

## Excise

### Commercial Sea Navigation Relief Guide

Document last reviewed December 2024

Content previously available in Public Notice No. 1884

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## 1 Introduction

### 1.1 Scope of Relief Guide

The procedures set out in this Relief Guide relate to:

- repayment of Mineral Oil Tax on tax-paid mineral oil used for the purpose of commercial sea navigation, including sea-fishing;
- repayment of VAT on certain hydrocarbon oils used for combustion in the engine of registered sea-fishing vessels in the course of a sea-fishing business;
- repayment of Mineral Oil Tax to oil distributors who supply duty paid mineral oil on a tax-free basis for commercial sea navigation purposes. [Section 5](#) of this guide provides details of the particular conditions covering this repayment;
- arrangements covering the delivery, on remission of mineral oil tax of mineral oil transported directly from tax warehouse to fuel tanks of vessels engaged in commercial sea-navigation. [Section 6](#) of this guide provides details of these arrangements.

### 1.2 Legislative Provisions

The appropriate legislative provisions are:

- section 100(2)(a) of the Finance Act, 1999 (as amended), for the repayment of mineral oil tax,
- the Value-Added Tax (Refund of Tax) (No. 16) Order, 1983 (S.I. No. 324 of 1983) for the repayment of VAT.

### 1.3 Definitions and Terms

Please refer to [Section 7](#) for definitions and clarification of terms relevant to repayments and remissions under the legislation specified in [paragraph 1.2](#) above.

## 2 Mineral Oil Tax and VAT, that qualifies for repayment

### 2.1 Mineral Oil Tax

Mineral oil that is tax-paid in the State and is used as fuel for the purpose of commercial sea navigation, including sea-fishing, is eligible for full repayment of Mineral Oil Tax in accordance with the provisions of section 100(2)(a), Finance Act, 1999 (as amended), and any other conditions imposed by Revenue.

### 2.2 VAT

The Value Added Tax (Refund of Tax) (No. 16) Order, 1983 provides for the repayment of VAT borne or paid on marked gas oil, marked kerosene, and fuel oil used for combustion in the engine of a registered sea-fishing vessel as defined (see [section 7](#)), in the course of a sea-fishing business by the claimant who is not registered for VAT or is not required to furnish particulars for registration, subject to the claimant complying with the conditions of Regulation 4 of the Order. See also [VAT Treatment of Services Relating to Vessels and Aircraft](#) available on revenue.ie.

## 3 Claiming a Repayment

### 3.1 Claim Form

Owners and masters of vessels engaged in commercial sea navigation, including sea-fishing, are to make their claims for repayment of Mineral Oil Tax, as well as VAT in certain cases, on Form 1131 electronically through the e-Repayment Claims facility in ROS.

Distributors who supply tax-paid mineral oil on a tax-free basis to owners and masters of vessels engaged in commercial sea navigation (see [section 5](#)) are to make the claim for repayment of mineral oil tax on Form 1132 electronically through the e-Repayment Claims facility in ROS.

Only in the following circumstances should a hard copy of either form be submitted;

- (a) Submission via the e-Repayment Claims facility is not possible or the claimant has received prior approval from the Central Repayments Office to submit a hard copy.

New claimants, those who have not previously submitted a repayment claim, will initially be unable to use the e-Repayments Facility and should contact the Central Repayment Office at 047 62100 (option 6) or through [myEnquiries](#) in order to ensure that they are registered for Mineral Oil Tax and for instruction on how to get their vessels or undertakings registered with the Central Repayment Office submit their first claim. Subsequent claims can and must be submitted electronically as standard. Hard copies of Form 1131 and Form 1132 are only available upon request from the Central Repayments Office and will only be issued where it is clearly demonstrated that the claimant cannot make their claim through ROS.

### 3.2 Rates of Mineral Oil Tax for Repayment Claims

Current rates of Mineral Oil Tax, indicated **in euros per 1,000 litres**, are available on Revenue's [website](#).

The categories of oil involved are:

- marked gas oil ("MGO")
- marked kerosene ("kerosene used other than as a propellant")
- fuel oil
- substitute fuel
- petrol
- L.P.G. ("other liquefied petroleum gas").

These rates are liable to change in the annual Budget. The rates can be verified by contacting the [Central Repayments Office](#).

A Repayment may not be claimed at a higher rate of Mineral Oil Tax than that which applied when the oil was originally delivered. Consequently, where the rate of Mineral Oil Tax changes, the new rate for repayment will only apply to mineral oil which bore the new changed rate and which was purchased subsequent to the rate change.

### 3.3 Claim Period and Time Limits

Claims for repayment are in respect of mineral oil used within a period of one calendar month. Claims should be made electronically within 4 months following the end of each claim period. Claims outside the prescribed time limit may be submitted to include a satisfactory explanation as to why the claim was not made within the specified time frame and will be subject to Revenue approval.

## 4 Documentation Required for Claiming a Repayment

Repayment claims may be subject to verification by Revenue. Claimants are required to submit documentation in support of a repayment claim.

### 4.1 Mineral Oil Tax (Owners or Masters)

Owners or masters of vessels who reclaim Mineral Oil Tax are required to submit the following records:

- proof of payment of Mineral Oil Tax in the State - i.e. invoices from mineral oil suppliers for all purchases of mineral oil, including the name of the vessel on each invoice.
- A spreadsheet detailing the invoice details which include the invoice date, invoice number, vessel name and number of litres purchased.
- evidence that the fuel was used in commercial sea-navigation.
- A copy of a current licence for the vessel for which a claim is made must be submitted on an annual basis.

### 4.2 VAT

Persons who reclaim VAT (see [paragraph 1.2](#) above) are required to submit the following records:

- proof that VAT was paid by the claimant in the State - i.e. invoices or receipts which establish the amount of VAT borne or paid to which the claim relates.
- A spreadsheet detailing the invoice details which are to include the invoice date, invoice number, vessel name and VAT claimed.
- evidence that the sea-fishing vessel(s) are registered as required (see definition of “sea-fishing vessel” in section 7 of this guide).
- evidence that the fuel was used in the course of a sea-fishing business.

### 4.3 Mineral Oil Tax (Distributors)

Claimants who are suppliers of tax-paid mineral oil on a tax-free basis (see [section 5](#)) are required to submit the following records:

- proof of tax payment in the State i.e. invoices from warehousekeepers or mineral oil suppliers for all purchases of mineral oil which should include the name of the vessel on each invoice.
- evidence that the conditions set out in [section 5](#) of this guide have been complied with.

## 5 Repayment of Mineral Oil to Distributors

Repayment of Mineral Oil Tax to distributors who supply tax-paid mineral oil on a tax-free basis to owners and masters of vessels engaged in commercial sea navigation are subject to a number of conditions. These are:

1. The oil must be delivered directly by the supplier to the vessel concerned and loaded into its fuel tanks.
2. Suppliers must satisfy themselves, as far as reasonably possible, that the vessel being bunkered is engaged in commercial sea navigation.
3. Before delivering mineral oil on a tax-free basis to a vessel the supplier must be in possession of an undertaking, on Form No. 1106 (see [section 8](#)), completed by the owner/master of the vessel concerned, and stating that:
  - (a) all the oil supplied on a tax-free basis will be used solely for commercial sea navigation purposes and no claim for repayment of mineral oil tax on the mineral oil will be made by the person giving the undertaking,
  - (b) the owner/master of the vessel will allow a Revenue officer, at all reasonable times, to inspect and take copies of, or extracts from, any books, accounts or other documents or records (including the vessel's log book) relating to all mineral oil received under these arrangements and will allow the officer to remove and retain the said books, accounts or other documents or records for such period as may be reasonable for their further examination,

All undertaking forms must be retained by the supplier for the duration of their currency, and for a period of six years thereafter, and must be filed in alphabetical order under the name of the vessel. Whenever the owner/master of a vessel changes, the supplier must obtain a fresh undertaking from the new owner or master and submit same to the [Central Repayments Office](#) prior to making a claim for this vessel.

4. An invoice or delivery docket, or both, must be issued in respect of each consignment of mineral oil delivered for bunkering a vessel. The original and all copies of invoices and delivery dockets must be endorsed with the following statement -

**“Delivered free of mineral oil tax under section 100(2)(h), Finance Act, 1999”.**

Suppliers must ensure that the abovementioned statement is endorsed on the invoice and delivery docket irrespective of whether they delivered the oil themselves or whether they have made arrangements with a third party to deliver the oil on their behalf. In addition to any other Mineral Oil Tax law requirements, the invoices and delivery dockets must, as a minimum, contain the following information:

- the name and address of the supplier
- the name of the vessel and the owner or master thereof
- the date and place (port) of delivery
- the description of the oil (e.g. marked gas oil)
- the quantity delivered
- the delivery price.

A certificate of receipt, signed by the vessel's master or captain, must be endorsed on the delivery docket upon delivery of the oil to the vessel. The receipted delivery docket must be retained by the supplier and produced in support of the repayment claim.

5. All books, accounts and other documents or records relating to transactions which are the subject of repayments claims must be retained for inspection by the supplier for at least six years from the date of last transaction therein.
6. These repayment arrangements apply **only** to marine diesel (**marked gas oil**), **fuel oil and certain other mineral oils**, - and **does not cover** the use of diesel oil (DERV) tax-paid for use as a propellant.
7. Applications by suppliers, claiming repayments of Mineral Oil Tax in respect of marine diesel/fuel oil delivered to users on a tax-free basis for use in commercial sea navigation, are to be made electronically on Form 1132 through the e-Repayment Claims facility via ROS and must submit a spreadsheet detailing each invoice being claimed.

## 6 Delivery of Mineral Oil from a Tax Warehouse

### **Delivery of mineral oil, on remission of Mineral Oil Tax, from a tax warehouse to vessels engaged in Commercial Sea Navigation**

Delivery of mineral oil, on remission of Mineral Oil Tax, to a vessel engaged in commercial sea navigation, may be allowed by tax warehouse officers provided that the mineral oil is transported directly from the tax warehouse to the vessel and that a delivery docket is produced by the warehousekeeper, by the last day of the warehouse accounting period, which shows the name of the ship, the date and place of loading, the quantity and description of mineral oil supplied, and which bears a certificate of receipt by the captain or master of the ship. Mineral Oil Tax will be charged on any oil not transported directly to the vessel irrespective of its final use.

## 7 Definitions

**“Community waters”** is as defined in Article 3(a) of EU Council Regulation 2371/2002 and means the waters under the sovereignty or jurisdiction of the Member States, with the exception of waters adjacent to the territories mentioned in Annex 11 to the Treaty (of Accession – Overseas countries and Territories).

The seas outside the territorial waters are the high seas. Rivers, canals and lakes are normally to be regarded as “inland waterways” and are outside the scope of the term “Community Waters”. However, where a commercial sea-going vessel navigates a river or a lake in the course of its commercial sea navigation operations, the river or lake so navigated is, for the purposes of these provisions to be regarded as “Community Waters” in respect of the sea-going vessel concerned.

**“Inland Waterways”** for the purpose of these provisions includes the tidal waters of rivers and estuaries.

**“Sea Navigation”** includes all navigation in Community waters and in the high seas.

**“Sea-fishing vessel”** for the purposes of the repayment of VAT is defined as:

a sea-fishing boat which:

- (i) is registered in accordance with the Merchant Shipping (Registry, Lettering and Numbering of Fishing Boats) (Regulations) Order, 1927 (S.R. & O., No 105 of 1927), and
- (ii) is registered under the Mercantile Marine Act, 1955 (No. 29 of 1955).

**“Mineral oil”** means hydrocarbon oil, liquefied petroleum gas, vehicle gas, substitute fuel and additives.

## 8 Form No. 1106 (Rev. No. 2).

**UNDERTAKING**

by owner / master of a vessel in respect of marine diesel oil (marked gas oil) or fuel oil supplied without payment of mineral oil tax for commercial sea navigation purposes.

Particulars of vessel	
Name of vessel: _____  Port of registry: _____  Reg. letters & numbers: _____  Net tonnage: _____  Make & type of engine: _____  Horsepower of engine: _____  Cubic capacity of engine: _____	Name & address of owner          <hr/> Name and address of master

Name & address of supplier of tax-free mineral oil

VAT No. \_\_\_\_\_

I hereby undertake:-

that the marine diesel(marked gas oil) and/or fuel oil supplied, without payment of mineral oil tax, by the supplier named herein, will be used solely for commercial sea navigation purposes as fuel for the vessel described herein, and no claim for repayment of mineral oil tax on the said oil will be made by the owner or master of the said vessel, and

that the owner or master of the said vessel will allow an officer of Customs and Excise, at all reasonable times, to inspect and take copies of, or extracts from, any books, accounts, or other documents or records (including the vessel's log book) relating to all mineral oil supplied for fuelling the vessel and will allow the officer to remove and retain the said books,

accounts or other documents or records for such period as may be reasonable for their further examination.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Signature \_\_\_\_\_

Designation of signatory (Owner or Master)

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## 9 Contact details of Central Repayments Office

Office of the Revenue Commissioners,

Central Repayments Office,

M: TEK II Building,

Armagh Road,

Monaghan,

Co. Monaghan.

H18 YH59

Telephone: 047 62100 (option 6)

Email queries can be submitted through ROS myEnquiries only and must be titled Mineral Oil Tax claim Central Repayment Office Monaghan.

Issued by The Revenue Commissioners (April 2021)