



Taxes Management Act 1970

1970 CHAPTER 9

[^{F1}PART 7A

HOLDERS OF LICENCES UNDER THE PETROLEUM ACT 1998

[^{F1}[^{F2}Supplementary

Textual Amendments

- F1** Pt. 7A inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 7 para. 2](#) (with Sch. 9 paras. 1-9, 22)
- F2** Ss. 77H-77K and cross-heading inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 7 para. 4](#) (with Sch. 9 paras. 1-9, 22)

77H Calculations under sections 77C(3) and 77G(7)

- (1) Subsection (2) applies for the purposes of calculating any of the following amounts of profits or chargeable gains—
- L in a calculation under section 77C(3),
 - CIF in a calculation under section 77G(7), and
 - CIF + NIF in a calculation under section 77G(7) when it is condition E in section 77G that is met.
- (2) The amount is to be calculated as if for the purposes of making a separate assessment in respect of those profits or chargeable gains on the person on whom the assessment was made.
- (3) An officer of Revenue and Customs applying subsection (2) is to make all such allocations and apportionments of receipts, expenses, allowances and deductions taken into account, or made, for the purposes of the actual assessment as appear to the officer to be just and reasonable in the circumstances.

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77I Information

- (1) The holder of a licence must, if required to do so by a notice served on the holder by an officer of Revenue and Customs, give to the officer within the time specified by the notice (which is not to be less than 30 days) such particulars as may be required by the notice of—
 - (a) licence-related transactions (see subsection (2)),
 - (b) licence-related payments (see subsection (3)), or
 - (c) persons to whom licence-related payments have been paid or are payable.
- (2) In subsection (1) “licence-related transaction” means a transaction in connection with activities authorised by the licence as a result of which any person is or might be liable to tax by virtue of—
 - (a) section 276 of the 1992 Act,
 - (b) section 874 of ITTOIA 2005, or
 - (c) section 1313 of CTA 2009.
- (3) In subsection (1) “licence-related payment” means—
 - (a) earnings which constitute employment income (see section 7(2)(a) of ITEPA 2003),
 - (b) amounts which are treated as earnings and constitute employment income (see section 7(2)(b) of ITEPA 2003), or
 - (c) other payments,

paid or payable in respect of duties or services performed in an area in which activities authorised by the licence may be carried on under the licence.
- (4) If a notice under subsection (1) is served on the holder of a licence, the holder must take reasonable steps to obtain the information necessary to enable the holder to comply with the notice.

77J Meaning of “related to a licence” as respects tax, or profits or gains

- (1) Subsections (2) and (3) apply for the purposes of this Part.
- (2) An amount of tax is related to a licence if the tax is in respect of profits or chargeable gains related to the licence.
- (3) Profits or chargeable gains are related to a licence if they are—
 - (a) profits from activities authorised by the licence,
 - (b) profits from activities carried on in connection with activities authorised by the licence, or
 - (c) profits from, or chargeable gains accruing on the disposal of, exploration or exploitation rights connected with—
 - (i) activities authorised by the licence, or
 - (ii) activities carried on in connection with activities authorised by the licence.
- (4) In this section—
 - (a) “designated area” means an area designated by Order in Council under section 1(7) of the Continental Shelf Act 1964,
 - (b) “exploration or exploitation activities” means activities carried on in connection with the exploration or exploitation of so much of the seabed and

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subsoil and their natural resources as is situated in the United Kingdom or a designated area,

- (c) “exploration or exploitation rights” means rights to—
 - (i) assets to be produced by exploration or exploitation activities,
 - (ii) interests in such assets, or
 - (iii) the benefit of such assets,
- (d) any reference to the disposal of exploration or exploitation rights includes a reference to the disposal of unlisted shares deriving their value, or the greater part of their value, directly or indirectly from such rights,
- (e) “shares” includes—
 - (i) stock, and
 - (ii) securities not creating or evidencing a charge on assets,
- (f) “unlisted shares” means shares that are not listed on a recognised stock exchange, and
- (g) “recognised stock exchange” has the meaning given by section 1005(1) and (2) of ITA 2007.

77K Other definitions in Part 7A

- (1) This section applies for the purposes of this Part.
- (2) “Licence” has the meaning given by section 77B(7).
- (3) “Secondary-liability notice” has the meaning given by section 77C(6).]]

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