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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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## SCHEDULES

### SCHEDULE 9

#### EXTENSION OF SECTION 485 OF TAXES ACT IN RELATION TO PETROLEUM COMPANIES

##### *Determination of arm's length price*

- 6 (1) Where a petroleum company was a party to a sale of property, then, in determining for the purposes of section 485 of the Taxes Act what price the property might have been expected to fetch had the parties to the transaction been independent persons dealing at arm's length and what consequences would have ensued in computing the income, profits or losses of the seller or the buyer for tax purposes if the property had been sold for that price, it shall be assumed—
- (a) that the terms of the transaction would have been such as might have been expected to secure both to the buyer and to the seller a reasonable profit from transactions of the same kind carried out on similar terms over a reasonable period ; and
  - (b) that the seller would not have been compelled by law or by executive action of any government to demand a price fixed by law or such action or a price not less than one so fixed ; and
  - (c) that, if the transaction was part of a transaction or series of transactions (whether or not between the same persons), its terms would not have been affected by those of the remainder of the transaction or transactions ; and
  - (d) in a case where the whole of the property sold is not delivered by the seller within twelve months after the date of the sale—
    - (i) that such part of the property as is delivered within that time would have fetched a price equal to that which it might have been expected to fetch if sold under a contract for the sale of that part and of no other property, being a contract made at the date of the sale ; and
    - (ii) that such part of the property not so delivered as is delivered in any calendar month would have fetched a price equal to that which it might have been expected to fetch if sold under a contract for the sale of that part and of no other property, being a contract made at the material time in that month ;
- and no regard shall be had to the terms of similar transactions which were capable of being varied.
- (2) In this paragraph " material time " and " calendar month " have the meaning given by paragraph 3(2) of Schedule 3 to this Act.