

SCHEDULES

SCHEDULE 15

OIL ACTIVITIES: TRANSFERABLE TAX HISTORY

PART 7

SUPPLEMENTARY CHARGE: RECALCULATION OF ADJUSTED RING FENCE PROFITS

“Activated ARFP amount”

53 (1) The “activated ARFP amount” for a pre-acquisition accounting period is the amount equal to—

$$(A/T) \times \text{ARFP}$$

where—

A is the amount applied, in relation to the loss period, in accordance with paragraph 25(2)(b) or (3)(b) for the pre-acquisition accounting period,
T is the unused transferred profits amount for that period, and

- (2) In sub-paragraph (1), “unused transferred profits amount” has the same meaning as it has for the purposes of Steps 1 and 2 of paragraph 44 (see paragraph 46).
- (3) Sub-paragraph (4) applies if, in respect of an earlier loss period—
- (a) an activated transferred profits amount for the pre-acquisition accounting period mentioned in paragraph 26(1) is applied in accordance with paragraph 25(2)(b) or (3)(b), and
 - (b) a corresponding repayment is determined under paragraph 26(2) (an “earlier repayment”).
- (4) The amount of the transferred adjusted ring fence profits for the pre-acquisition accounting period is treated, for the purposes of sub-paragraph (1), as being reduced by an amount equal to the total of the activated ARFP amounts for that period for the purposes of each earlier repayment.