

Status: Point in time view as at 17/07/2012.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, SCHEDULE 22. (See end of Document for details)

SCHEDULES

SCHEDULE 22

Section 184

REDUCTION OF SUPPLEMENTARY CHARGE FOR CERTAIN OIL FIELDS

Amendments of Chapter 7 of Part 8 of CTA 2010

- 1 In Part 8 of CTA 2010 (oil activities), Chapter 7 (reduction of supplementary charge for certain new oil fields) is amended as follows.
- 2 In section 334 (company's pool of field allowances), for “new oil fields” substitute “eligible oil fields”.
- 3 (1) Section 337 (initial licensee to hold a field allowance) is amended as follows.
 - (2) In subsection (1)—
 - (a) for “an initial licensee in a new oil field” substitute “ a licensee in an additionally-developed oil field or a new oil field (an “eligible oil field”) on the authorisation day ”, and
 - (b) at the end insert “ (and accordingly may hold more than one field allowance for the field at the same time) ”.
 - (3) In subsection (2), omit “initial”.
 - (4) The heading of that section becomes “ **Licensee to hold field allowance** ”.
- 4 In section 338 (holding a field allowance on acquisition of equity share), for “a new oil field” substitute “ an eligible oil field ”.
- 5 In section 339 (unactivated amount of field allowance), in subsections (1) and (3), for “a new oil field” substitute “ an eligible oil field ”.
- 6 (1) Section 340 (introduction to section 341) is amended as follows.
 - (2) In subsection (1), for “a new oil field” substitute “ an eligible oil field ”.
 - (3) In subsection (5), for “the new oil field” substitute “ the field ”.
- 7 (1) Section 341 (activation of field allowance) is amended as follows.
 - (2) In subsection (1), for “the new oil field” substitute “ the eligible oil field ”.
 - (3) After subsection (3) insert—
 - “(4) Subsection (5) applies for the purpose of determining the amount of a company's field allowance for an eligible oil field (“the relevant field allowance”) to be activated in a case where—
 - (a) the company holds one or more other field allowances for the field, and
 - (b) at the time when the company began to hold the relevant field allowance, the company already held one or more of those other field allowances (an “earlier field allowance”).

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- (5) The amount of the company's relevant income from the field in the accounting period is to be reduced (but not to below nil) by the amount of any earlier field allowance activated in respect of the accounting period.
- (6) In a case where the company began to hold two or more field allowances at the same time, the company may determine the order in which the company is to be regarded for the purposes of this section as having begun to hold them.”
- 8 In section 342 (introduction to sections 343 and 344), in subsections (1) and (6), for “a new oil field” substitute “ an eligible oil field ”.
- 9 In section 343 (reference periods), in subsection (3), for “the new oil field” substitute “ the eligible oil field ”.
- 10 (1) Section 344 (activation of field allowance) is amended as follows.
- (2) In subsection (1), for “the new oil field” substitute “ the eligible oil field ”.
- (3) In subsection (4), for “the new oil field” substitute “ the field ”.
- (4) After that subsection insert—
- “ (5) Subsection (6) applies for the purpose of determining the amount of a company's field allowance for an eligible oil field (“the relevant field allowance”) to be activated in a case where—
- (a) the company holds one or more other field allowances for the field, and
- (b) at the time when the company began to hold the relevant field allowance, the company already held one or more of those other field allowances (an “earlier field allowance”).
- (6) The amount of the company's relevant income from the field in the reference period is to be reduced (but not to below nil) by the amount of any earlier field allowance activated in respect of the reference period.
- (7) In a case where the company began to hold two or more field allowances at the same time, the company may determine the order in which the company is to be regarded for the purposes of this section as having begun to hold them.”
- 11 (1) Section 345 (introduction to sections 346 and 347) is amended as follows.
- (2) In subsection (2)—
- (a) for “a new oil field” substitute “ an eligible oil field ”, and
- (b) for “the new oil field” substitute “ the field ”.
- (3) In subsections (3) and (4), for “the new oil field” substitute “ the field ”.
- (4) In subsection (6), for “a new oil field” substitute “ an eligible oil field ”.
- 12 (1) Section 346 (reduction of field allowance if equity disposed of) is amended as follows.
- (2) In subsection (1), for “the new oil field” (in the first place it occurs) substitute “ the eligible oil field ”.
- (3) In the definitions of “E1” and “E2”, for “the new oil field” substitute “ the field ”.

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- 13 (1) Section 347 (acquisition of field allowance if equity acquired) is amended as follows.
- (2) In subsection (1), for “the new oil field” substitute “ the eligible oil field ”.
- (3) In subsection (2)—
- (a) for “the new oil field” (in the first place it occurs) substitute “ the eligible oil field ”, and
- (b) for “the new oil field” (in the second place it occurs) substitute “ the field ”.
- (4) In subsection (4), for “the new oil field” substitute “ the field ”.
- 14 (1) Section 349 (orders) is amended as follows.
- (2) In subsection (1), before “qualifying oil fields” insert “ additionally-developed oil fields or ”.
- (3) In subsection (2), for “new oil field” (in both places) substitute “ eligible oil field ”.
- (4) After subsection (2) insert—
- “(2A) The Commissioners for Her Majesty's Revenue and Customs may by order make provision about the meaning of any term used in this Chapter.”
- (5) For subsection (3) substitute—
- “(3) The provision that may be made by an order under this section includes—
- (a) provision amending this Chapter,
- (b) provision that has effect in relation to times before the order is made and does not increase any person's liability to tax, and
- (c) incidental, supplemental, consequential, transitional or saving provision, including provision amending, repealing or revoking any provision made by or under this Act.”
- 15 Before section 350 insert—

Additionally-developed oil field”

- “349A) In this Chapter an oil field is an “additionally-developed oil field” if—
- (a) a national authority has authorised a project described in an addendum to the consent for development for the oil field, and
- (b) the project meets such conditions as may be specified in an order made by the Commissioners for Her Majesty's Revenue and Customs.
- (2) In this section—
- “consent for development”, in relation to an oil field, does not include consent which is limited to the purpose of testing the characteristics of an oil-bearing area,
- “development”, in relation to an oil field, means winning oil from the field otherwise than in the course of searching for oil or drilling wells, and
- “national authority” means—
- (a) the Secretary of State, or
- (b) a Northern Ireland department.

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- (3) An order under this section may include provision having effect in relation to times before it is made, provided that it does not increase any person's liability to tax.
- (4) No order may be made under this section unless a draft of the statutory instrument containing it has been laid before and approved by a resolution of the House of Commons.”
- 16 (1) Section 357 (other definitions) is amended as follows.
- (2) For the definition of “authorisation day” substitute—
- ““authorisation day” means—
- (a) in relation to an additionally-developed oil field, the day when the project mentioned in section 349A(1) is authorised, and
- (b) in relation to a new oil field, the day when development of the field is authorised as mentioned in section 350(1)(b),”.
- (3) After that definition insert—
- ““eligible oil field” means an oil field which is an additionally-developed oil field or a new oil field,”.
- (4) Omit the definition of “initial licensee”.
- (5) In the definition of “relevant income”, for “a new oil field” substitute “ an eligible oil field ”.
- 17 The heading of the Chapter becomes “ REDUCTION OF SUPPLEMENTARY CHARGE FOR ELIGIBLE OIL FIELDS ”.

Consequential amendments

- 18 (1) Part 8 of CTA 2010 (oil activities) is amended as follows.
- (2) In section 270 (overview of Part)—
- (a) in subsection (7), for “certain new oil fields” substitute “ eligible oil fields ”, and
- (b) in subsection (8), for paragraph (c) substitute—
- “(c) eligible oil field”, see section 357.”
- (3) In section 330 (supplementary charge in respect of ring fence trades), in subsection (5), for “certain new oil fields” substitute “ eligible oil fields ”.
- 19 (1) Schedule 4 to CTA 2010 (index of defined expressions) is amended as follows.
- (2) At the appropriate place insert—

“eligible oil field (in Chapter 7 of Part 8) section 357”;

““additionally-developed oil field (in Chapter section 349A”.

7 of Part 8)

- (3) Omit the entry relating to “initial licensee (in Chapter 7 of Part 8)”.

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- 20 In section 63 of FA 2011 (reduction of supplementary charge for new oil fields), omit subsection (3).

Commencement

- 21 (1) The amendments made by paragraphs 14, 15 and 16(3) come into force on the day on which this Act is passed.
- (2) The other amendments made by this Schedule come into force in accordance with provision contained in an order made by the Treasury.
- (3) An order made under sub-paragraph (2) may—
- (a) make different provision for different purposes;
 - (b) provide for such amendments to have effect in relation to times before the order is made.
- 22 (1) The Commissioners for Her Majesty's Revenue and Customs may by order make any incidental, supplemental, consequential, transitional or saving provision in consequence of the amendments made by this Schedule.
- (2) An order under this paragraph may—
- (a) amend, repeal or revoke any provision made by or under CTA 2010;
 - (b) include provision having effect in relation to times before it is made, provided that it does not increase any person's liability to tax.

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