
*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2013, PART 1. (See end of Document for details)*

SCHEDULES

SCHEDULE 31

MISCELLANEOUS AMENDMENTS RELATING TO DECOMMISSIONING

PART 1

ABANDONMENT GUARANTEES AND ABANDONMENT EXPENDITURE

Expenditure on abandonment guarantees

- 1 (1) In Part 2 of ITTOIA 2005 (trading income), Chapter 16A (oil activities) is amended as follows.
- (2) In section 225N (expenditure on and under abandonment guarantees)—
- (a) after subsection (1) insert—
- “(1A) Subsection (2) also applies if expenditure incurred by a participator in an oil field would be so allowable as a result of section 3(1)(hh) of that Act but for the fact that the oil field is a non-taxable oil field within the meaning of Part 3 of FA 1993 (see section 185 of that Act).”;
- (b) in subsection (2), for “that expenditure is so allowable” substitute “ the expenditure mentioned in subsection (1) or (1A) is or would be so allowable ”.
- (3) In section 225R (introduction to sections 225S and 225T)—
- (a) in paragraph (a) of subsection (1), omit the words from “, or would apply” to “made”;
- (b) in paragraph (b) of that subsection, after “Schedule” insert “, or would fall to be so attributed if a claim under paragraph 2A(2) of that Schedule were made ”;
- (c) after subsection (1) insert—
- “(1A) The condition in subsection (1)(b) is to be treated as met for the purposes of this section if it would be met but for the fact that the contributing participator is (or was) a participator in an oil field that is a non-taxable oil field within the meaning of Part 3 of FA 1993 (see section 185 of that Act).”;
- (d) in subsection (2), before “attributed” insert “ or would be ”.
- 2 (1) In Part 8 of CTA 2010 (oil activities), Chapter 4 (calculation of profits) is amended as follows.
- (2) In section 292 (expenditure on and under abandonment guarantees)—
- (a) after subsection (1) insert—

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- “(1A) Subsection (2) also applies if expenditure incurred by a participator in an oil field would be so allowable as a result of section 3(1)(hh) of that Act but for the fact that the oil field is a non-taxable oil field within the meaning of Part 3 of FA 1993 (see section 185 of that Act).”;
- (b) in subsection (2), for “that expenditure is so allowable” substitute “ the expenditure mentioned in subsection (1) or (1A) is or would be so allowable ”.
- (3) In section 296 (introduction to sections 297 and 298)—
- (a) in paragraph (a) of subsection (1), omit the words from “, or would apply” to “made”;
- (b) in paragraph (b) of that subsection, after “Schedule” insert “, or would fall to be so attributed if a claim under paragraph 2A(2) of that Schedule were made ”;
- (c) after subsection (1) insert—
- “(1A) The condition in subsection (1)(b) is to be treated as met for the purposes of this section if it would be met but for the fact that the contributing participator is (or was) a participator in an oil field that is a non-taxable oil field within the meaning of Part 3 of FA 1993 (see section 185 of that Act).”;
- (d) in subsection (2), before “attributed” insert “ or would be ”.

Expenditure under abandonment guarantees

- 3 In Schedule 3 to OTA 1975 (petroleum revenue tax: miscellaneous provisions), in paragraph 8 (certain subsidised expenditure to be disregarded), after sub-paragraph (1) insert—
- “(1A) But sub-paragraph (1) above does not apply to any expenditure for which the relevant participator is liable that has been or is to be met directly or indirectly out of a payment made by the guarantor under an abandonment guarantee.
- (1B) In sub-paragraph (1A) above—
- “abandonment guarantee” has the same meaning as it has for the purposes of section 3 of this Act (see section 104 of the Finance Act 1991), and
- “the guarantor” and “the relevant participator” have the same meaning as in section 104 of that Act.”
- 4 In Schedule 5 to OTA 1975 (allowance of expenditure), in paragraph 2C(2), in the definition of “sum in default”, for the words from “less the aggregate of” to the end substitute “ less so much of that payment as has been made by the defaulter ”.
- 5 (1) Part 3 of FA 1991 (oil taxation) is amended as follows.
- (2) Omit section 105 (restriction of expenditure relief by reference to payments under abandonment guarantees).
- (3) Omit section 106 (relief for reimbursement expenditure under abandonment guarantees).

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- 6 (1) In Part 2 of ITTOIA 2005 (trading income), Chapter 16A (oil activities) is amended as follows.
- (2) In section 225N (expenditure on and under abandonment guarantees), omit subsections (3) and (4).
- (3) Omit section 225O (relief for reimbursement expenditure under abandonment guarantees).
- 7 (1) In Part 8 of CTA 2010 (oil activities), Chapter 4 (calculation of profits) is amended as follows.
- (2) In section 292 (expenditure on and under abandonment guarantees), omit subsections (3) and (4).
- (3) Omit section 293 (relief for reimbursement expenditure under abandonment guarantees).

Reimbursement by defaulter in respect of abandonment expenditure

- 8 In Part 3 of FA 1991, omit section 108 (reimbursement by defaulter in respect of certain abandonment expenditure).
- 9 In Part 2 of ITTOIA 2005, omit section 225T (reimbursement by defaulter in respect of certain abandonment expenditure).
- 10 In Part 8 of CTA 2010, omit section 298 (reimbursement by defaulter in respect of certain abandonment expenditure).

Consequential amendments

- 11 (1) Section 104 of FA 1991 is amended as follows.
- (2) In subsection (1), omit “and sections 105 and 106 below”.
- (3) In subsection (2), omit “and section 106 (but not section 105) below”.
- 12 In FA 2008, omit section 105.
- 13 In Part 2 of ITTOIA 2005, Chapter 16A is amended as follows.
- 14 (1) Section 225N is amended as follows.
- (2) Omit subsection (5).
- (3) In subsection (6), in the definition of “abandonment guarantee”—
- (a) for “section 105 of FA 1991” substitute “ section 3 of OTA 1975 ”, and
- (b) for “that Act” substitute “ FA 1991 ”.
- (4) The heading of that section becomes “ **Expenditure on abandonment guarantees** ”.
- 15 Omit sections 225P and 225Q.
- 16 In section 225R (introduction to sections 225S and 225T)—
- (a) in subsection (1), for “Sections 225S and 225T apply” substitute “ Section 225S applies ”;
- (b) the heading of section 225R becomes “ **Introduction to section 225S** ”.
- 17 In Part 8 of CTA 2010, Chapter 4 is amended as follows.

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- 18 (1) Section 292 is amended as follows.
- (2) Omit subsection (5).
- (3) In subsection (6), in the definition of “abandonment guarantee”—
- (a) for “section 105 of FA 1991” substitute “ section 3 of OTA 1975 ”, and
 - (b) for “that Act” substitute “ FA 1991 ”.
- (4) The heading of that section becomes “ **Expenditure on abandonment guarantees** ”.
- 19 Omit sections 294 and 295.
- 20 In section 296 (introduction to sections 297 and 298)—
- (a) in subsection (1), for “Sections 297 and 298 apply” substitute “ Section 297 applies ”;
 - (b) the heading of section 296 becomes “ **Introduction to section 297** ”.

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