

## SCHEDULES

### SCHEDULE 15

#### TERRITORIAL EXTENSION OF CHARGE TO TAX—SUPPLEMENTARY PROVISIONS

##### *Collection*

- 4 (1) Subject to the following provisions of this Schedule, where any tax is assessed by virtue of section 38 of [<sup>F1</sup>this Act or section 830 of the Taxes Act 1988] on a person not resident in the United Kingdom in respect of—
- (a) profits or gains from activities authorised, or carried on in connection with activities authorised, by a licence granted under the Petroleum (Production) Act 1934, or
  - (b) profits or gains from, or chargeable gains accruing on the disposal of, exploration or exploitation rights connected with activities so authorised or carried on,
- then, if the tax remains unpaid later than thirty days after it has become due and payable, the Board may serve a notice on the holder of the licence stating particulars of the assessment, the amount remaining unpaid and the date when it became payable, and requiring the holder of the licence to pay that amount, together with any interest due thereon under section 86 of the Taxes Management Act 1970, within thirty days of the service of the notice.
- (2) Any amount which a person is required to pay by a notice under this paragraph may be recovered from him as if it were tax due and duly demanded from him; and he may recover any such amount paid by him from the person on whom the assessment was made.
- [<sup>F2</sup>(3) A payment in pursuance of a notice under this paragraph shall not be allowed as a deduction in computing any income, profits or losses for any tax purposes.]

#### **Textual Amendments**

- F1** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 32](#)  
**F2** [Sch. 15 para. 4\(3\)](#) inserted by [Finance Act 1984 \(c. 43\)](#), [s. 124\(1\)](#)

#### **Modifications etc. (not altering text)**

- C1** [Sch. 15 para. 4](#): See [Finance Act 1988 \(c. 39\)](#), [s. 130\(7\)\(e\)](#)— payment of outstanding tax  
**C2** [Sch. 15 para. 4\(1\)](#): reference to Taxes Management Act 1970, s. 86 to include reference to s. 87A of the said Act of 1970 for accounting periods ending after a day to be appointed: see Finance No. 2 Act 1987, s. 86(3)

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[<sup>F3</sup>4A (1) Subject to the following provisions of this Schedule, the power of the Board under paragraph 4 above to serve a notice in respect of tax remaining unpaid as there mentioned shall also apply where—

- (a) tax is assessed on any person not resident in the United Kingdom as mentioned in paragraph 4(1)(a) or (b) but more than one licence under the Petroleum (Production) Act 1934 is the basis for the assessment; or
- (b) tax assessed on any such person includes, but is not limited to, tax assessed on him as so mentioned (whether by reference to one or to more than one such licence);

but in any such case the amount the holder of any licence in question may be required to pay by a notice under that paragraph shall be the amount of the tax remaining unpaid under the assessment which is attributable to the profits or gains in respect of which that licence was the basis for the assessment, together with a corresponding proportion of any interest due as mentioned in paragraph 4(1).

(2) For the purposes of sub-paragraph (1) above the amount of the tax remaining unpaid under the assessment which is attributable to the profits or gains in respect of which any licence in question was the basis for the assessment is such part of the total amount of that tax as bears to that total amount the same proportion as the proportion borne by the amount of the profits or gains in respect of which that licence was the basis for the assessment to the total amount of the profits or gains in respect of which the assessment was made.]

#### Textual Amendments

**F3** Sch. 15 para. 4A inserted by Finance Act 1984 (c. 43), s. 124(2)

5 Paragraph 4 above does not apply to any assessment to tax under Schedule E.

6 Paragraph 4 above does not apply [<sup>F4</sup>in relation to the holder of any licence] if the profits or gains arose or the chargeable gains accrued to the person on whom the assessment is made in consequence of a contract made by the holder of the licence before 23rd March 1973, unless he is a person connected with the holder within the meaning of section [<sup>F5</sup>839 of the Taxes Act 1988] of the Taxes Act or the contract was substantially varied on or after that date.

#### Textual Amendments

**F4** Words inserted by Finance Act 1984 (c. 43), s. 124(2)(3) (for any case where a period of thirty days relevant for the purposes of the service of a notice under para. 4 in relation to any tax expires after 12th March 1984)

**F5** Words substituted by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), Sch. 29, para. 32

7 Where, on an application made by a person who will or might become liable to tax which, if remaining unpaid, could be recovered under paragraph 4 above from the holder of a licence, the Board are satisfied that the applicant will comply with any obligations imposed on him by the Taxes Acts, they may issue a certificate to the holder of the licence exempting him from the provisions of that paragraph with respect to any tax payable by the applicant; and where such a certificate is issued that paragraph shall not apply to any such tax which becomes due while the certificate is in force [<sup>F6</sup>or, if the certificate is cancelled under paragraph 8 below, to

any such tax which becomes due after the cancellation of the certificate in respect of profits or gains arising while the certificate is in force (referred to below in this Schedule as pre-cancellation profits or gains.)

#### Textual Amendments

**F6** Words substituted by [Inheritance Act 1984 \(c. 51, SIF 65\)](#), s. 124(4)

- [<sup>F7</sup>7A (1) Paragraph 7 above is subject to the following provisions of this paragraph in any case where—
- (a) after the cancellation of a certificate issued to the holder of a licence under that paragraph tax is assessed as mentioned in paragraph 4(1)(a) or (b) above on the person who applied for the certificate; and
  - (b) the relevant profits or gains include (but are not limited to) pre-cancellation profits or gains.
- (2) In this paragraph “the relevant profits or gains” means—
- (a) in a case where the amount of the tax remaining unpaid under the assessment which, but for paragraph 7 above, the holder of the licence could be required to pay by a notice under paragraph 4 above (referred to below in this paragraph as the amount otherwise applicable in his case) is the whole of the amount remaining unpaid, all the profits or gains in respect of which the assessment was made; or
  - (b) in a case where the amount otherwise applicable in his case falls under paragraph 4A above to be determined by reference to profits or gains in respect of which the licence was the basis for the assessment, the profits or gains in question.
- (3) In any case to which this paragraph applies, the amount the holder of the licence may be required to pay by a notice under paragraph 4 shall be the amount otherwise applicable in his case reduced by the amount of the tax remaining unpaid under the assessment which is attributable to the pre-cancellation profits or gains, together with a corresponding proportion of any interest due as mentioned in paragraph 4(1).
- (4) For the purposes of sub-paragraph (3) above the amount of the tax remaining unpaid under the assessment which is attributable to the pre-cancellation profits or gains is such part of the amount otherwise applicable in the case of the holder of the licence as bears to the whole of the amount otherwise so applicable the same proportion as the proportion borne by the amount of the pre-cancellation profits or gains to the total amount of the relevant profits or gains.]

#### Textual Amendments

**F7** [Sch. 15 para. 7A](#) inserted by [Finance Act 1984 \(c. 43\)](#), s. 124(5).

- 8 The Board may, by notice in writing to the holder of a certificate issued under paragraph 7 above, cancel the certificate from such date, not earlier than thirty days after the service of the notice, as may be specified in the notice.
- [<sup>F8</sup>8A (1) For the purposes of paragraphs 4A and 7A above and this paragraph, profits or gains in respect of which an assessment is made as mentioned in paragraph 4(1)(a) or (b) above are profits or gains in respect of which any licence in question was the basis

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for the assessment if those profits or gains fall within paragraph 4(1)(a) or (b) by reference to that licence.

(2) In determining—

- (a) for the purposes of paragraph 4A(2) or 7A(4) above, the amount of the profits or gains in respect of which any licence was the basis for an assessment; or
- (b) for the purposes of paragraph 7A(4) above, the amount of any pre-cancellation profits or gains;

the Board shall compute that amount as if for the purposes of making a separate assessment in respect of those profits or gains on the person on whom the assessment was made, making 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 Board to be just and reasonable in the circumstances.

- (3) A notice under paragraph 4 above as it applies by virtue of paragraph 4A or 7A above shall give particulars of the manner in which the amount required to be paid was determined.
- (4) References in paragraphs 4A, 7 and 7A above and in this paragraph to profits or gains include chargeable gains.]

#### **Textual Amendments**

**F8** Sch. 15 para. 8A inserted by Finance Act 1984 (c. 43), s. 124(6).

- 9 In this Schedule “the Taxes Acts” has the same meaning as in the Taxes Management Act 1970.

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