



# Finance (No. 2) Act 2023

## 2023 CHAPTER 30

### PART 5

#### ELECTRICITY GENERATOR LEVY

*Attribution and surrender of amounts: joint ventures and significant minority shareholders*

#### **293 Non-chargeable amounts of joint venture to be attributed to participants**

- (1) **Subsection (3)** applies where the result of Step 4 in **section 279(5)** for a joint venture undertaking is greater than nil for a qualifying period.
- (2) For the purposes of this Part “joint venture undertaking” means a generating undertaking—
  - (a) that is a qualifying joint venture, or
  - (b) that is a group whose principal member is a qualifying joint venture.
- (3) The appropriate proportion of the non-chargeable amount in relation to the joint venture undertaking is to be added to the result of Step 4 in **section 279(5)** for each generating undertaking that is a participant in the qualifying joint venture (“the JV”) that comprises, or is the principal member of, the joint venture undertaking (and where Step 4 would not otherwise have been reached as a result of the second sentence of Step 3, ignore that sentence).
- (4) Where the qualifying period of the joint venture undertaking corresponds to a qualifying period of a participant of the JV, the whole of the appropriate proportion of the non-chargeable amount is to be added to the result of Step 4 for the participant for that period.

Otherwise, the appropriate proportion is to be apportioned, on a fair and reasonable basis, between the qualifying periods of the participant in which the qualifying period of the joint venture undertaking falls.

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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 293. (See end of Document for details)*

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- (5) The non-chargeable amount for a qualifying period of the joint venture undertaking is so much of the result of Step 4 in [section 279\(5\)](#) for that period as is reduced as a result of Step 5 of that section.
- (6) To determine the appropriate proportion of the participants in the JV for a qualifying period of the joint venture undertaking take the following steps—
- Step 1*
- The generation receipts and allowable costs attributed to the joint venture undertaking for the period are to be allocated to the participants in the JV in proportion to the proportional interest each has in the JV at the time of the generation to which the receipts or costs relate.
- Step 2*
- In respect of each participant, subtract those allocated allowable costs from those allocated generation receipts.
- If the result of this Step is less than nil for any of the participants, the appropriate proportion for that participant is nil.
- Step 3*
- The appropriate proportion for any other participant is the amount given by dividing—
- (a) the result of Step 2 in respect of that participant, by
  - (b) the result of Step 4 in [section 279\(5\)](#) for the joint venture undertaking—
    - (i) ignoring any amounts added to the result of that Step in accordance with [subsection \(3\)](#), and
    - (ii) where the result of Step 2 for one or more of the participants is less than nil, increased by the sum of those results (each expressed as a positive number).
- (7) The proportional interest of a participant (“P”) in the JV at any time is—
- (a) the percentage of the JV’s ordinary share capital held—
    - (i) where P is a generating undertaking which is a company, by P, or
    - (ii) where P is a generating undertaking which is a group, by members of P, or
  - (b) in a case where the JV does not have ordinary share capital, the percentage of the JV’s profits available for distribution to equity holders of the JV—
    - (i) where P is a generating undertaking which is a company, to which P is beneficially entitled, or
    - (ii) where P is a generating undertaking which is a group, to which members of P are beneficially entitled.
- (8) Where the appropriate proportion of the non-chargeable amount is required to be added to the result of Step 4 in [section 279\(5\)](#) for a generating undertaking that is not “qualifying” (see [section 279\(3\)](#)) in the qualifying period in which it is to be added, that undertaking is to be treated as qualifying for that period.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 293.