinery. This stock account is to be in charge of a responsible official of the refinery and is to be available for inspection by an officer, on request.

The refinery officer is to make himself conversant with the storage arrangements and usage of the additives. At least once every six months, he/she is to examine any stocks of additives on hands and satisfy himself/herself that the required stock account is being properly kept and that the additives are being charged with the proper tax. He/she is to check that the quantities on receipt invoices are entered in the stock account.

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6.2.2. Other Tax Warehouses

Oil warehousekeepers usually store additives in separate calibrated storage tanks prior to use. Some warehousekeepers add the additives at the time of delivery from warehouse by in-line injection at the loading gantry, whereas others add them in bulk to the mineral oil product in the storage tanks.

A stock account is to be kept of all additives received and used by each oil company and this account is to be balanced on a monthly basis. This stock account is to be in charge of a responsible official of the oil company and is to be available for inspection, on request, by any officer of Customs and Excise. In cases where the additives are added by in-line injection at the gantry, the oil company is to declare at the end of each month to his/her control officer the throughput of each meter giving the opening and closing stock and the amount of additive added to each mineral oil description. The mineral oil tax is to be paid on the additives once a month (or once per quarter if requested by the warehousekeeper) by the addition of the mineral oil tax liability on the additives to the tax payment of the appropriate mineral oil description.

Warehouse officers are to make themselves conversant with the storage arrangements and usage of additives. They are to examine any stocks of additives on hands and satisfy themselves that the required stock account is being properly kept and that any mineral oil tax is being paid. Invoices for receipts are to be compared with the stock account. They are also to ensure that mineral oil tax is paid by non-proprietorial warehousekeepers on any additives added by them in a tax warehouse.

6.3. Additives added to Mineral Oil at Importation

Consignments of oil imported into the State by road tanker are usually entered for direct delivery for home consumption at facilitation/import stations and the appropriate tax on the oil plus any added additives is assessed and paid at these stations. However, some distributors who import mineral oil from Northern Ireland add the additives at a distribution depot subsequent to the tax charge-point. Officers at facilitation stations are to ascertain from oil importers what arrangements, if any, they have in place for the addition of additives to oil imported by them. Where additives are added subsequent to importation, the officer at the facilitation station is to liaise with the excise officer in the area where the distribution depot is located and make arrangements for collection of any mineral oil tax due on additives added at the depot. The tax chargeable on such additives may be paid periodically by means of an excise duty entry, based on the distributors records of receipt and usage of additives at the depot. In cases where the distributor concerned is also an oil warehousekeeper, he/she may be given the option of including the tax due on these additives on the appropriate monthly warehouse warrant. Where this type of arrangement operates, the general excise officer concerned is to advise the relevant warehouse officer of the monthly tax liability to be included in the warrant.

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6.4. Additives Imported in Packages

Additives imported in packages for sale to the public in garage and motor factor outlets are liable to mineral oil tax at the rate applicable to the mineral oil to which the additives are intended to be added.

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7. Tax Charge on Recycled Used Mineral Oil

7.1. Introduction

Recycle, in relation to mineral oil, means to undergo any process of restoration which renders it suitable for reuse **(section 94(1), Finance Act,1999 refers).**

Recycled mineral oil is usually produced by a process of recycling various used/waste oils (e.g. used lubricating oil, heavy oil that has been used for cleaning purposes, contaminated diesel, etc.). The recycled mineral oil is normally sold as low-grade industrial lubricant or as an industrial boiler fuel oil.

7.2. Charge of Tax

Recycled mineral oil that is suitable for use as a propellant is liable to tax under **subsection 95 (3) of the Finance Act, 1999.** The rate of tax to which it is liable is the rate applicable to heavy oil used as a **propellant (subsection96 (3) of the Finance Act, 1999).**

Subsection 100 (1)(j) of the Finance Act, 1999 provides that the Commissioners may grant relief of mineral oil tax by way of remission or repayment on used mineral oil which is recycled and which is used or intended for use for purposes other than as a propellant. Recycled mineral oil which has benefited from this tax relief provision is not eligible for any repayment of tax by virtue of its end use e.g. where it is used in a glasshouse in the production of horticultural produce, or used for a purpose other than motor or heating fuel.

7.3. Approval to Recycle Mineral Oil

7.3.1. General Requirements

Under **Regulation 41 of the Mineral Oil Tax Regulations, 2001,** a person may not recycle any mineral oil, (including used or waste mineral oil) on any premises or place without the approval of the Commissioners. In addition, in any case where the recycled mineral oil produced is suitable for use as a propellant, the premises must be approved as a tax warehouse and the proprietor must be approved as an authorised warehousekeeper under **section 109 of the Finance Act, 2001** and take out a mineral oil traders licence in respect of the premises.

7.3.2. Applications for Approval

Applications for approval are to be made in writing to the appropriate Collector in charge of the area in which the recycling premises or place is located and are to contain full information on the proposal, including evidence of compliance with planning, safety or other requirements of any statutory body. The applicant must also state clearly in his application whether the recycled mineral oil product he

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intends to produce will be suitable for use as a propellant. If so, the applicant is to be advised that the premises or place in which the recycling process is to be carried out must also be approved as a tax warehouse. Applications, together with a covering report and recommendations, are to be submitted through the normal channels to Beer & Oils Administration Branch, for consideration.

Where the Revenue Commissioners grant approval, the applicant will be required to comply with whatever conditions that are imposed in any particular case. Any premises or place approved to recycle used or waste mineral oil will be known as an "approved place of recycling" and the person to whom the approval has been granted will be known as an "approved recycler".

7.4. Control of Approved Places of Recycling

Where the recycled mineral oil is intended/suitable for use as a propellant the recycling process must be carried out in a tax warehouse under normal warehouse control procedures (see section 2). In the case of recycled mineral oil that is not intended/suitable for use as a propellant, the approved place of recycling is to be surveyed at least once per quarter by a control officer appointed for this purpose by the local Collector.

7.5. Importation and exportation of recycled mineral oil.

Recycled mineral oil is an excisable product and is subject to the legal and administrative provisions governing:-

(a) the movement of excisable products in the European Union, as set out in the Staff Instructions relating to the Holding, Movement and Control of Excisable Products, and
(b) exports to third countries.

Recycled mineral oil imported into the State, which is not suitable for use as a propellant, is eligible for relief from mineral oil tax on importation into the state. The importer must provide a certificate from the producer of the recycled oil certifying that the mineral oil is recycled waste oil and that it is not suitable or intended for use as a propellant, enter the mineral oil to an Excise Duty Entry or Single Administrative Document and claim exemption from mineral oil tax under **section 100(1)(j), Finance Act, 1999.** The mineral oil need not be sampled provided the officer is satisfied as to the bona fides of the case.

7.6. Mixing of Recycled Mineral Oil with other Tax-Paid Mineral Oil

Regulation 30 of the Mineral Oil Tax Regulations, 2001 provides that recycled mineral oil may not be mixed/blended with any other mineral oil except with the prior approval of the Commissioners and subject to compliance with such conditions as they may impose. The production of a mineral oil product consisting of a mixture/blend of recycled mineral oil and another mineral oil product, whether the

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recycling/blending process is one or more separate operations, will only be allowed in a tax warehouse and the resultant product will be liable to mineral oil tax on the basis of the classification of the final product produced.

7.7. Offences

It is an offence under **subsection 102 (1) (a) of the Finance Act, 1999** to contravene, or fail to comply whether by act or omission, with the provisions of **sections 94 to 109 of the Finance Act, 1999** or with any Regulation made under section 104 of the Act. It is also an offence under **subsection 102(1)(b)(i) of the Finance Act, 1999** to use as a propellant, sell or deliver for such use, or to keep in a fuel tank any mineral oil on which mineral oil at the appropriate standard rate has not been paid.

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8. Mineral Oil Trader's Licence

8.1. General

Section 101, Finance Act, 1999 requires all mineral oil traders who produce, sell, deliver or deal in, on any premises, mineral oil (i.e. hydrocarbon oil, liquefied petroleum gas and substitute fuel) for use as a propellant (i.e. for use for combustion in the engine of a "motor vehicle" as defined in **section 94(1), Finance Act, 1999),** to take out a Mineral Oil Trader's Licence annually in respect of each such premises.

Oil traders, who sell, deliver, or deal in marked gas oil and/or marked kerosene only, are not required to take out a licence.

The Mineral Oil Trader's Licence expires on the 30th day of June annually. The excise duty on a Mineral Oil Trader's Licence is €250.

8.2. Format of Mineral Oil Trader's Licence

The mineral oil trader's licence is classified as a Machine Licence. The licence reference number is 383 and this number is printed on the top left hand side of all Mineral Oil Trader's Licences. The licence is printed on A4 size paper, individually numbered on the bottom right hand corner and packed in lots of 50. Stocks of the licence may be requisitioned from Logistics Branch, Wicklow House. The requisitions are to be made by Email in basic format (i.e. no attachments) to Logistics Branch.

8.3. Procedure in Collector's Office

The procedure outlined in the Excise Licence Instructions for dealing with machine licences in the Collector's Office applies to the mineral oil trader's licence.

8.4. Distributors/Dealers who do not own their Own Premises

Distributors/dealers, who do not own oil storage facilities of their own, but who sell and deliver or deal in mineral oil for use as a propellant are required to take out a Mineral Oil Trader's Licence for the premises from which they take orders and keep records (normally a private dwelling).

The inspection of records in a private dwelling may only be carried out by appointment and agreement of the owner. In the absence of such agreement a search warrant must be obtained to effect entry to the private dwelling.

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8.5. Tax Clearance Certificate

A mineral oil traders licence may not be issued unless a tax clearance certificate in relation to that licence has been issued in accordance with section 1094 of the Taxes Consolidation Act, 1997.

8.6. Application Form

The number of the application form for a mineral oil trader's licence is EX97A (Rev.1). Stocks of the form are available to Revenue staff on requisition from the Revenue Warehouse in Santry in the normal manner.

8.7. Revocation of Mineral Oil Trader's Licence

The Revenue Commissioners are empowered, **under subsection 101 (7) of the Finance Act, 1999,** to revoke any mineral oil licence if it appears to them that any condition specified in the licence has not been or is not being complied with.

8.8. Offences Relating to Mineral Oil Trader's Licences

It is an offence under section 102(1) of the Finance Act, 1999 for any person:-

(a) to purchase or receive mineral oil for use as a propellant from any person who is not the holder of a mineral oil trader's licence;
(b) to produce or sell on, or deliver from, any premises, or otherwise deal in, any mineral oil, other than additives, for use as a propellant which is chargeable with mineral oil tax unless such person holds a mineral oil trader's licence in respect of such mineral oil and in respect of such premises, or
(c) being the holder of a mineral oil trader's licence, not to display such licence on the premises to which such licence relates.

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9. Ascertaining the Volume of Oil

9.1. Introduction

9.1.1. General

All accounts of the volume of oil for revenue purposes must be determined in metric units. The quantity of oil received, stored, used or delivered is to be assessed in litres at 15° Celsius, i.e. the volume which the oil would occupy if its temperature were 15° Celsius. Hereafter, in these instructions, litres at ambient temperature are referred to as bulk litres and litres at 15° C. are referred to as "standard litres". The process of converting bulk litres to standard litres is set out in paragraph 4 hereafter.

9.1.2. Provision of Equipment and Facilities

Regulation 20 of the Mineral Oil Tax Regulations, 2001 which applies to importers, warehousekeepers or any other person liable for payment of mineral oil tax or any person claiming repayment of the tax obliges such persons, where required by the Revenue Commissioners, to provide such equipment, facilities and assistance as an officer may require to enable him to properly examine, measure the volume or quantity of, take account of, or sample mineral oil for tax purposes. Persons concerned must also, where required, furnish to the proper officer tables of the capacity of all vessels intended for reception, storage or transport of mineral oils, showing the number of litres which each vessel is capable of containing according to the depth of the liquid contained therein. Persons concerned must also provide safe means of access to all vessels and to all dipping places to which an officer requires access.

9.2. Raising Accounts of Oil in Bulk Storage Tanks

9.2.1. Measurement Equipment Required

Before an approved tax warehouse storage tank is first used for storing mineral oil, the warehousekeeper must ensure that the tank is properly calibrated and conversion tables prepared by a competent person in accordance with the recommendations of a competent authority (e.g. the Institute of Petroleum in the U.K). The warehousekeeper must furnish to the warehouse officer a certified copy of the relevant calibration/conversion tables for each approved tax warehouse storage tank showing the dimensions of each tank and its holding capacity in litres at every one millimetre in depth. A copy of each of the calibrated tables furnished is to be kept in a folder or binder kept specially for this purpose. A proper instrument (e.g. a dip-tape) for dipping the calibrated tanks, capable of determining the volume in litres at least at every 2 millimeters of depth, must also be provided by the warehousekeeper.

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The warehousekeeper must also provide proper means for isolating all tanks other than those into which it is intended to receive oil. For the purpose of making the disconnection/isolation effective until the receipt/landing account has been taken, and at such other times as may be considered necessary, all pipe connections, valves, etc., are to be secured by means of official wire and plomb.

9.2.2. Ascertaining Volume of Oil by Dipping of Storage Tanks

Except where the Collector otherwise allows (see paragraph 2.3), the volume (bulk litres) of oil in a calibrated storage tank must be ascertained, for revenue purposes, by level measurement; that is by dipping the vessel with a suitable dip-tape to ascertain the level of the oil in the tank. Dips are to be taken to an accuracy of two millimetres, fractions less than two millimetres being ignored. The Collector may allow an application by a warehousekeeper to take dips to an accuracy of one millimetre with fractions less than one millimetres being ignored. Dips are to be recorded in metres to three decimal places in the Record of Dips (C. & E. No. 436) and the Stock Book (C. & E. No. 437). The oil volume equivalents of the metric dips are to be ascertained by reference to the relevant tank calibration/conversion tables and are to be recorded in the Stock Book in integral litres, fractions of a litre being ignored.

9.2.3. Use of Automatic Tank Gauges (ATGs) to Ascertain Volume of Oil

The Collector may approve the use of automatic tank gauges (ATGs) for ascertaining the volume of oil in storage tanks for the purpose of raising the monthly period accounts (see Part 2, Section 4). It is to be noted, however, that ATGs may not be used for revenue purposes to raise accounts of oil received into a tax warehouse storage tank; all such receipt accounts must be raised by the dipping method.

ATGs approved for revenue accounting must be properly installed, tested and adjusted as recommended by a competent body such as the Institute of Petroleum. Warehousekeepers must ensure that the ATG equipment is:

- properly installed and set up to give readings which can be related to those in the relevant calibration tables and to ensure that any temperature measuring equipment associated with the gauge gives accurate readings;
- maintained in a reliable and accurate fashion; and periodically tested against the results of manual gauging and, if necessary, independent temperature assessment.

Arrangements must be made by the warehousekeeper for determining the depth of water bottoms in any tank to which the ATG equipment is fitted and he must also keep a record available for inspection by an officer on request, showing:

- the serial or identifying numbers of the equipment fitted to each tank, and any subsequent changes;

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- the results of the tests carried out on the equipment and any associated temperature measurement equipment and of any resulting adjustments; and
- details of the dates of servicing, maintenance inspections and adjustments carried out on each gauge.

9.3. Accuracy of Measurement Instruments

9.3.1. General

Under **Regulation 21 (5) of the Mineral Oil Tax Regulations, 2001,** the accuracy of any measurement instrument used in determining the volume, temperature or density of mineral oil must comply with any minimum standards which the Revenue Commissioners may require, from time to time. These minimum requirements are set out in sub-paragraph 3.2 hereunder. The accuracy of a measurement instrument is defined by its comparison against a reference standard traceable to the Weights and Measures authorities or against a result obtained when using a reference instrument procedure.

9.3.2. Accuracy requirements

The following are the minimum acceptable accuracy requirements in relation to measuring equipment used in the raising of revenue accounts. If a warehousekeeper's measuring equipment is capable of a higher standard of accuracy the higher standard is to be applied.

Manual gauging: the accuracy of a working dip-tape used to ascertain the quantity of oil in a calibrated storage tank for revenue accounting purposes must at all times be within ± 2mm throughout each 30 metre length (±1.5mm when new).

Automatic tank level gauges (ATGs): The accuracy of an automatic tank gauge, over the working range in which it is installed, must at all times be within ± 8mm of a measurement made by reference manual gauging.

Meters: When compared with a reference standard traceable to the Weights and Measures authorities the maximum permitted error at its maximum flow rate for a meter used for revenue accounting must not exceed at any time:

for unheated oils ± 0.15%
for heated oils ± 0.20%

(Note the Weight and Measures authorities in Ireland employ independent companies to carry out work on their behalf).

Temperature measurement equipment: When compared with a reference thermometer such equipment used for revenue accounting must at all times be accurate to within:

for unheated oils ± 0.15%

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for heated oils ± 0.20%

Density measurement equipment: Density must be measured by the use of densitometers or by testing samples drawn from the relevant storage tank with suitable hydrometers. Density measurement equipment must be maintained and tested as recommended by the Institute of Petroleum.

9.3.3. Testing and Maintaining Equipment

The person responsible for providing measuring equipment is also responsible for ensuring its continuing accuracy whilst in use for revenue accounting purposes. The person concerned must therefore regularly test the accuracy of all such measuring equipment, by comparison against a result obtained when using a reference instrument, where appropriate, or against a reference standard set down by the Weights and Measures Authorities. A suitable record of all such tests must be maintained by the person concerned and must be made available for inspection by an officer at all reasonable times.

9.3.4. Malfunctioning or Inaccurate Equipment

Where any measuring equipment is found to be malfunctioning or operating outside the accuracy standards laid down in paragraph 9.3.2 above, the person concerned (i.e. the warehousekeeper, importer, etc.) must immediately withdraw the equipment from use and notify his control officer accordingly, stating the date and time this action was taken. It is the responsibility of the person concerned to make advance arrangements to cater for this eventuality and to be in a position to put in place an emergency measurement system as, and when, required. Whenever measuring equipment is found to be inaccurate the officer, in conjunction with the person concerned, must also investigate the circumstances to ascertain when the equipment became inaccurate and the amount of tax underpaid or overpaid as a result. Any tax found to be short-paid must be remitted to the relevant Collector without delay.

Persons concerned are to be reminded that it is an offence for any person to continue to intentionally use any measuring equipment where they know the equipment is operating outside the accuracy standards laid down by the Revenue Commissioners.

9.4. Conversion to Standard Litres

9.4.1. General

The unit of account for revenue purposes for all oil, is the standard litre, i.e. the volume which the oil would occupy if its temperature were 15° Celsius. The conversion of bulk litres to standard litres is to be carried out in accordance with the instructions hereafter.

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9.4.2. De Minimus Conversion Levels

The Revenue Commissioners accept that in some instances it may be impractical, or unreasonable, to expect persons concerned to convert bulk quantities to standard litres and have therefore decided that a de minimus limit, in litres, may apply to certain transactions. To reflect differing tax rates two limits have been set, as follows:

Standard rated mineral oil: 4,000 litres.
Reduced rated mineral oil: 8,000 litres.

These limits are not the automatic right of a warehousekeeper but are to be applied only where the Collector considers it would be impractical or unreasonable to require conversion to standard litres.

For de minimus transactions, bulk litre figures are to be accepted for revenue purposes as if they were standard litres. Authority to use the de minimus limits may be withdrawn from a trader if abuse of the system by that trader is established. The submission of multiple bulk litre repayment claims to avoid the requirement to convert to standard litres would be considered to be such abuse.

9.4.3. Conversion Procedure

The conversion of bulk litres to standard litres is to be carried out by reference to the tables approved by the International Institute for Standardisation (ISO) under the reference ISO 91-1.2 and published under the title “Petroleum Measurement Tables - Volume Correction Factors – Volume V111”. The tables to be used are:

- **Table 53B:- Correction of observed Density to Density at 15° C.**
- **Table 54B:- Correction of volume to 15° C against Density at 15° C.**

To apply the conversion procedure the bulk quantity, temperature and density of the oil must be determined, the following steps being followed. At the time of ascertaining the bulk quantity (see paragraphs 2.2 and 2.3), the temperature of the oil must be ascertained using a suitable thermometer. At the same time a representative sample of the oil is to be drawn, where necessary, and its density determined using a suitable hydrometer (see paragraph 4.4). The temperature of the oil sample must also be taken at the time of ascertaining its density, if there is any doubt that the sample temperature may differ from the oil temperature at the time the sample was drawn.

Supplies of the conversion tables together with the necessary hydrometers, thermometers and glass cylinders to give effect to the conversion procedure are to be requisitioned by officers, as and when required.

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9.4.4. Density Measurement

For all receipts and deliveries density is to be measured either by the use of pipeline densitometers or by using a hydrometer to test representative samples drawn from the relevant storage tank(s). The temperature of the sample must be taken at the same time as the density is ascertained and using table 53B the corresponding density at 15° C., referred to as the standard density of the oil, is to be determined. The frequency of density measurements is to be not less than once per batch of oil received into the storage tank(s).

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10. Mineral Oil Traders’ Records

10.1. Introduction

The Mineral Oil Tax Regulations, 2001 (Part 6) (S.I. 442 of 2001) require every mineral oil trader to keep and retain records of specified descriptions of mineral oil, as described in this section. In this context

- **“record”** means any information set down in writing, stored in a computer or other electronic medium, including information held in a non-legible form or held in any other permanent form;
- **“mineral oil trader”** means any person who produces, manufactures, processes, recycles, imports, exports, purchases for the purpose of resale or dealing in, sells or otherwise deals in mineral oils or who stores mineral oils for any of these purposes, and
- **“specified description”** means a description of mineral oil specified in Schedule 1 of the Regulations or any other descriptions of mineral oil that the Commissioners may, from time to time, require.

The mineral oil trader must be able to produce or reproduce all records in a permanent legible form on request by any authorised officer of Customs & Excise.

10.2. Details of Records to be kept by Mineral Oil Traders

10.2.1. General Requirements

All records required to be kept by or under the **Mineral Oil Tax Regulations, 2001** must be

(a) **legible**: in the case of a record held in a non-legible form (including information held in a computer or other electronic medium) they must be produced in a legible form or reproduced in a permanent legible form;
(b) **contemporaneous**; and
(c) sufficiently **comprehensive** so that the following particulars may be readily ascertained:-
   (i) the amount of any mineral oil tax payable;
   (ii) any adjustments with respect to the mineral oil tax payable;
   (iii) the time when payment is due with respect to any payable mineral oil tax, and
   (iv) the date, amount and method of any payment of mineral oil tax.

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10.2.2. Records of Certain Types of Transactions

Every mineral oil trader must keep, in a form acceptable to the Commissioners, a record of the following transactions in respect of each specified description of mineral oil:

- any production, buying, selling, importation, exportation, dealing in or handling of any mineral oils carried on by him;
- any financing or facilitation by him of any such transactions or activities (whether or not those transactions or activities are carried on by him); and
- any supplies of goods or services received by him in connection with or to enable him to undertake such transactions or activities.

The records of each purchase, sale, receipt or delivery of each specified description of mineral oil by a mineral oil trader must include the following particulars:

(a) the name and address of the seller, purchaser, consignor or consignee, as the case may be;
(b) the address of the premises or place whence the mineral oil was received or to which it was delivered;
(c) the date of the transaction; (d) nature of transaction;
(d) the quantity of mineral oil involved in the transaction;
(e) whether tax has been paid, remitted or suspended or repaid on the mineral oil involved in the transaction and, if paid, whether at the standard or a reduced rate, and
(f) a record of any payment for the mineral oil, containing such a reference to the transaction that it may be readily identified.

It is to be noted that the requirements set out in this paragraph do not apply to individual transactions relating to the sale of mineral oil in the course of fuelling the fuel tank of any vehicle. A record of the aggregate daily quantities of such sales transactions is, however, to be maintained by the mineral oil trader concerned.

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10.2.3. Records Received or Issued by Mineral Oil Traders

The Regulations require all mineral oil traders to keep all records of the type described hereunder, including documents that are received by them and copies of all documents that are issued by them:

- invoices, credit notes and debit notes;
- records relating to importations, exportations, storage, movement, purchases and sales;
- statements of account;
- records of payments or receipts;
- journals and ledgers;
- profit and loss, trading, and management accounts and reports, balance sheets and trading forecasts;
- internal and external auditor's reports;
- records relating to any remission, repayment or reimbursement of mineral oil tax, and
- any other record relating to mineral oils which is kept for a business purpose.

10.2.4. Stock Accounts

A mineral oil trader must keep, in such form and manner as the Commissioners may require, a stock account of each specified description of mineral oil produced or processed in, received into, held in and delivered from, his or her premises. Each transaction is to be entered in the stock account not later than 12 o'clock midday on the next working day following the date the transaction occurred. The account is be balanced by the mineral oil trader at the end of each month or such other period as may be required by the proper officer.

10.2.5. Mineral Oil Tax Account

Every mineral oil trader who is liable to pay any amount of tax must keep a mineral oil tax account showing the amount, date and method of payment of any tax paid by the mineral oil trader in respect of each tax accounting transaction or period.

10.3. Alterations to Records

In respect of any record required to be kept under the Regulations, a person may not:

- obliterate any entry therein;
- make any entry therein which is untrue in any particular, or
- alter or cancel any entry therein except for the purpose of correcting an error. Any such alterations or cancellations shall be made in a manner that does not render illegible the original entry, or any part thereof.

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10.4. Retention of Records

The records that are required to be kept by the Mineral Oil Tax Regulations, 2001 must be retained for a period of not less than six years from the date of the last entry therein. The Revenue Commissioners may allow the records to be preserved for a shorter period subject to compliance with any conditions as they may think fit to impose.

10.5. Place where Records are to be held

Unless the Commissioners allow otherwise, the records required to be kept under the Regulations are to be kept at the mineral oil trader's warehouse or approved place, where relevant, and in any other case at the place where the mineral oil trader normally conducts his business.

10.6. Power to Search for and Inspect Records

Any officer, on production of his authorisation if so requested by any person affected, may, under section 136(1)(c) of the Finance Act, 2001, at all reasonable times, enter any premises in which any records are being kept, or are reasonably believed by the officer to be kept, which relate to, or reasonably believed by the officer to relate to the production, processing, holding, storage, keeping, importation, purchase, packaging, offering for sale, sale or disposal of mineral oil. The officer may there under section 136(3)(c) of the Act require any person to produce all records relating to any dealing in such mineral oil and may search for, inspect and take copies or extracts from any such records, and may remove and retain them for a reasonable period for further examination.

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11. Importation of Mineral Oil

11.1. Imports from other Member States

11.1.1. Movements under Duty Suspension Arrangements

The directions contained in the Staff Instructions relating to the Holding, Movement and Control of Excisable Products apply to mineral oil moved from a tax warehouse in another Member State of the European Community to:

- a tax warehouse,
- a registered excise trader, or
- a non-registered excise trader

in the State. Mineral oil intended for direct delivery for home consumption is to be entered on an EDE and the proper tax paid at time of entry.

11.1.2. Movements of Duty-Paid Mineral Oil into the State

11.1.2.1. Movements by Road Tanker from Northern Ireland

A simplified system is in place for dealing with movements of hydrocarbon oils and LPG into the State by road tanker from Northern Ireland. This system is explained in the Staff Instructions relating to the Holding, Movement and Control of Excisable Products.

11.1.2.2. Mineral Oil imported for Personal Use

It is to be noted that there is no relief from mineral oil tax on mineral oil acquired tax-paid in another E.U. Member State and moved by private individuals into the State for their own personal use.

11.1.2.3. Mineral Oil for Use in Outboard Engines

Mineral oil contained in the fuel tank of a sea-going vessel and a quantity of not more than 10 litres of mineral oil carried on board which is intended for use in its outboard engine may be imported free of mineral oil tax and value added tax and without formality and documentation, if the officer is satisfied as to the bona fides of the case **(Sub-section 104(2)(b), Finance Act, 2001)** refers.

11.2. Imports from Third Countries

Mineral oil imported from third countries for direct delivery for home consumption is to be entered on a SAD on payment of the proper mineral oil tax, CCT and VAT.

Mineral oil intended for warehousing in a tax warehouse is to be entered on a SAD. The CCT duty must be paid at the point of import unless the warehouse to which the

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mineral oil is being removed is also approved as a Customs warehouse. VAT must also be paid on the warehousing SAD.

11.3. Examination of Import Consignments

11.3.1. Bulk Importations by Ship

The instructions in Part 2, Section 2 are to be followed in relation to oil entered for warehousing. Where the oil is entered for direct delivery for home consumption, the volume of oil for tax purposes is to be ascertained in accordance with the instructions in Section 9.

11.3.2. Bulk Importations by Road Tanker

The instructions in Section 14 are to be followed in relation to oil imported by road tankers.

11.3.3. Importation in Packages

The content, density, etc. shown on invoices or other relevant documentation may be accepted for mineral oil imported in packages (e.g. drums, cases, tins, etc) subject to the occasional examination. The Assistant Principal or HEO are to determine the scale of examination of such consignments on a risk analysis basis. Consignments selected for examination are to be examined to the extent necessary to verify the particulars shown on the entry.

11.4. Lubricating Oil

Mineral oil tax is not payable on lubricating oil as it is remitted under **section 100(1)(a) of the Finance Act, 1999,** because it is intended for use for purposes other than as motor or heating fuel. Lubricating oil is not subject to the control and movement provisions of **Directive 92/12/EEC**

11.5. Mineral Oil in the Standard Tank of Commercial Motor Vehicles

Mineral oil tax is remitted on mineral oil contained in the standard tank of commercial motor vehicles and other commercially mechanically propelled vehicles at the time of importation into the State under **section 100(1)(f) of the Finance Act, 1999 (as amended).** However, the mineral oil contained in the fuel tank of a motor vehicle must be tax paid in a Member State at the rate appropriate for use as a propellant. “Propellant”, “Motor vehicle”, “fuel tank of a motor vehicle ” and “standard tank” are defined in **section 94, Finance Act, 1999.** Commercial mechanically propelled vehicles are not defined but can be taken to include trains, commercial aircraft, commercial shipping, agricultural tractors and road vehicles outside the definition of “motor vehicle” in Section 94.

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11.6. Mineral Oil in the Fuel Tank of Private Vehicles

Mineral oil contained in the fuel tank of private vehicles may be admitted without payment of mineral oil tax **(section 104(2) of the Finance Act, 2001 refers).** Vehicle in this context is defined as a mechanically propelled vehicle or any other conveyance.

11.7. Importation of Trade Samples

Packages of mineral oil, imported and entered as trade samples, may be admitted free of mineral oil tax, provided the total quantity of any one description of mineral oil in a consignment does not exceed 10 litres and the officer is satisfied that they are bona fide trade samples.

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12. Exportation

12.1. Exports of Tax-Suspended Mineral Oil

12.1.1. Exports to O.M.S.

The instructions relating to excisable products moved under tax-suspension arrangements from a warehouse in the State to:

- a tax warehouse,
- a registered excise trader, or
- a non-registered excise trader

in another E.U. Member State contained the Staff Instructions relating to the

Holding, Movement and Control of Excisable Products apply to mineral oil.

However, it is to be noted that substitute fuel is not currently subject to the control and movement provisions of Council Directive 92/12/EEC.

12.1.2. Exports to Third Countries

The standing instructions in relation to exports of excisable products from a tax warehouse to third countries apply to mineral oil.

12.1.3. Security for Export Transactions

The current standard bond for a mineral oil tax warehouse is not intended to provide security for exports under duty suspension of mineral oil from a tax warehouse. Consequently, where a warehousekeeper intends to export mineral oil from a tax warehouse under duty suspension to another E.U. Member State or to a third country, further security by way of bond will be required in addition to the standard tax warehouse bond mentioned above. In any such case the warehouse control officer is to forward a report to the appropriate Collector with a recommendation as to the level of bond cover required as security for such transactions. The amount of such additional bond cover will be determined when the extent of revenue exposure arising from such export transactions is known.

12.2. Exports of Tax-Paid Mineral Oil

12.2.1. Provisions relating to repayment of mineral oil tax.

The Commissioners may, subject to compliance with any conditions which they see fit to impose, repay the tax paid in the State on mineral oil which is-

(a) exported from the State to a third country; (b) shipped as ships' stores;
(b) intended for delivery for commercial purposes to another Member

(c) State, or
(d) purchased by a person in another Member State from a State Vendor.

Repayments under (a) and (b) above are allowed under the provisions of subsections **100(1)(c) and (d) of the Finance Act, 1999,** respectively and repayments under (c) and (d) are allowed under the provisions of subsections **105(1)(a) and (b) of the Finance Act, 2001**, respectively.

12.2.2. Exports of Tax Paid Mineral Oil to O.M.S.

The instructions relating to the outward movement of excisable products tax- paid in the State contained in the staff instructions relating to the Holding, Movement and Control of Excisable Products apply to commercial exports of tax paid mineral oil to other Member States of the Community.

12.2.3. Exports of Tax Paid Mineral Oil to Third Countries

Where tax paid mineral oil is being exported as merchandise to a third country, the exporter is to lodge a properly completed Shipping Bill, form C.&E. 1040 (a single copy only), together with a SAD export declaration including transit copies where necessary, with the Customs Office of Export. All such export consignments are to be examined. After processing, the SAD copies are to be disposed of in accordance with the standing instructions. The export officer is to endorse particulars of shipment on the Shipping Bill and verify payment of mineral oil tax. Where satisfied, he / she is to endorse the Shipping Bill accordingly, record the transaction in a suitably titled book or computer record and forward the Shipping Bill to the Central Repayments Office, Coolshannagh, Monaghan, Co. Monaghan, for repayment of the mineral oil tax.

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13. Contaminated Oil

13.1. Introduction

The majority of mineral oil contaminations are as a result of the accidental admixture either of

- unmarked gas oil or kerosene with marked gas oil or marked kerosene**,** or
- light oil (petrol) with gas oil (marked or unmarked). The manner of dealing with such cases is set out below.

13.2. Contaminated Oil returned to a Tax Warehouse

The Collector may allow the return to a tax warehouse of tax paid mineral oil which has been delivered for home consumption on payment of the appropriate mineral oil tax and which has subsequently become contaminated**. {Regulation 17(a), Mineral Oil Tax Regulations, 2001 refers}.**

The warehousekeeper must give written notice to the warehouse control officer of the return of the oil, specifying the date of receipt, whence received, the description and quantity and particulars of any tax paid. The oil must be kept intact until examined by the officer.

Officers are, on receipt of notification relating to the return of contaminated oil, to visit without delay the premises where it is stored, to take an account of the oil and, where necessary, to sample it for test by the State Chemist to ascertain the extent of contamination. Samples are, on despatch to the State Chemist, to be accompanied by a written advice giving a summary of the occurrence, including a statement of the descriptions and relative quantities of oils stated to be involved in the contaminated mixture. The directions in Part 2, Section 2 are to be observed as far as applicable in regard to the ascertainment of the quantity of the contaminated oil returned to warehouse. Notifications are to be dealt with promptly so that the traders may be in a position to dispose of the contaminated oil without undue delay.

The tax warehouse control officer is to report on the contamination on form C.&E. No. 1120 and the Collector, if satisfied, will allow an allowance in respect of the tax by adjustment of the warehouse accounts.

When the contaminated oil is returned to a tax warehouse, the quantity taken back by the warehousekeeper is to be entered as a separate receipt in the ledger, and in the stock book or register as appropriate. In the case of returned oil which has been contaminated by the mixing of light and heavy oils, the total quantity is to be ledgered and added to stock as light oil or heavy oil, depending on the actual bonded stock to which it is added.

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The manner of adjustment of the tax in respect of any tax-paid oil in the mixture is as follows:

(a) Where tax was paid at the rate current at the time of the adjustment, credit for the tax is to be given by showing separately on the next appropriate home consumption warrant an equivalent quantity of oil and noting the tax column "Tax-free in lieu of returned oil." This quantity is also to be shown separately in the ledger, the tax column being noted as in the case of the warrant. If, in any case, the credit is in excess of the quantity delivered on the next home consumption warrant, the whole quantity delivered is to be delivered free of tax. Similar credit is to be given in subsequent warrants until allowance has been made for the full quantity of tax-paid oil returned.
In the case of returned oil that consists of a mixture of light and heavy oils, it is to be noted that separate credits for the tax involved are to be given in respect of the quantity of each description of oil present in the mixture.
The credits are to be certified by the officer before the warrants are transmitted to the Collector.

(b) Where the rate of tax applicable at the time of the actual delivery from the tax warehouse is not the rate current at the time of the adjustment, a "tax only" over-entry certificate is to be issued in respect of each description of oil. The relative ledger account of deliveries for the month in which the over-entry certificate is issued is to be adjusted by appropriate deductions from the monthly totals in the tax.

The allowances for loss or wastage in tank are not to be granted in respect of oil returned to a tax warehouse under this section and redelivered without having been actually deposited in a bonded tank.

13.3. Contaminated Oil not returned to a Tax Warehouse

13.3.1. General

In cases where standard rate gas oil (DERV) or kerosene is contaminated by accidental admixture with reduced rate gas oil or kerosene (marked gas oil or marked kerosene), the contamination may be dealt with by marking the mixture as marked gas oil or marked kerosene, as appropriate, and repayment of the difference in tax due on the new marked oil product and the tax paid on the hydrocarbon oils in question prior to the contamination. Collectors are to allow all such claims where they are satisfied as to the bona fides of the case. Any contaminated oil, which contains a mixture of hydrocarbon light oil and hydrocarbon heavy oil, is to be returned to a tax warehouse.

13.3.2. Procedure to be Followed

The local Station officer is to visit the premises or place where the contamination occurred as soon as possible after receipt of notification of the incident from the oil trader in order to investigate the circumstances of the contamination. The

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contaminated oil is to be marked up to standard by the oil trader under the supervision of the officer. The oil is to be sampled for analysis before and after marking to standard. If the officer is satisfied that the contamination was a genuine accident, the oil trader/user is not habitually careless and the oil tanks are marked in accordance with the Regulations, he / she may authorise delivery of the oil for use other than as a propellant prior to receiving the results of analysis. A full report of the case on form C. & E. No. 1120 is to be prepared by the officer and forwarded through the Assistant Principal to the relevant Collector for decision.

The Collector, if satisfied, is to allow the claim, sign and date stamp it and forward the file directly to the Central Repayments Office.

The Central Repayments Office, after issuing the repayment, is to add an

Advice of Repayment to the file endorsed as follows:

(a) Sum of money repaid,
(b) Name and address of person / company to whom the money was repaid,
(c) Rotation Number,
(d) Payable Order number and date,

and send the file to the officer who processed the claim. The officer is to note the station records and file the papers on the station.

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14. Sampling of Mineral Oil

14.1. Introduction

The Revenue Commissioners require mineral oil imported or delivered from a tax warehouse be sampled and analysed by the State Chemist to confirm that the importer's / warehousekeeper's declarations in regard to the mineral oil description is correct.

The Department of Environment and Local Government (DOELG) is responsible for monitoring mineral oil for compliance with the specifications of Community and National law and for furnishing reports thereon. The Revenue Commissioners have agreed to sample mineral oil in tax warehouses and at importation for the DOELG. Accordingly all samples of mineral oil taken in tax warehouses or import / facilitation stations and sent to the State Chemist for analysis for Revenue purposes will also be analysed in respect of DOELG requirements. At the time of sampling the officer is to notify the owner of, or any person who appears for the time being to be in charge of the warehouse / tanker involved that the sample is also being sent for analysis under the provisions of the Department of Environment and Local Government Regulations and offer the person a part of the sample. If the offer is accepted, the officer is to divide the sample into two parts, seal and label each part and give one part to the person concerned.

14.2. Products to be Sampled

The mineral oil products to be sampled are Unleaded Petrol, Super Unleaded Petrol, Aviation Gasoline, Gas Oil(DERV), Marked Gas Oil, Marked Kerosene, Aviation Kerosene and Fuel Oil.

14.3. Frequency of Sampling and Size of Sample

14.3.1. Sampling in Tax Warehouses

Mineral oil received into tax warehouse or produced in Whitegate refinery tax warehouse is to be sampled as outlined in the table below for each warehousekeeper. The samples are to be drawn from the oil storage tanks. In cases where storage tanks are shared by more than one warehousekeeper, they are to be treated as one for sampling purposes. Where a consignment of mineral oil is discharged into more than one storage tank, the tank that contains the greatest portion of the discharged oil is to be sampled. Mineral oil received from Whitegate refinery is not to be sampled under these instructions as it will already have been sampled prior to despatch. The frequency of sampling outlined below is not to be applied to any tank where there has been no fresh delivery of mineral oil since it was it was previously sampled. Fuel oil produced in Whitegate refinery tax

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warehouse need not be sampled under these arrangements provided that it is not used for home consumption in the State.

Mineral Oil Product	Frequency	Size of Sample
Unleaded Petrol	Twice per Quarter	3 x 1 litre (4x 1 litre between 1 June and the 31 August each year)
Super Unleaded Petrol	Twice per Year	3 x 1 litre (4x 1 litre between 1 June and the 31 August each year)
Aviation Gasoline	Once per year	3 x 1litre
Gas Oil (DERV)	Once per Quarter	2 x 1 litre
Marked Gas Oil	Once per Quarter	1 x 500 ml (½ litre)
Marked Kerosene	Once per Quarter	1 x 500 ml (½ litre)
Aviation Kerosene	Twice per Year	1 x 500 ml (½ litre)
Fuel Oil	Once per Year	1 x 500 ml (½ litre)

Details of all samples taken and the results of test received are to be recorded in the station sample register.

14.3.2. Sampling and Examination of Mineral Oil Imported in Road Tankers for Direct Delivery for Home Consumption
14.3.2.1. Road Tankers General

The Air Pollution Act, 1987 (Petrol Vapour Emissions) Regulations, 1997 provides that any tank used for the transfer of petrol by road, rail or water must be designed so that residual vapours are retained in the container after the unloading of the container. As a result any new road tanker for the transportation of petrol, produced after the 1st January, 2002, is unlikely to be calibrated or have a facility to dip the compartments as heretofore. The new road tankers may be fitted with sophisticated security and sealing devices. In the absence of suspicion the security seals on bottom loading tankers are not to be broken at facilitation stations for regular importers without their consent. This allows the oil tanker to arrive at the customer’s premises with seals intact. Consequently any examination and sampling of these consignments will have to be done at the consignor’s premises i.e. filling station, distribution depot, etc. For administrative purposes oil companies who import petrol are likely to use the modern tankers for the importation of all their mineral oil products even though they are not specifically required for gas oil and kerosene under the Regulations.

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14.3.2.2. Scale of Examination and Sampling of Mineral Oil in Road Tankers

Assistant Principals in conjunction with Higher Executive Officers at import and facilitation stations where mineral oil is imported in road tankers, trailer tankers, etc are to build a profile of the movement of mineral oil into the State in their areas of responsibility and are to decide on a scale of sampling and examination on a risk analysis basis. In doing so they should take into account the type of transport, the consignor, the consignee, the carrier, the type of fuel, the standard of documentation produced, the frequency, and the use, if any, of other facilitation stations by the importer. In cases where it is necessary to examine and sample the mineral oil at the consignee's premises (see paragraph 14.3.2.1 above), arrangements are put in place with the Revenue Anti-Evasion Team to examine and sample the oil. In such cases the Revenue Anti-Evasion Team is to sample all DERV tanks and any other oil products on the premises that they consider it necessary to sample before the oil on the road tanker is discharged into the storage tanks.

In the case of consignments sampled for analysis at import/facilitation stations, delivery for home consumption before the result of test is known may be allowed without security. However, security calculated at the standard rate of tax is to be required from any person who has previously defaulted where a revenue debt became due on receipt of the result of analysis.

14.4. Sampling Procedure

14.4.1. General

The samples are to be drawn from each consignment/tank selected for test to confirm eligibility to the correct rate of mineral oil tax in accordance with the scale outlined in paragraphs 14.3.1 and 14.3.2.2 above. Only the officially supplied screw cap tins are to be used for all such samples. Prior to sampling each tin is to be thoroughly rinsed with the oil from which the sample is to be drawn. It must be filled to three-quarters of its capacity and no more, and care is to be taken to ensure that the cap is securely fitted to prevent leakage. Sample tins need not be officially sealed under these arrangements.

Immediately after drawing the samples a properly completed sample label (Form C.& E. 865 (Rev. 1)) is to be affixed to each one, care being taken to ensure that the particulars shown on each of the labels correspond with each other and with the relevant test-note.

The samples, together with the covering test note, are to be forwarded to the State laboratory in accordance with the instructions in paragraph 4.2 hereunder. The test note {form C. & E. No. 1086 (Rev. No. 3)} is to contain a request to the State Chemist to ascertain whatever particulars are required for Revenue purposes for the particular description of mineral oil in question, e.g. for unleaded petrol (unleaded 95): "whether the product qualifies as "unleaded petrol" as defined in accordance with Section 94 of the Finance Act, 1999"; for super unleaded petrol:

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"whether the product qualifies as "super unleaded petrol" as defined in accordance with Section 94 of the Finance Act, 1999"; for Gas Oil (DERV):

"whether the product qualifies as heavy oil with a maximum sulphur of 50 milligrammes per kilogram", etc.

The State Chemist is also to be asked in all cased to sample the oil "for DOE purposes"

The description of oil being sampled is to be described in the "description of oil product sampled" box on form C.&E. No. 1086 as it appears in paragraph 14.3 above.

14.4.2. Labelling of Tins, containing Mineral Oil, under the Health & Safety Regulations

All tins containing samples of mineral oil must be labelled with 50mm health and safety label signifying "flammable goods". A roll of 250 labels may be requisitioned for Logistics Branch by specifying "Flammable Liquid 3 (Hydrocarbon Oil) Labels".

14.4.3. Storage and Transport of Samples

The transport of samples to the State Laboratory is to be undertaken by courier or where appropriate by the Revenue Anti-Evasion Teams. The name and address, transport details, etc., of any courier, contracted by the Revenue Commissioners for this work, will be advised to staff as the need arises.

Mineral oil samples are to be sent to the State Laboratory in metal clip top steel drums labelled with 100mm diamond shaped health and safety label with the same particulars as the 50mm diamond shaped label mentioned in paragraph 14.4.2 above.

The drums are to be stored at a suitable safe location by arrangement with the trader at each warehouse. The samples are to be placed upright and wrapped in packing foam or other suitable material in the drums. **The maximum quantity of mineral oil to be stored and transported in any drum is 10 litres.** The drums are then to be sealed with the official C.&E. self-locking metal seal and retained at the warehouse/facilitation station ready for collection. Samples should not be left at the warehouse except in a sealed drum unless the containers they are in are sealed. Each drum prepared for collection is to be labelled with the address of the sender and the address of the State Laboratory, Abbottstown, Dublin 15 and is to accompanied by a completed consignment note as outlined in paragraph 14.4.4 below.

When a drum is ready for collection the courier should be contacted and the requisite transport arrangements made. The following information is to be given to the courier when making arrangements for collection of the samples:

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- The Purchase Order number obtained from Logistics Branch,
- The address of the premises where the samples are stored while awaiting collection,
- The name and address of the State Laboratory, and
- A name a telephone number of a Revenue official whom the courier may contact when collecting the samples.

Where feasible the empty drums should be retrieved from the State Laboratory by the Revenue Anti-Evasion Team units in the course of their normal visits to Dublin and relocated at the appropriate warehouses/facilitation stations.

14.4.4. Consignment Note

The transport of hydrocarbon oil in quantities of 10 litres or less do not require a “Transport Emergency Card” (trem card) provided that they are packed and labelled as set out in paragraphs 14.4.2 and 14.4.3 above and that each drum is accompanied by a consignment note which contains certain details required by the Health and Safety Regulations. Form C.&E. No. 1129 has been designed for this purpose. The form has the UN Number, Class and Packing Group for petrol, diesel and kerosene pre-printed on it. Officers are to complete a consignment note (form C.&E. No. 1129) for each drum and are to ensure that the total quantity of oil in each drum is not more than 10 litres. The completed consignment note is to be placed in an envelope marked “Consignment Note” and attached to the drum in such a manner that it is available to the driver, officers of the fire brigade, or any other interested parties in the case of emergency such as an accident, fire etc.

14.5. Result of Test of Samples taken in Tax Warehouses / Facilitation Stations

If the result of analysis taken in tax warehouses or at a facilitation station proves unsatisfactory, the facts are to be immediately reported to the warehousekeeper / importer and an explanation sought. The storage tank involved is to be re-sampled for analysis and the State Chemist is to be requested to analyse the product as a matter of urgency. The facts are to be reported (by telephone, if necessary) to the Commissioners.

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15. Return of Monthly Mineral Oil Tax Statistics

15.1. General

The Excise Statistics Section, Indirect Taxes Statistics and Administrative Budget Branch, Corporate Management Division compiles a monthly report for the Board and the Dept. of Finance on the first day of each month in respect of mineral oil tax receipts in the previous month. In order to compile this report on a timely basis, the Excise Statistics Section must receive details of the receipts each month by mid-day on the first working day of the following month. The statistical data required, is to be furnished on form C.&E. No. 1109 (Rev. No. 1). The form is to be completed in respect of the tax receipts on deliveries for home consumption ex warehouse, ex refinery and by direct importation. Officers employed at facilitation stations are to maintain a local record of the daily receipts to facilitate the completion of the form at the end of each month.

15.2. Completion and Transmission of Monthly Return

When completed, the form is to be transmitted by facsimile to the Excise Statistics Section to arrive by mid-day on the first working day of each month. Where possible actual receipts for the month are to be given. The original is to be filed on the station. Where a return of the data is likely to be delayed due to difficulties in the compilation of the actual receipts, provisional figures are to be provided, the form being noted accordingly.

In the event of any difficulty with a facsimile transmission, the information is to be furnished by telephone. Where provisional figures are provided, officers are to ensure, by reference to the traders records if necessary, that the information furnished accurately reflects the tax receipts for the month in question.

15.3. Assistant Principals' Duties

Assistant Principals are to ensure that any necessary arrangements are in place with warehousekeepers to enable the requisite information to be readily obtained and transmitted on a timely basis. They are to regularly inspect the original copy of form C&E. No. 1109 to verify that the required data has been transmitted on time.

15.4. Supplies of Form C.&E. No. 1109

Supplies of form C.&E. No. 1109 may be requisitioned from the Revenue Warehouse in the normal manner.

16. Mixing of Mineral Oils

16.1. Law

Regulation 30, Mineral Oil Tax Regulations 2001 provides that without the approval of the Commissioners and subject to compliance with such conditions as they may impose, a person shall not:

(a) mix mineral oil of different specified descriptions**;**
(b) mix mineral oil of a specified description on which tax has been paid at the standard rate with mineral oil of the same specified description on which tax at a reduced rate has been paid or on which a relief from tax, either by remission or repayment, has been granted; or
(c) mix mineral oil of a specified description on which tax has been paid at a reduced rate with mineral oil of the same specified description on which tax at a different reduced rate has been paid or with mineral oil on which a relief from tax, either by remission or repayment, has been granted, or
(d) mix or blend marked gas oil or marked kerosene with fuel oil unless
    (i) such operations take place in a tax warehouse, and
    (ii) the mineral oil produced by such blending or mixing is fuel oil.

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17. Return of land frontier oil imports

17.1. General

The National Oil Reserve Agency (NORA) was set up under Statutory Instrument No. 96 of 1995 and is funded by a levy on oil product sales. For the purpose of the assessment of this levy, the Commissioners have agreed to furnish, on a monthly basis, details of imports of mineral oil across the land frontier to the Department of Communications, Marine and Natural Resources.

17.2. Monthly Return by Facilitation Station Officers

Officers at facilitation stations (Bridgend, Lifford, Monaghan, Carrickarnan) are to post or FAX a monthly return on form C.&E. No. 1121 of oil imports across the land frontier to the Department of Communications, Marine and Natural Resources not later than the fifth working day following the month of importation. Importations of mineral oil by Burmah Castrol Ltd., Statoil Ltd., or Irish Shell Ltd. need not be included in the return. A separate return is to be furnished for each trader. Original copies of the form may be obtained by requisition from the Revenue Warehouse at Santry in the normal manner.

Details of the Name, Address, Phone Number and FAX Number of the contact person in the Department of Communications, Marine and Natural Resources is already notified to the officers in the facilitation stations and these officers will be notified of any changes in those particulars if and when they arise.

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Mineral Oil Manual (2003 version)

Part 2 – Warehousing

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1. Approval of Tax Warehouses

1.1. Approval of Tax Warehouses

A premises for the storage or production under duty-suspension arrangements of mineral oil as defined in section 94(1), Finance Act, 1999 must be approved as a tax warehouse under Section 109, Finance Act, 2001. The proprietor of the tax warehouse must be approved as an authorised warehousekeeper under the same section. Section 109(7), Finance Act, 2001 provides that any person approved as an authorised warehousekeeper and any premises approved as a tax warehouse under section 95, Finance Act, 1992 are deemed by the Commissioners to be approved as an authorised warehousekeeper and as a tax warehouse respectively under Section 109. The grant of warehousing privileges in respect of hydrocarbon oils is confined to main storage tanks at ocean and coastal oil installations.

In addition, however, the Commissioners are prepared to consider applications for approval, where required:

(a) of a store or compartment in the tax warehouse for the deposit of packaged mineral oil intended for delivery under authorisation on relief of mineral oil tax under the provisions of Section 100(1), Finance Act,1999; and
(b) of a premises for the deposit of mineral hydrocarbon heavy oil, from persons who ordinarily sell such oil to persons who buy for resale.

Taxable oils may, on the responsibility of the warehousekeeper and subject to any regulations as to storage under the Petroleum Acts, be deposited in any general warehouse approved for the deposit of dry goods.

1.2. Approval of Store or Compartment

Where a warehousekeeper desires to receive mineral oil, otherwise than in bulk, for delivery on relief from mineral oil tax under authorisation, application should be made for the approval of a store or compartment for the deposit of the oil under bond.

The security of the approved stores is the responsibility of the warehousekeeper. The Regulations relating to tax warehouses are to be applied. No operations are allowed.

1.3. Approval of Non-Proprietorial Authorised Warehousekeepers

Collectors are to approve persons as non-proprietorial authorised warehousekeepers (i.e. persons who warehouse mineral oil in the tax warehouse of another approved warehousekeeper) where they are satisfied as to the bona fides of the applicant. The

Collector is to forward to Beer and Oils Administration Branch a copy of each such approval granted.

1.4. Approval of Storage Tanks

Applications by authorised warehousekeepers for approval of additional storage tanks or for the change of usage for existing storage tanks are to be dealt with by Collectors. A new schedule of approved oil storage tanks is to be issued to the warehousekeeper in each case and a copy of this schedule is to be sent to Beer & Oils Administration Branch.

1.5. Applications for Approval

Applications for approval of premises as tax warehouses should be made in writing to the Assistant Principal in whose area the warehouse or installation for which approval is sought is situated. The application is to contain the particulars specified in Regulation 6 and Schedule 2 of the Mineral Oil Tax Regulations, 2001. In addition, the applicant is to give the name and address of the proposed sureties to the Bond.

1.6. Processing of Applications

Applications for approval are to be acknowledged immediately upon receipt and are to be reported upon in the normal way. In addition to ensuring that all the required particulars are supplied, the following matters are to be addressed in the report:

- The suitability of the premises or place in relation to design and construction so as to ensure the security of the mineral oil tax,
- The effectiveness of the general security arrangements in place to deter the illicit removal of mineral oil from the tax warehouse,
- The access to all tanks and the safety measures provided,
- Any specific conditions or restrictions for inclusion in the approval, and Revenue staff implications.

The report is to be forwarded by the Assistant Principal to the Collector. The Collector is to add his/her observations and recommendations on the application to the report and submit it to Beer & Oils Administration Branch. Beer & Oils Administration Branch, if satisfied, will issue the approval directly to the applicant and forward a copy of the approval to the Collector for his/her information and for the information of staff concerned. The control officer is to record details of the approval in the Store Register or other appropriate record. Any proposed additions or alterations to the approval are to be reported to the Collector.

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1.7. Revenue Security

Revenue locks are not required on authorised warehouses or tanks. In the case of approved tanks, all charging pipes are to be secured by means of the official wire and plomb, except when required to be open for the receipt of oil from import, on removal under duty-suspension from another tax warehouse or from a refinery, or from another tank on the premises. The discharge pipes will ordinarily remain unsecured except when sealed for the taking of a receipt account.

1.8. Bond

The warehousekeeper will be required to enter into a general bond, in a penalty to be determined by the Commissioners, covering, as appropriate, the production, storage and removals of mineral oil within the State under duty suspension arrangements. The standard amount of the bond for a mineral oil tax warehouse is €127,000. If the warehousekeeper intends to export mineral oil under a duty suspension arrangement to other E.U. Member states or to third countries, additional security by way of bond will be required. The amount of such additional bond cover will be determined when the extent of the revenue exposure arising from such export transactions is known. The bond will be prepared by the Revenue Solicitor.

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2. Receipts of Tax Warehouses

2.1. Introduction

The instructions in this section deal mainly with taking account of bulk mineral oils received ex-ship into tax warehouse storage tanks, whether the oil/liquefied petroleum gas is received on importation from third countries, on movement under duty suspension from a warehouse in another E.U. Member State, or from a refinery warehouse or other warehouse in the State. Where more than one oil warehousekeeper is concerned in a consignment of oil / L.P.G. received into tax warehouse, the total quantity is to be treated as a unit for the purposes of the despatch and receipt accounts, and for the calculation of any transit deficiency. The examination of fuel oil and liquefied petroleum gas is modified to the extent outlined in paragraphs 8 and 9.

2.2. Advance Notification of Arrivals

Each warehousekeeper must arrange with his tax warehouse control officer to give sufficient prior notification of the date and expected time of arrival of all vessels carrying consignments of mineral oil for discharge into his/her tax warehouse storage tanks. This notification must also include a description of the mineral oil and particulars of the storage tanks into which the oil is to be discharged. The warehousekeeper must, at the earliest opportunity, inform the officer of any change in the expected time of a vessel's arrival and also of the vessel's actual arrival time. Particulars of such notifications are, on receipt, to be entered in a suitably titled book.

2.3. Method of Ascertaining the Quantity Received

Care is to be taken to ensure that all receiving tanks are properly secured pending the taking of the account of oil received into warehouse (see paragraph 4). An account, in standard litres, of the oil in the receiving tank is to be taken prior to the discharge of oil into the tank (referred to as the "prior account"), in accordance with the procedures set out in Section 9 of Part 1. A similar account of the oil in the receiving tank on completion of discharge (referred to as the "after account") is to be taken at a time agreed with the warehousekeeper, sufficient time (referred to as the "settling period") being allowed for any water to settle at the bottom of the tank. Responsibility for taking the prior and after accounts rests with the warehousekeeper in all instances where the officer does not attend to take an official account (see paragraphs 5 and 6).

The bulk quantities for both the "prior account" and "after account" must be ascertained by dipping the storage tank (see Part 1, Section 9, paragraph

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2.2). However, in all cases where physical dips are taken at a warehouse, the officer is to note the appropriate automatic tank gauge readings and compare the volume of product ascertained by each method. Any significant differences in volume indicative of a gauge malfunctioning are to be drawn to the attention of the warehousekeeper who is to be advised to take immediate corrective action.

The quantity of the oil received into the receiving tank (i.e. the receipt account) is to be taken as the difference between the "after account" and the "prior account", subject to any adjustments that may be necessary relating to the condition of the pipelines prior to and after discharge, as set out hereafter, and to instances where concurrent receipts and deliveries are allowed (see paragraph 7). In addition, the officer is to compare the receipt account with the warehousekeeper's out-turn and any certificates given by independent assessors where these are available. The certificate of quality is to be examined in order to verify the mineral oil description, sulphur content, lead content, mon/ron etc. as appropriate. Where there is any suspicion of an irregularity the matter is to be reported to the Assistant Principal for directions.

Prior to and after discharge, it is to be ascertained whether the pipelines through which discharge takes place contain oil and a note of the position is to be made in the receipt account. Where the condition of the pipelines before and after discharge varies, a suitable adjustment is to be made in the receipt account.

Particulars of the quantity of each consignment of oil received into warehouse are to be entered in the stock book (C. & E. No. 437) in the case of bulk receipts into storage tanks. Receipt particulars must also be entered in the ledger, any increases found on receipt being brought to account in the usual manner.

Every opportunity must be taken to compare the official receipt account with the records of the warehousekeeper, and discrepancies which cannot be satisfactorily accounted for are to be fully investigated.

2.4. Securing and Sealing of Valves, Pipe Connections, etc.

Warehousekeepers must provide proper means for isolating all receiving tanks other than those into which it is intended to receive oil during a particular discharge ex-ship. For the purpose of making the isolation effective until the receipt account has been taken, and at such other times as may be considered necessary, all relevant pipe connections, valves, etc., which could facilitate the delivery of oil or its diversion to another tank are to be properly secured by means of official wire and plumb. The warehouse officer in the circumstances set out in paragraphs 5 and 6 hereafter may allow modification of these sealing arrangements.

Where a warehousekeeper wishes to effect an inter tank transfer to facilitate a receipt ex-ship, he is to be advised to conduct the transfer before the "prior account" is taken. Where this is not practicable the warehousekeeper may be allowed to effect the transfer after the "prior account" has been taken in accordance

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with the procedure in paragraph 5, the sealing arrangements being modified to allow for that situation. In such cases however the officer is to take the "prior account" and "after account" and raise receipt accounts in respect of both tanks, ensuring that the sealing arrangements are such as to prevent diversion of landed product to any other tanks.

In cases where a warehousekeeper will not require access to receiving tanks during the period between the "prior account" and "after account" dips, the sealing of the appropriate pipes, valves and delivery outlets is to be carried out in accordance with the directions above at the time of taking the "prior account" dip. In cases where he requires to take deliveries of product from a designated receiving tank during the period between the taking of the "prior account" and "after account" as described in paragraphs 5 and 6 hereafter, the sealing of pipes, valves and outlets may be modified to accommodate the warehousekeeper's request. The officer is, however, to ensure that tanks connected to the designated receiving tanks are sealed to prevent diversion of landed oil products to tanks other than those designated to receive products ex ship.

2.5. Raising the "Prior Account"

2.5.1. Responsibility for Taking the Account

Where the discharge of bulk oil into a receiving tank commences during normal hours of official attendance, the "prior account" of the receiving tanks is to be taken by the warehouse officer in all such cases in accordance with the directions in paragraph 3 above. In these cases the normal sealing arrangements set out in paragraph 4 are to be applied. Where, however, the officer allows, on request, deliveries to take place concurrent with the receipt of oil into the receiving tank the delivery pipeline from that receiving tank need not be sealed. The procedure in paragraph 7 is to be followed in this latter case.

Similarly, in cases where a warehousekeeper proposes to commence discharge of oil into warehouse tanks outside of normal official attendance hours and where sufficient extra storage facilities exist to enable him/her to take the receiving tanks out of service, for delivery purposes, the 'prior account' is to be taken by the officer as close as possible to the close of the normal official day. In this case the normal sealing arrangements set out in paragraph 4 are to be applied.

Where a ship commences to discharge bulk oil outside of normal attendance hours and where the warehousekeeper will require access to the receiving tanks outside normal hours for the purpose of delivering oil from such tanks, the officer is, in the absence of suspicion, to attend at the time of discharge and take a "prior account" in only one in three of such cases. Where the officer does not attend to take the "prior account" the warehousekeeper must take the account in the manner set out in section 9 of Part 1. In these cases the following modified sealing arrangements are to be applied. Where the officer does attend outside official hours to take the "prior account" he is to apply the normal sealing arrangements set out in paragraph 4. Where, however, the warehousekeeper requests that deliveries continue concurrent

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with the receipt of oil into a receiving tank the delivery pipeline from that receiving tank need not be sealed. The procedure in paragraph 7 is to be followed in this latter case.

2.5.2. Verification of Warehousekeeper's "Prior Account"

In all cases where a "prior account" must be raised outside official attendance hours, the warehouse officer must, at a time agreed with the warehousekeeper which is to be as near as possible to the close of the official day, note and record the automatic tank gauge readings of the designated receiving tanks (referred to hereafter as the "prior verification- account") and the meter readings of the relevant gantry delivery pumps and obtain a printed readout of these readings where such a facility is available. The officer is also to note and record the serial number of the delivery docket/invoice in respect of the last road tanker load delivered from the gantry immediately prior to reading the gantry meters. This procedure is to be applied whether or not the officer subsequently intends to attend at the time of commencement of discharge to take an official "prior account". The information obtained from this "prior verification-account" procedure is to be used by the officer in verifying the accuracy of the warehousekeeper's "prior account" where the officer does not attend at the commencement of discharge to take an official "prior account".

2.5.3. Acceptance of Warehousekeeper's "Prior Account" for Official Purposes

Where, on completion of the verification process set out in paragraph 5.2

above, the warehouse officer has no reason to doubt the accuracy of the warehousekeeper's "prior account", he/she is to accept this account for official purposes and enter the relevant particulars in the Record of Dips of Tanks (Book C. & E. 436). He/she is also to make a note in the Observations column of this record, opposite the relevant entry, as follows: "As per warehousekeeper's 'prior account', dated ...".

Where there is any suspicion of an irregularity the matter is to be reported to the Assistant Principal for directions. Where the officer is not satisfied with the accuracy of the warehousekeeper's "prior account" but is satisfied that there is no irregularity, he/she is to refer the matter to the Assistant Principal if agreement is not reached with the warehousekeeper on resolving the discrepancy. If, after investigation, the Assistant Principal cannot resolve the matter to his satisfaction, a full report including all the relevant details is to be submitted to the Collector for directions.

2.6. Raising the "After Account"

2.6.1. Responsibility for Taking the Account

If, upon completion of discharge of bulk oil into a receiving tank, the required "settling period" ends during official attendance hours, the warehouse officer is to

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take the “after account” of the receiving tank in all such cases, in accordance with the directions in paragraph 3 above. Similarly, in cases where the required “settling period” ends outside of normal official attendance hours and where the warehousekeeper does not need access to the receiving tank during that period, the “after account” is to be taken by the officer at the earliest opportunity on commencement of the next normal official day. In these cases the established sealing arrangements (see paragraph 4) are to be applied.

Where a discharge of bulk oil and required “settling period” ends outside of normal attendance hours and where the warehousekeeper requires access to the receiving tanks outside normal hours for the purpose of delivering oil from such tanks, the officer is, in the absence of suspicion, to attend and take an “after account” in only one in three of such cases. Where the officer does not attend to take the “after account” the warehousekeeper must take the account in manner set out in section 9 of Part 1. In these cases the following modified sealing arrangements are to be applied.

2.6.2. Verifying the Warehousekeeper’s “After Account”

Where an officer does not attend at the end of the “settling period”, after completion of discharge into a receiving tank, to take an “after account”, he/she is to take an account (referred to hereafter as the “after verification- account”) at a time agreed with the warehousekeeper which is to be as close as possible to the start of normal official attendance on the next working day following discharge. This “after verification-account” is to be taken by reading the automatic tank gauges and the gantry meters in a similar manner to that described in paragraph 2.5.2 above in respect of the “prior verification- account”. The receipt quantity is to be ascertained by reference to the “prior account”, the volume being adjusted to take account of any deliveries in the intervening period between the “prior account” and “after account”. The volume of deliveries in the intervening period can be ascertained by reference to the “prior” and “after” readings of the gantry meters and examination of the warehousekeeper’s records is only to be required where a significant difference has been found between the account declared by the warehousekeeper and the official account computed as above.

For the purpose of computing the volume in standard litres in respect of the “after verification-account” the temperature, density and water levels as ascertained by the warehousekeeper, on taking the “after account”, may be accepted. In these cases the officer is occasionally to check the warehousekeeper’s declaration of density and water levels in one or two of the tanks declared at a convenient time before the next receipt of product into those tanks. The frequency of these checks may be determined locally having regard to the level of receipts and revenue risk involved. It is to be noted that automatic tank gauge and gantry meter readings are to be taken for each oil product at a time when there is no delivery of that particular product taking place at the gantry and this procedure is to be undertaken in such a manner as to cause minimum disruption to the warehousekeeper’s normal delivery activities.

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2.6.3. Acceptance of Warehousekeeper's "After Account" for Official Purposes

Where, on completion of the verification process set out in paragraph 2.6.2 above, the warehouse officer has no reason to doubt the accuracy of the warehousekeeper's "after account", he is to accept this account for official purposes (see paragraph 3) and enter the relevant particulars in the Record of Dips of Tanks (Book C. & E. 436). He/she is also to make a note in the Observations column of this record, opposite the relevant entry, as follows: "As per warehousekeeper's 'after account', dated ....".

Where there is any suspicion of an irregularity the matter is to be reported to the Assistant Principal for directions. Where the officer is not satisfied with the accuracy of the warehousekeeper's "after account" but is satisfied that there is no irregularity, he/she is to refer the matter to the Assistant Principal if agreement is not reached with the warehousekeeper on resolving the discrepancy. If, after investigation, the Assistant Principal cannot resolve the matter to his satisfaction, a full report including all the relevant details is to be submitted to the Collector for directions.

2.7. Concurrent receipts and deliveries

Deliveries from receiving tanks during discharge from the receiving vessel may be allowed on the following conditions:-

(a) A written request is to be made by the warehousekeeper to the officer on each occasion that it is desired to deliver oil from tanks into which imported oil is being discharged from the importing vessel;
(b) The request specifies the quantity for delivery;
(c) When delivery is completed, a statement showing the actual quantity delivered is to be furnished to the officer;
(d) The quantity delivered is to be added to the quantity in the tanks shown by dipping on completion of the discharge for the purpose of ascertaining the total quantity received;
(e) The quantity delivered is to be verified by the officer from inspection of the warehousekeeper's records. Occasionally the quantity is to be checked, when practicable, by dipping the road tankers.

2.8. Receipts of Fuel Oil

The provisions of the above paragraphs are to be modified in respect of the physical examination of fuel oil as set out hereunder. The warehousekeepers declaration of the amount of fuel oil received is to be accepted subject to the complete examination of one receipt every six months. The quantity received is to be verified by inspection of the company outturn and landing account and by comparison of the amount advised with the accompanying documents (AADs, invoices, etc).

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2.9. Receipts of L.P.G.

In the absence of suspicion the amount shown received on the warehousekeepers outturn is to be accepted for Revenue receipt purposes. The officer is to compare this figure with the amount advised on any accompanying document (AAD, invoice, certificate of quality, etc) and with the outturn /documentation of an independent third party if applicable. There is no official attendance required when a ship is discharging outside official hours, with the exception of an occasional visit, which must be authorised by the Assistant Principal.

2.10. Assistant Principals' Duties

Assistant Principals are to closely monitor the operation of the arrangements described in paragraphs 2.5, 2.6 and 2.7 above and give particular attention to variations noted between the accounts raised by the warehousekeeper and the results of the official verification process. Assistant Principals are to satisfy themselves that such differences where they occur are not due to any irregularity at the tax warehouse.

2.11. Charge to Merchants for Officer's Attendance

A charge is to be raised against the warehousekeeper for any attendance given by an officer outside the hours of 8 a.m. to 6 p.m. for the examination on importation of mineral oils in tax warehouse.

2.12. Examination of Packaged Mineral Oils

The instructions outlined in Section 11 of Part 1 are to be followed for the examination of packaged mineral oil received into warehouse. Particulars of the quantity of each consignment of oil received into warehouse are to be entered in the warehouse register and ledger.

2.13. Losses in Transit in the State and between Member States

2.13.1. Law

The provisions of **section 106, Finance Act, 2001** allow for the remission of mineral oil tax on losses in the transportation of mineral oil between:-

- tax warehouses in the State, and
- between tax warehouses in other Member States and tax warehouses in the State.

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2.13.2. Station Record of Losses or Gains

A record is to be kept of all losses or gains in transit, showing the percentages in respect of each consignment. The record is to be kept in a manner which will enable the Officer to make a comparison between percentage loss or gain in transit in oil or L.P.G. received from other tax warehouses in the State, from other E.U. tax warehouses and from third countries. The record is to be referred to by Officers investigating irregularities or excessive deficiencies in transit or in warehouse.

2.13.3. Standard losses in Transit

Officers may allow standard losses in transit under the provisions of **section 106, Finance Act, 2001** provided that they are satisfied as to the bona fides of such losses.

2.13.4. Excessive losses in Transit

In all cases where an excessive loss is disclosed by an account taken, any tank concerned is to be re-dipped at once for both oil and water dips as a check on the original account. This instruction is to be observed even though the tank or tanks involved have been brought into use for delivery of oil since the receipt account was taken. All excessive losses in transit are to be fully investigated and reported to the Collector who, if satisfied that the causes of the losses are bona fide, that no error in account has occurred and that fraud or irregularity is not suspected, may allow the losses.

Any cases of suspected fraud or error in account are to be investigated and, if necessary, reported to Beer & Oils Administration Branch. Mineral oil tax is not to be called for pending consideration by the Commissioners of the relative report.

2.13.5. Assistant Principals' Duties in Regard to Transit Losses

Assistant Principals are to satisfy themselves that delivery and receipt accounts of oil removed from warehousing and rewarehousing are correctly taken. In particular, they are, if opportunity offers, to check a proportion of the dips taken prior to the deposit of oil in receiving tanks.

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3. Deliveries for Home Use

3.1. Introduction

The tax charge-point in respect of warehoused mineral oil (i.e. hydrocarbon oil, L.P.G., substitute fuel and additives) is the time of delivery from a tax warehouse for home use. As deferred tax payment arrangements do not apply to mineral oils, tax is, therefore, payable at the time, or in advance, of delivery of each consignment of oil from a tax warehouse for home use. However, account is not taken of individual consignments delivered for dutiable use as special arrangements are in place for collecting and assessing tax on mineral oil delivered from a tax warehouse. These arrangements are designed to meet the requirement to pay tax at the time, or in advance, of delivery from a tax warehouse while keeping the administrative burden for both the trade and Revenue at a minimum. They are set out hereafter in this section, and include:

- the advance lodgement by warehousekeepers of the estimated tax due on daily deliveries for home consumption (i.e. the 'daily tax deposit' system);
- the raising of a monthly period account at the end of each calendar month on which the assessment of the tax liability for that month is based, and
- the furnishing of home consumption warrants and balancing tax remittances, where appropriate, for any outstanding tax due to Collectors at the end of each month.

Under the arrangements, warehousekeepers are also responsible for carrying out a complete stock-taking of all mineral oil held in their tax warehouse/s under duty-suspension on the last working day of each calendar month and furnishing a stock return to their warehouse officers. This stock return will, subject to verification by the officer, form the basis of the official monthly period account for tax purposes. Warehousekeepers are also responsible for ensuring that their daily deposits of tax to Collectors reflect, as closely as possible, the tax chargeable on deliveries from warehouse for dutiable purposes on the relevant days, so that the revenue cash flow is maintained at its proper level.

3.2. Daily Tax Payment Arrangements

3.2.1. General

For administrative convenience, the tax chargeable on mineral oil delivered for home consumption is assessed once per month on the basis of monthly period accounts. Warehousekeepers are required to pay, under the daily tax deposit system described in paragraph 3.2.3 hereunder, the estimated tax due on each day's deliveries for home consumption.

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3.2.2. Daily Tax Deposit System

Under this system each warehousekeeper is required to pay to the Collector, by 10.30 a.m. at the latest on each working day, a deposit of the estimated tax due on deliveries from tax warehouses for home consumption during the course of that day. Unless a centralised payment arrangement is in operation (see paragraph 4), a separate daily deposit must be lodged by the warehousekeepers with the appropriate Collectors in respect of each of their tax warehouses. Where a warehousekeeper is operating under a centralised payment arrangement, the daily deposit to be paid to the designated central Collector must be sufficient to cover the daily deliveries from all tax warehouses covered by the arrangement.

The warehousekeeper is responsible for calculating the amount of the daily deposits to be paid to the Collector and ensuring that they are adequate to cover the tax due on mineral oil deliveries for home consumption during the

'deposit period'. The 'deposit period' means the calendar week period during which a 'fixed' deposit amount is paid daily to the Collector as an advance of the tax due on oils delivered for home consumption during that

'deposit period'. Reference hereafter to the 'base period' means the calendar week period which is used as the base for calculating the amount of the daily deposit to be paid in the related 'deposit period'. The 'base period', in relation to a specific 'deposit period', is the second calendar week period prior to that 'deposit period'.

The daily deposit to be paid to the Collector during each 'deposit period' is, subject to any adjustment that may be deemed necessary as indicated hereafter, to be calculated by the warehousekeeper as the amount equal to approximately one-fifth of the total tax payable on mineral oil delivered for home consumption from the warehouse during the related 'base period'. Where, however, the warehousekeeper expects mineral oil deliveries for home consumption during the 'deposit period' to significantly exceed or fall short of deliveries during the related 'base period' he is to increase or reduce, as the case may be, the daily deposit accordingly. The daily deposit is to be calculated to the nearest €1,000, intermediate amounts of €500 or more being rounded up to the €1,000 above, and less than €500 rounded down to the €1,000 below.

Where a centralised payment arrangement is operated (see paragraph 4), a composite daily deposit is to be lodged daily by the warehousekeeper with the relevant central Collector. For each deposit period, the composite daily deposits are to be calculated by aggregating the daily deposits for each tax warehouse included in the arrangement. The warehousekeeper must advise the central Collector of the amount of the composite daily deposit, which is appropriate to each individual tax warehouse, covered by the arrangement.

LPG tax warehousekeepers may elect to make only one payment of tax for each 'deposit period' and may also elect to use ten-day accounting periods as their

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'deposit periods', in lieu of the calendar week. Where warehousekeepers elect to adopt the aforementioned procedures they must:

- inform the warehouse control officer accordingly in writing, and
- furnish a deposit covering the estimated liability for the full 'deposit period', to the Collector in advance of the commencement of each period.

3.2.3. Tax Adjustments at End of 'Deposit Periods'

At the end of each 'deposit period' the warehousekeeper must ascertain the actual quantity of each mineral oil product delivered for home consumption during that period and calculate the amount of tax payable thereon. Where the difference between the total of the daily deposits paid in the period and the total tax payable for the deposit period exceeds €1,000 the following procedure is to be followed. In the case of a tax short-payment the warehousekeeper must, on the next working day, make an additional deposit of the amount short-paid to the Collector. Where a tax overpayment has occurred the warehousekeeper has the option of taking no immediate corrective action on the matter, or, of deducting the amount of the overpayment from the next normal daily deposit (or, if applicable, the amount of deposit period in the case of LPG) due to be paid to the Collector.

Following the taking of the monthly period account at the end of each calendar month, the difference between the total of the daily deposits (or, in the case of LPG the total of the deposit periods) and additional deposits paid to cover the tax on deliveries during the month and the total tax payable is, on presentation of the relative monthly period warrants to the Collector, to be adjusted by an additional payment in respect of any deficiency or by repayment of any surplus.

3.2.4. Monitoring of Daily Deposits

Accounts office staff in the Collectors office are to closely monitor the operation of the daily deposit arrangement and ensure that the warehousekeeper carries out his responsibilities in this area in the required manner. All cases of failure by a warehousekeeper to properly discharge the responsibilities assigned to him are to be reported, without delay, to the Collector or the central Collector in the case of centralised tax payment arrangements. The accounts office staff are to notify warehouse control officers of any case where the daily deposits paid fall considerably short of the amount payable at the end of the month.

Warehouse control officers are occasionally to examine the warehousekeeper's records to verify that they have properly ascertained the actual quantity of mineral oil delivered for home consumption during the 'deposit period' and paid any additional deposits due in accordance with the requirements of paragraph 3.2.3 above. Where officers are not satisfied in this regard and in cases where notification has been received from the accounts staff that the daily deposits fall short of the amount payable at the end of the month they are to request the immediate

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payment of any tax short-paid, and the warehousekeeper's explanation is also to be requested. If a satisfactory explanation is not immediately furnished, a suitable warning, in writing, is to be issued to the warehousekeeper and the matter is to be reported, without delay, to the Collector/Central Collector, as appropriate.

The warehousekeeper is, during the course of the above review, to be requested to furnish his estimate of the amount of the daily deposits due to be paid by him during the 'deposit period' occurring on the following calendar week. Based on the daily and, where applicable, additional deposits paid or adjustments for overpayments made in respect of the 'deposit period' under review, the officer is to verify the accuracy of the warehousekeeper's aforementioned estimate. Any significant differences arising are to be resolved in consultation with the warehousekeeper and the agreed daily deposit amount arrived at is then to be immediately advised (e.g. by facsimile or telephone) by the officer to the relevant Collector/Central Collector.

Assistant Principals are also to closely monitor the operation of these arrangements and ensure that any serious failure by a warehousekeeper to properly discharge his/her responsibilities is promptly reported through the normal channels.

3.3. Monthly Tax Accounting Procedures

3.3.1. Deliveries from Storage Tanks for Home Consumption

3.3.1.1. General

An account is not to be taken of individual deliveries for home consumption. Tax is to be charged on the basis of the monthly period accounts. The quantity for tax to be declared on the monthly home consumption warrant for each mineral oil product is the total of the decreases (i.e. the opening balance plus receipts minus the closing balance) found in tank since the taking of the last period account less the appropriate standing allowance for deficiencies, if applicable, and less the aggregate of the quantities delivered for export, removed under duty-suspension for re-warehousing, and delivered for use duty-free during the period. A specimen tank stock account is reproduced in Part 6, Appendix 4.

It is to be noted that the quantity for tax purposes to be entered on the home consumption warrant is the combined total of the home produced and imported mineral oil delivered for home consumption during the relevant monthly period.

3.3.1.2. Allowances for Loss or Wastage in Tank

A flat rate loss allowance, to cover loss or wastage in tax warehouses (other than Whitegate refinery tax warehouse), as outlined hereunder, is to be applied to the total of oil delivered from tank during the period on the following products:

Unleaded/Super Unleaded Petrol	0.5%
Diesel (DERV)	0.5%

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Due to computation reasons a reduced flat rate allowance will apply to Whitegate tax warehouse as outlined hereunder to the following products:

Unleaded/Super Unleaded Petrol	0.45%
Diesel (DERV)	0.4%

Losses in warehouse in excess of the abovementioned standard loss allowance which are eligible for remission of mineral oil tax under **section 106, Finance Act, 2001** may be allowed by way of remission or repayment where the warehousekeeper establishes to the satisfaction of the warehouse control officer and Assistant Principal that such losses occurred over the course of a period of six months. In exceptional circumstances where an unprecedented monthly loss has occurred, the Assistant Principal may allow immediate repayment of the mineral oil tax or remission of the mineral oil tax on the month following receipt of the claim provided s/he is satisfied as to the bona fides of the claim.

3.3.1.3. Approval of Periods other than Calendar Months for L.P.G.

Where an LPG warehousekeeper has difficulty meeting the deadline for lodgement of the period warrant he may be allowed by the warehouse officer to use, in lieu of calendar month periods, monthly periods ending on a weekday which is within six working days of the end of the month (e.g. on the last Saturday of the month). A record of all such arrangements allowed by the warehouse officer is to be kept in a separate opening in the ledger.

3.3.2. Monthly Home Consumption Warrant

A home consumption warrant on form C. & E. No. 1108 (Rev. 4), must be completed by the warehousekeeper in respect of the total quantity of each mineral oil product delivered for home use during each monthly accounting period. On completion and signing of the warrant form the warehousekeeper is to make three photocopies of the completed form. In the box provided in the top left-hand corner he is then to insert copy '1' on the original form and copy '2', '3' and '4' on the three photocopies, these forms thus constituting a four-part warrant set for use as follows:-

- **Copy 1:**- original (the 'warrant');
- **Copy 2:**- the 'bill', for transmission by the Collector to A. G.;
- **Copy 3:**- warehouse officer's copy;
- **Copy 4:**- warehousekeeper's copy.

The warehousekeeper must present copies 1 and 2 of the warrant to the Collector and copy 3, together with the monthly stock account summary and schedule of deliveries, to the warehouse officer, by 10.30 a.m., at the latest, on the second working day of the month following the monthly period to which they relate.

The warrant form is designed to enable warehousekeepers to declare, in respect of each of their mineral oil tax warehouses, their tax liability on all mineral oil products on one warrant, each month. A full listing of the revised mineral oil tax codes

applicable is set out on the back of the form. The most commonly used product descriptions and mineral oil tax codes are pre- printed on the face of the form. Any other product descriptions and mineral oil tax codes may, where required, be manually entered by the warehousekeeper on the face of the warrant on the free lines allocated for this purpose. New mineral oil tax codes will be issued by Beer and Oils Administration Branch as and when required.

A version of the warrant, for completion on a P.C. using the Word for Windows software package, will be supplied, on request, by the abovementioned Branch to any interested warehousekeeper. Warehouse officers are to advise all mineral oil warehousekeepers under their control accordingly.

3.3.3. Processing of Warrants in Collector's Office

The responsible official in the Collector’s office is to check all calculations on the face of the warrant on its receipt and ensure that it is properly completed and signed by an authorised signatory. The officer is to ensure that the liability declared is covered by tax deposits lodged during the course of the relevant month plus the balancing remittance, if any, furnished with the warrant. If the tax deposits lodged during the month in question exceed the total declared liability, the Collector is to arrange for an immediate refund of the amount overpaid. However, there is no objection to carrying the overpayment forward as a deposit against the next month's liability if the warehousekeeper requests this option. If the tax deposits lodged during the month in question are less than the total declared liability, the accounts office staff are to take action as outlined in paragraph 3.2.4 above.

The warrants are to be numbered, the quantity of mineral oil and corresponding tax remittance are to be recorded in the appropriate computer record and in the daily statement for the Accountant General in the normal way. Immediately upon completion of the processing of the warrant, copy 1 of the numbered warrant is to be sent by the Collector's Office to the warehouse control officer and copy 2 is to be filed locally in the Collectors Office.

3.3.4. Delays in Furnishing Warrants and/or Tax Remittances

If the warrant and/or balancing tax remittance are not received in the Collector’s office by the due time, the responsible H.E.O. in the Collectors office is to immediately contact the warehousekeeper, by phone, and request that the warrant and/or any outstanding tax remittance be furnished forthwith, together with a written explanation for the delay. If the warehousekeeper does not furnish the warrant and/or remittance by the end of that day, the H.E.O. is to report the matter to his/her Assistant Principal and also advise the relevant warehouse control officer accordingly. If by 10.30 a.m. on the following day the warehousekeeper has not furnished the warrant and/or tax remittance the Assistant Principal is to contact him/her immediately, by phone, and seek an undertaking that immediate steps will be taken to remedy the matter. The Assistant Principal is also to warn the warehousekeeper that failure to furnish the outstanding warrant and/or

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remittance before the end of that day will result in the matter being reported to the Revenue Commissioners and could lead to restrictions being imposed on deliveries from the warehouse. If the warehousekeeper fails to furnish the warrant/remittance by the end of that day the Assistant Principal is to report the matter to the Collector. The Collector is to take any necessary appropriate action where s/he considers that the security of the revenue is in jeopardy.

In any case of persistent failure by a warehousekeeper to lodge warrants and/or any outstanding tax remittances on time, the Collector is to issue a warning, in writing, to the warehousekeeper informing him that if there are any further delays of this nature he will report the matter to the Revenue Commissioners with a recommendation that the concession to him allowing the lodging of one monthly warrant be withdrawn and replaced by a more stringent regime. Where a warehousekeeper fails to heed this warning the Collector is to send a full report of the matter to Beer and Oil Administration Branch. The report is to contain full details of the frequency of such failures, the dates on which the warrant and/or tax remittances were actually furnished and the explanation of the warehousekeeper, if any. "Persistent failure", in this context, is to be taken to mean any two months in succession or any two months in a six-month period. Collectors are to ensure that adequate records are kept to allow them to take cognisance of persistent delays in lodging warrants and/or remittances and to give effect to these instructions.

3.3.5. Checks to be Performed by Warehouse Officers

The warehouse officer must check the accuracy of all calculations, etc. on the face of the copy 3 warrants, the monthly stock account summary and schedule of deliveries, and the return of stock in warehouse at the end of the month, immediately on receipt of same (see paragraph 1.2, Section 4, Part 2). The officer must also check that the particulars shown on the warrants are consistent with the monthly stock account summary and schedule of deliveries and the return of stock in warehouse at the end of the month. The stock return, in turn, is to be checked for consistency with the data on the warehousekeeper's stocktaking sheets and with official records of receipts into warehouse, etc. If these checks disclose that the amount of tax payable, as shown on the warrants, is incorrect the officer is to notify the Collector and warehousekeeper immediately of this fact so that the necessary corrective action may be taken. The warehouse control officer on receipt of the original (copy 1) warrant from the account office staff is to compare it with the copy 3 warrant furnished to him/her by the warehousekeeper. Any discrepancies revealed by this comparison are to be fully investigated and reported for corrective action where necessary.

When checking home consumption warrants, the warehouse control officer is to ensure, in every case, that the amount of tax recorded in the ledger is that certified as received by the Collector.

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3.3.6. December Arrangements

Special arrangements will apply in respect of the month of December each year. For period account purposes, the month of December will end on the third working day prior to the last working day of the month. Warehousekeepers must therefore undertake a full stocktaking of all their mineral oil products covered by these instructions on that day. The warrants for the December account period must be presented to the Collector, and copies of the warrants together with the monthly stock account summary and schedule of deliveries, and the return of stock in warehouse at the end of the month must be presented to the warehouse officer, by 10.30 a.m., at the latest, on the last working day. The Collector is authorised to alter the date for the end of the December period to end on any date up to the ninth last working day of the month, at the request of the warehousekeeper, provided that the warrants, the monthly stock account summary and schedule of deliveries, and the return of stock in warehouse at the end of the month are presented as outlined in paragraph 1.2, Section 4, Part 2.

3.4. Centralised Tax Payment Arrangements

3.4.1. Introduction

Warehousekeepers having mineral oil tax warehouses situated in more than one Collection may opt to pay tax to one Collector (referred to hereafter as the “Central Collector”) in respect of deliveries for home consumption from all their warehouses in the State. The arrangement entails the bringing to account in the office of the Central Collector, at the close of the appropriate monthly period, of all tax paid by the participating warehousekeepers in respect of mineral oil delivered from each of their tax warehouses in the State, irrespective of the location of the warehouse. Before commencing to use this facility, a warehousekeeper must make the necessary preliminary arrangements with the Collector whom he wishes to designate as the Central Collector for the arrangement.

3.4.2. Daily Tax Deposits

The instructions in paragraph 3.2.2 above relating to the lodging of daily deposits are to be followed. In the case of any new arrangement, the designated central Collector is to obtain through the Assistant Principal having charge of each warehouse included in the arrangement an advice containing the particulars necessary for the calculation of the initial composite daily deposits.

3.4.3. Monthly Period Accounts Procedures

The instructions in paragraphs 1.1, 1.2 and 1.3, Section 4, Part 2 are to be followed in respect of each tax warehouse included in the arrangement. The warehousekeeper must present copy 3 of the relevant warrants, together with the monthly stock account summary and schedule of deliveries in respect of each warehouse included in the arrangement to the warehouse officer within the time limits laid down in the aforementioned instructions.

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3.4.4. Monthly Tax Accounting Procedures

3.4.4.1. General

The instructions in paragraphs 3.3.1 to 3.3.6 above are to be followed, subject to the modifications set out hereunder. Warehousekeepers must prepare a separate home consumption warrant in respect of each of their tax warehouses included in the arrangement and they must furnish copies 1 and 2 of all such warrants, together with any tax remittance due, to the Central Collector by the due date and time.

3.4.4.2. Procedure in Central Collector's Office

The warrants are to be processed in the Collectors office in accordance with the instructions in paragraph 3.3.3 above and the instructions in paragraph 3.4 above are to be followed with regard to any delays in furnishing warrants and/or tax remittances.

The necessary records in respect of each warehousekeeper, including particulars of the warehouses included in each arrangement, are to be kept by the Central Collector in a suitable register or computer database. A separate schedule of composite daily deposits is to be forwarded to the Accountant-General at the end of each month.

3.4.4.3. Duties of Local Warehouse Officers

The instructions in paragraphs 3.2.4 and 3.3.5, of this Section and in paragraph 1.3, Section 4, Part 2 are to be followed. Local warehouse officers are to liaise with the relevant central Collector whenever necessary to ensure the smooth functioning of the arrangement. They are to forward a copy of copy 3 of the warrant to the HEO in charge of the accounts office in Central Collectors office after they have checked it. The system of accounts of each warehouse covered by the arrangement is unaffected. Vouchers are to be prepared by each warehouse officer and sent to the Accountant-General in the normal manner as outlined in paragraph 4, Section 4, Part 2.

3.4.4.4. Duties of Supervising Officer in Collector's Office

The HEO (accounts office) at the Central Collector's Office will be held responsible for the adequacy of composite daily deposits and for ensuring that they are timely lodged on each working day. The procedure outlined in paragraph 3.3.4 above is to be followed for delays in furnishing composite daily deposits and also in cases where the daily deposits are inadequate.

3.4.4.5. Responsibility of Collectors

It is to be noted that under these arrangements responsibility for the adequacy and prompt payment of the composite daily deposits devolves solely on the Central Collector. Local control over the warehouses is otherwise unchanged.

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3.5. Payment of Customs (CCT) Duty and VAT

CCT duty and VAT are payable on mineral oil from third countries on entry for warehousing in a tax warehouse. The Single Administrative Document (SAD) is to be used for the payment of customs duty on mineral oils.

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4. Accounts, Records and Returns

4.1. Warehouse Period Accounts

4.1.1. Raising the Official Period Account

At the end of each calendar month an official monthly period account is to be raised as set out hereunder. This official monthly period account is, subject to the verification procedures described in paragraph 4.1.3 below, to be based on the data furnished by the warehousekeeper on the monthly returns which he is required to furnish to the warehouse officer as set out in paragraph 4.1.2. A specimen official monthly period account is reproduced at Appendix No. 4. The quantity delivered for home consumption on which a standard or reduced rate of tax is to be charged each month is to be ascertained as set out in this section, using the official period account to determine the total quantity of oil, including losses, removed from tank during each period.

4.1.2. Warehousekeepers' Responsibilities

On the last working day of each calendar month, warehousekeepers must undertake a complete physical stocktaking (either by recording the tank gauge readings or by 'dipping' the storage tanks) of all the duty-suspended mineral oil products stored in their tax warehouse storage tanks. Warehousekeepers may undertake this task at the close of business on the last working day of the month or they may carry out this task at a convenient earlier time of that day, during normal working hours. The warehousekeeper must furnish to the warehouse control officer a Return of Stock in Warehouse (form C. & E. No. 1123) on which is recorded the results of this stocktaking. A separate stock return is required in respect of each mineral oil product showing in respect of each oil storage tank the actual 'dip' (or the automatic tank gauge reading, where a physical 'dip' is not taken), the water level in the tank and the corresponding bulk quantity of oil in stock together with the temperature and density of the oil and the corresponding standard quantity (at 15° C.). Where warehousekeepers carry out the physical stocktaking during normal official working hours they must furnish this information to the officer immediately after completing the stocktaking. In other cases the information must be furnished at the commencement of the next official working day.

In addition to the above, before 10.30 a.m. on the second working day of each calendar month the warehousekeeper must furnish to the warehouse control officer a Monthly Stock Account Summary and Schedule of Deliveries (form C. & E. No. 1122) showing, in respect of each mineral oil product, the opening and closing physical stock balances for the previous month, the quantity received into tax warehouse during the course of that month and the total delivered during the month, which is to be computed by deducting the closing stock from the aggregate of the opening stock plus receipts, schedule of deliveries, in accordance with the

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categories shown on the form, must also be furnished on the form. This stock summary return is, subject to its accuracy being verified in accordance with the instructions in paragraph 4.1.3 below, to be accepted as the basis for entering the stock account in the official warehouse records. The return of stock in warehouse and monthly stock account summary and schedule of deliveries may be given by warehousekeeperes by way of computer print outs in lieu of the printed forms C.&E. No. 1123 and C.&E. No. 1122 provided that all the information required by the forms is supplied on the printouts.

4.1.3. Verification Procedure

The officer is to verify the authenticity of the 'dips'/tank gauge readings recorded on the warehousekeeper's Return of Stock in Warehouse, in accordance with the following procedure. He is to note and record the tank gauge readings of all bonded storage tanks and obtain a printed readout of these readings where such a facility is available. These readings are to be taken during normal working hours at a time as close as feasible to the time when the warehousekeeper undertakes his monthly stocktaking. The officer is to compare his own and the warehousekeeper's readings, making due allowance for deliveries in the intervening period between the two 'dipping'/reading times. Unless a significant difference has been found between the officer's and the warehousekeeper's 'dips'/tank gauge readings the warehousekeeper's readings are to be accepted for the purpose of establishing the quantity of mineral oil in stock at the end of the monthly period. Where a significant discrepancy is found the matter is to be fully investigated. In stations where C.&E. staff have responsibility for more than two mineral oil tax warehouses the Collector may authorise a reduced level of verification of the warehousekeepers tank 'dips'/gauge reading declarations provided that the declared 'dips'/gauge readings of a minimum of two warehousekeepers are verified in full each month and that 'dips'/gauge readings declarations of all the warehousekeepers are verified at least once per quarter. In any other case, other than a refinery, the Collector taking into consideration the number of tanks and availability staff, may authorise a reduced level of verification of the warehousekeepers 'dips'/gauge reading stock declarations provided that the declared 'dips'/gauge readings of all tanks are verified once every two months. In the case of a refinery, the Collector in consultation with the Assistant Principal is to devise a programme to be followed by the control officer that encompasses both physical and audit checks of the warehousekeepers records and physical stock of mineral oil that enables them to be satisfied with the veracity of warehousekeepers declaration of monthly return of stock in warehouse, monthly stock account summary and schedule of deliveries and any other return required as a condition of the tax warehouse approval.

The temperature, density and water levels as ascertained by the warehousekeeper at the time of stocktaking may, in the absence of suspicion be accepted for the purpose of establishing the standard quantity of mineral oil in stock at the end of the monthly period. Occasionally, at a convenient time, the officer is to check the accuracy of the density and the water level in some of the tanks shown on the warehousekeeper's return. The frequency and extent of these checks may be

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determined locally by the Assistant Principal, having regard to the warehousekeeper's revenue record.

All computations on the Return of Stock in Warehouse and the Monthly Stock Account Summary and Schedule of Deliveries are to be fully checked by the warehouse officer. Any errors found are to be immediately brought to the warehousekeeper's notice and any necessary amendments to the returns must be made by the warehousekeeper, without delay.

4.2. Official Stock Records and Accounts

A stock account for each bulk storage tank is to be kept in the Stock Book in the form shown at Appendix No. 4. At the end of each monthly accounting period every tank is to be physically stock-checked (see paragraph 1.2) and the decrease (allowing for receipts, if any) since the last account is to be calculated and shown in the stock account. The decreases in the tank stock accounts are then to be aggregated under ledger headings and the period allowance and quantity for duty are to be calculated. A Record of Dips (C. & E. No. 436) and a Stock Book (C. & E. 437) are to be used for these accounts.

When an account is taken at any time in a tank, the discharge pipe may be sealed by wire and plomb and the tank need not be re-dipped for the purpose of the period account, provided the seal is found to be unbroken, but the last previous account is to be shown. It must be understood that the warehousekeeper is free in such case to break the seal without reference to the Officer should he require at any time to deliver oil from the tank (see Part 2, Section 2, paragraph 7).

Mineral oil retained in the charging pipes of tax warehouse tanks may be dealt with as part of the tax warehouse stock, the condition of the pipe lines being shown in the record of dips by the Officer when taking stock. Alternatively, mineral oil tax may be paid on oil so retained, a suitable credit being allowed at the next stocktaking if the duty-paid oil is pumped at any time into a tax warehouse tank and if the pipelines are not refilled with dutiable oil.

4.3. Ledger Accounts

4.3.1. General

Ledger accounts of mineral oils in tax warehouse are to be kept in a suitably titled Spirits Ledger, a separate ledger account being maintained under the following headings, as appropriate to each tax warehouse:

- **Light oils Unleaded Petrol Aviation Gasoline Other (Specify)**
- **Heavy oils Gas oil/DERV Kerosene Fuel oil Other (Specify) Liquefied petroleum Gas Substitute Fuel**

On the delivery side of the ledger, the quantities delivered under the different rates of tax or on full remission of, or exemption from, tax under section 100 (1), Finance

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Act, 1999 (i.e. for commercial sea navigation, air navigation, etc.), are to be entered separately in separate columns suitably titled for that purpose.

In the unleaded petrol account, the total quantity of unleaded petrol in tax warehouse is to be entered on the receipt/stock side. Similarly, in the gas oil account and in the kerosene account, the total quantity of marked and unmarked oil in tax warehouse is to be entered on the receipt/stock side of these accounts.

Both home and imported oil of the same description are to be recorded under the same ledger head account. The “import”, “from other warehouses”, and “home produced” (refinery only) figures are to be recorded separately on the receipt side of the ledger account.

4.3.2. Computation of the Excise Import and Excise Home Composition of Mineral Oil delivered for Home Consumption

The rate of tax codes pre-printed on home consumption warrant C.&E. No.

1108(Rev. 4) are the Main Revenue Heading (M.R.H.) Import codes. Accounts office staffs in Collectors offices are to use these M.R.H codes for all mineral oil whether home or imported when imputing home consumption figures for the Accountant General. The figures for home produced mineral oil products delivered for home consumption nationally are to be supplied separately to the Accountant General by the control officer at Whitegate refinery tax warehouse for the product descriptions outlined on the H.C. warrant (see paragraph 3.3 below). The Accountant General will ascertain the true import figures by deducting the home figures supplied by the officer at Whitegate refinery tax warehouse from the figures imputed by accounts office staffs in Collectors offices. The documentation covering deliveries under duty-suspension arrangements to other tax warehouses in the State will not contain any indication of home/import content of the oil.

4.3.3. Computation of National Home-Produced Home Consumption Delivery Figures

The control officer in Whitegate refinery tax warehouse is to calculate national home-produced home consumption delivery figures for each product description from his/her station records by use of the following formula:

Add the total home consumption figures during the month in question to the total delivered to other warehouses in the State for the previous month and subtract from this figure the total imported for the previous month. For example the figure for June for each product description in any year will be the total quantity delivered for H.C. in June plus the total quantity delivered to other tax warehouses in the State in May minus the total quantity imported in May.

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The control officer in Whitegate refinery tax warehouse is to send the national home produced figures to the Accountant General not later than the 10th of the month following the month to which they relate.

4.4. Monthly Vouchers

A separate voucher on form C.&E. No. 664 (Rev. 2) is to be prepared by the warehouse officer at the end of each month in respect of each ledger head account. The quantities on vouchers are to be recorded in units of 1000 litres (to 3 decimal places).

The % import column on the face of the voucher, the abstract of despatches & warehousing entries and the abstract of removals at the back of the voucher are not to be completed. The vouchers are to be forwarded, to the Accountant-General by the 15th day of the month following the month to which they relate. Administrative Accompanying Documents, Warehousing Entries, Removal Warrants, etc. are to be filed locally on the station for a period of six years.

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