



# Finance Act 2013

## 2013 CHAPTER 29

### PART 2

#### OIL

##### *Decommissioning security settlements*

#### **86 Removal of IHT charges in respect of decommissioning security settlements**

- (1) In Chapter 3 of Part 3 of IHTA 1984 (settled property: settlements without interests in possession etc), section 58 (relevant property) is amended as follows.
- (2) In subsection (1), omit the “and” at the end of paragraph (ea) and before paragraph (f) insert—
  - “(eb) property comprised in a decommissioning security settlement; and”.
- (3) At the end insert—
  - “(6) For the purposes of subsection (1)(eb) above a settlement is a “decommissioning security settlement” if the sole or main purpose of the settlement is to provide security for the performance of obligations under an abandonment programme.
  - (7) In subsection (6)—
    - “abandonment programme” means an abandonment programme approved under Part 4 of the Petroleum Act 1998 (including such a programme as revised);
    - “security” has the same meaning as in section 38A of that Act.”
- (4) This section is treated as having come into force on 20 March 1993.
- (5) For the purposes of section 58 of IHTA 1984—
  - (a) any reference in that section to Part 4 of the Petroleum Act 1998 has effect, in relation to any period before the coming into force of that Part, as a reference to Part 1 of the Petroleum Act 1987, and

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*Status: This is the original version (as it was originally enacted).*

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- (b) section 38A of the Petroleum Act 1998 is to be treated as having come into force at the same time as this section.
- (6) There is to be no charge to tax under section 65 of IHTA 1984 if the only reason for such a charge would be that property ceases to be relevant property by virtue of the coming into force of this section.

## **87 Loan relationships arising from decommissioning security settlements**

- (1) In Part 8 of CTA 2010 (oil activities), after section 287 insert—

### **“287A Restriction where debits or credits relate to decommissioning security settlement**

- (1) No debits or credits are to be brought into account for the purposes of Part 5 of CTA 2009 (loan relationships) in respect of a company’s loan relationship so far as the loan relationship is in respect of property comprised in a decommissioning security settlement.
- (2) For the purposes of this section a settlement is a “decommissioning security settlement” if the sole or main purpose of the settlement is to provide security for the performance of obligations under an abandonment programme.
- (3) In subsection (2)—
  - “abandonment programme” means an abandonment programme approved under Part 4 of the Petroleum Act 1998 (including such a programme as revised), and
  - “security” has the same meaning as in section 38A of that Act.”
- (2) In section 464 of CTA 2009 (priority of Part 5 for corporation tax purposes), in subsection (3)(e), for “and 287” substitute “to 287A”.
- (3) The amendments made by this section have effect in relation to accounting periods beginning on or after the day on which this Act is passed.