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*Status: Point in time view as at 01/02/1991. This version of this schedule contains provisions that are not valid for this point in time.*  
*Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1975, SCHEDULE 3. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 3

Section 1.

#### PETROLEUM REVENUE TAX: MISCELLANEOUS PROVISIONS

##### *Definition of sale of oil at arm's length*

- 1 (1) For the purposes of this Part of this Act a sale of any oil is a sale at arm's length if, but only if, the following conditions are satisfied with respect to the contract of sale, that is to say—
- (a) the contract price is the sole consideration for the sale;
  - (b) the terms of the sale are not affected by any commercial relationship (other than that created by the contract itself) between the seller or any person connected with the seller and the buyer or any person connected with the buyer; and
  - (c) neither the seller nor any person connected with him has, directly or indirectly, any interest in the subsequent resale or disposal of the oil or any product derived therefrom.
- (2) Section [F1839] of the Taxes Act (connected persons) shall apply for the purposes of the preceding sub-paragraph.

##### **Textual Amendments**

F1 Figure substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [Sch. 29 para. 32](#)

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

C1 Definition applied for purposes of [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [s. 493\(3\)](#)

##### *Definition of market value of oil*

- 2 [F2](1) The market value of any oil in any calendar month shall be determined for the purposes of this Part of this Act in accordance with this paragraph.
- (2) Subject to the following provisions of this paragraph, the market value of any oil in a calendar month (in this paragraph referred to as “the relevant month” is the price at which oil of that kind might reasonably have been expected to be sold under a contract of sale satisfying the following conditions—
- (a) the contract is for the sale of the oil at arm's length to a willing buyer;
  - (b) the contract is for the delivery of the oil at a time in the relevant month;
  - (c) the contract is entered into within the period beginning at the beginning of the month preceding the relevant month and ending on the middle day of the relevant month or, if the Treasury by order so direct, within such other period as may be specified in the order;

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- (d) the contract requires the oil to have been subjected to appropriate initial treatment before delivery;
- (e) the contract requires the oil to be delivered]—
- (i) in the case of oil extracted in the United Kingdom, at the place of extraction; or
- (ii) in the case of oil extracted from strata in the sea bed and subsoil of the territorial sea of the United Kingdom or of a designated area, at the place in the United Kingdom at which the seller could reasonably be expected to deliver it or, if there is more than one such place, the one nearest to the place of extraction;
- [<sup>F3</sup>(f)] in the case of oil whose market value falls to be ascertained [<sup>F4</sup>as in a particular month] for the purposes of paragraph (b) of section 2(4) or paragraph (d) of section 2(5) of this Act or, subject to sub-paragraph (3) below, under paragraph 3 below for the purposes of paragraph (b) or (c) of the said section 2(5), the contract is for the sale of the whole quantity of oil whose market value falls to be ascertained [<sup>F4</sup>as in that month] for the purposes of the paragraph in question, and of no other oil.

[<sup>F5</sup>and, for the avoidance of doubt, it is hereby declared that the terms as to payment which are to be implied in the contract shall be those which are customarily contained in contracts for the sale at arm’s length of oil of the kind in question][<sup>F6</sup>and, for the purposes of paragraph (c) above, the middle day of a month containing an even number of days shall be taken to be the last day of the first half of the month, and the power to make an order under that paragraph shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament].

- [<sup>F7</sup>(2A) For the purpose of sub-paragraph (2) above, the price of any oil in a calendar month shall be determined, subject to sub-paragraphs (2B) and (2C) below, by taking the average of the prices under actual contracts for the sale of oil of that kind—
  - (a) which are contracts for the sale of oil by a participator in an oil field or by a company which, for the purposes of section 115(2) of the Finance Act 1984, is associated with such a participator; and
  - (b) which, subject to sub-paragraph (2B) below, satisfy the conditions in paragraphs (a) to (e) of sub-paragraph (2) above; and
  - (c) which do not contain terms as to payment which differ from those customarily contained in contracts for the sale at arm’s length of oil of the kind in question.
- (2B) For the purposes of sub-paragraph (2A)(b) above, a contract shall be treated as fulfilling the condition in paragraph (c) of sub-paragraph (2) above if it contains provisions under which the price for oil to be delivered in the relevant month either is determined or subject to review in the period relevant for the purposes of that paragraph or is determined by reference to other prices which are themselves determined in that period, being prices for oil to be delivered in the relevant month.
- (2C) The average referred to in sub-paragraph (2A) above shall be determined—
  - (a) by establishing an average price for oil of the kind in question for each business day within the period relevant for the purposes of sub-paragraph (2) (c) above; and
  - (b) by taking the arithmetic mean of the average prices so established;
 and in this sub-paragraph “business day” has the same meaning as in the Bills of Exchange Act 1882.

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- (2D) If or in so far as the Board are satisfied that it is impracticable or inappropriate to determine for the purposes of sub-paragraph (2) above the price of any oil in a calendar month as mentioned in sub-paragraph (2A) above (whether by virtue of an insufficiency of contracts satisfying the conditions or of information relating to such contracts or by virtue of the nature of the market for oil of the kind in question or for any other reason), that price shall be determined,—
- (a) so far as it is practicable and appropriate to do so by reference to such other contracts (whether or not relating to oil of the same kind) and in accordance with the principles in sub-paragraph (2C) above; and
  - (b) so far as it is not practicable or appropriate to determine it as mentioned in paragraph (a) above, in such other manner as appears to the Board to be appropriate in the circumstances.]
- (3) If oil whose market value falls to be ascertained [<sup>F4</sup>as in a particular month] under paragraph 3 below for the purposes of paragraph (b) of the said section 2(5) was not all disposed of to the same person, then the market value [<sup>F8</sup>at that time] of so much of that oil as was disposed of [<sup>F9</sup>in that month] to any one person shall be ascertained in accordance with sub-paragraphs (1) [<sup>F4</sup>to (2D)] above as if that were the only oil whose market value fell to be ascertained [<sup>F4</sup>as in that month] for those purposes (with sub-paragraph [<sup>F4</sup>(2)(e)] above applying accordingly).
- [<sup>F10</sup>(3A) Where all or any of the oil whose market value falls to be ascertained in accordance with sub-paragraphs (1) and (2) above has been subjected to initial treatment before being disposed of or relevantly appropriated, the appropriate initial treatment referred to in sub-paragraph (2)(a) above shall, as respects that oil, include the whole of that treatment.]
- (4) The provisions of sub-paragraphs (2) and (3) above shall apply for the ascertainment of the market value of oil in any case mentioned in paragraph 2(2) of Schedule 2 to this Act as they apply in relation to the corresponding case mentioned in those provisions.

#### Textual Amendments

- F2** Sch. 3 para. 2(1)(2)(a)-(d) and part of (e) substituted for Sch. 3 para. 2(1)(2)(a) and part of (b) by [Finance Act 1987 \(c. 16\), s. 62\(3\)](#), [Sch. 11 para. 1\(2\)\(3\)](#) for chargeable periods ending after 31 December 1986
- F3** Sch. 3 para. 2(2)(c) renumbered as Sch. 3 para. 2(2)(f) by [Finance Act 1987 \(c. 16\), s. 62\(3\)](#), [Sch. 11 para. 1\(4\)](#) for chargeable periods ending after 31 December 1986
- F4** Words substituted by [Finance Act 1987 \(c. 16\), s. 62\(3\)](#) and Sch. 11 para. 1 for chargeable periods ending after 31 December 1986
- F5** Words added by [Finance Act 1983 \(c. 49\), s. 38](#)
- F6** Words added by [Finance Act 1987 \(c. 16\), s. 62\(3\)](#) and Sch. 11 para. 1 for chargeable periods ending after 31 December 1986
- F7** [Sch. 3 para. 2\(2A\)–\(2D\)](#) inserted by [Finance Act 1987 \(c. 16\), s. 62\(3\)](#) and Sch. 11 para. 1 for chargeable periods ending after 31 December 1986
- F8** Words repealed by [Finance Act 1987 \(c. 16\), ss. 62\(3\), 72\(7\)](#), [Schs. 11 para. 1\(7\)](#) and 16 Part X for chargeable periods ending after 31 December 1986
- F9** Words inserted by [Finance Act 1987 \(c. 16\), s. 62\(3\)](#) and Sch. 11 para. 1 for chargeable periods ending after 31 December 1986
- F10** [Sch. 3 para. 2\(3A\)](#) inserted by [Finance Act 1980 \(c. 48\), s. 109\(6\)](#) in relation to chargeable periods ending after 31 December 1979

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

- C2** See Finance Act 1982 (c. 39), s. 134 and Sch. 18; Finance Act 1986 (c. 41), s. 109
- C3** See Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 493 (subparagraph (f) replaced where s. 493(3)(4) applies)
- C4** See Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 493(5) for modification in certain circumstances

<sup>F11</sup>2A (1) Paragraph 2 above shall have effect in accordance with this paragraph where the oil whose market value falls to be ascertained at any time in accordance with subparagraphs [<sup>F12</sup>(1) to (2D)] of that paragraph, or in accordance with those subparagraphs as modified by sub-paragraph (3) of that paragraph, consists of or includes gas.

- (2) Sub-paragraph [<sup>F12</sup>(2)(d)] of paragraph 2 above shall not apply to so much of the oil as consists of gas unless—
- (a) it has been subjected to initial treatment before being disposed of or relevantly appropriated; or
  - (b) it has, after being disposed of or relevantly appropriated, been subjected to initial treatment by or on behalf of the participator in question or by or on behalf of a person who is connected with him within the meaning of section [<sup>F13</sup>839] of the Taxes Act;

and where oil consisting of gas has, whether before or after being disposed of or relevantly appropriated, been subjected to initial treatment by or on behalf of the participator in question or by or on behalf of a person who is connected with him as aforesaid the appropriate initial treatment referred to in sub-paragraph [<sup>F12</sup>(2)(d)] of paragraph 2 above shall include the treatment to which it has been so subjected.

- (3) Where the initial treatment mentioned in sub-paragraph (2) above includes treatment in order to separate gas of one or more kinds which are transported and sold in normal commercial practice, the market value of the gas of each such kind which is separated shall be ascertained in accordance with subparagraphs [<sup>F12</sup>(1) to (2D)] of paragraph 2 as if that were the only oil whose market value fell to be ascertained at the time in question (with subparagraphs [<sup>F12</sup>(2)(e)] of paragraph 2 applying accordingly).
- (4) Where the oil consists of or includes natural gas within the meaning of the Energy Act 1976, it shall be assumed for the purposes of paragraph 2—
- <sup>F14</sup>(a) [ that any authorisation granted under section 7 or 8 of the Gas Act 1986 for the supply of the gas under the contract mentioned in subparagraph (2) of that paragraph; and
  - (b) that no authorisation is required under those sections for the supply of the gas under that contract if no such authorisation is required for the supply of the gas].]

#### Textual Amendments

- F11** Sch. 3 para. 2A inserted by Finance Act 1980 (c. 48), s. 109(7) in relation to chargeable periods ending after 31 December 1979
- F12** Words substituted by Finance Act 1987 (c. 16), s. 62(3) and Sch. 11 para. 2 for chargeable periods ending after 31 December 1986
- F13** Figure substituted by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), Sch. 29 para. 32

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**F14** Sch. 3 para. 2A(4)(a)(b) substituted by Gas Act 1986 (c. 44), s. 67(1) and Sch. 7 para. 20

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

**C5** See Finance Act 1982 (c. 39), s. 134 and Sch. 18; Finance Act 1986 (c. 41), s. 109

*Aggregate market value of oil for purposes of section 2(5)*

- 3 (1) For the purposes of subsection (5) of section 2 of this Act the aggregate market value of any oil falling within paragraph (b) or (c) of that subsection shall be arrived at by ascertaining, for each calendar month in the chargeable period in question, the market value [<sup>F15</sup>at the material time] of so much, if any, of that oil as was—
- (a) in the case of oil falling within the said paragraph (b), delivered as there mentioned in that month; or
  - (b) in the case of oil falling within the said paragraph (c), appropriated as there mentioned in that month,
- and, in either case, aggregating the market values so ascertained.
- (2) In this paragraph and elsewhere in this Part of this Act “calendar month” (where those words are used) means a month of the calendar year, [<sup>F15</sup>and “the material time”, in relation to a calendar month, means noon on the relevant day, that is to say—
- (a) for a month containing an odd number of days, the middle day of the month;
  - (b) for a month containing an even number of days, the last day of the first half of the month].

**Textual Amendments**

**F15** Words repealed by Finance Act 1987 (c. 16), ss. 62(3), 72(7), Schs. 11 para. 3 and 16 Part X for chargeable periods ending after 31 December 1986

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

**C6** See Finance Act 1982 (c. 39), s. 134 and Sch. 18; Finance Act 1986 (c. 41), s. 109

VALID FROM 03/05/1994

*[<sup>F16</sup> Definition of market value of light gases]*

**Textual Amendments**

**F16** Sch. 3: Crossheading and para. 3A inserted (3.5.1994) by 1994 c. 9, s. 236(1), Sch. 23 para. 4 (with saving in s. 236(2))

- [<sup>F17</sup>3A(1) The market value of any light gases for the purposes of this Part of this Act is the price at which, having regard to all the circumstances relevant to the disposal or appropriation in question, light gases of that kind might reasonably have been expected to be sold under a contract of sale satisfying the conditions specified in sub-paragraph (2) below.

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- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the contract is for the sale of the gases at arm's length to a willing buyer;
  - (b) the contract requires the gases to have been subjected to appropriate initial treatment before delivery; and
  - (c) the contract requires the gases to be delivered—
    - (i) in the case of gases extracted in the United Kingdom, at the place of extraction; or
    - (ii) in the case of gases extracted from strata in the sea bed and subsoil of the territorial sea of the United Kingdom or of a designated area, at the place in the United Kingdom or another country at which the seller could reasonably be expected to deliver the gases or, if there is more than one such place, the one nearest to the place of extraction.
- (3) If the circumstances referred to in sub-paragraph (1) above are such that the price referred to in that sub-paragraph might reasonably be expected to include—
- (a) any such payments as are referred to in subsection (2) of section 114 of the Finance Act 1984 (treatment of certain payments relating to gas sales), or
  - (b) any capacity payments, as defined in subsection (5) of that section,
- section 114 of the Finance Act 1984 shall apply accordingly in relation to the notional contract specified in sub-paragraph (1) above as it applies in relation to an actual contract.
- (4) This paragraph has effect subject to sub-paragraphs (2) and (3) of paragraph 2A above.]

#### Textual Amendments

**F17** Sch. 3 para. 3A inserted (3.5.1994) by 1994 c. 9, s. 236(1), **Sch. 23 para. 4** (with saving in s. 236(2))

#### *Oil delivered in place of royalties to be disregarded for certain purposes*

- 4 Oil delivered to the Secretary of State under the terms of a licence granted under the <sup>M1</sup>Petroleum (Production) Act 1934 shall be disregarded for the purposes of section 2(5) of this Act and for the purposes of the references in section 8(3) and (4) of this Act to a participator's share of the oil won and saved from an oil field in a chargeable period.

#### Marginal Citations

**M1** 1934 c. 36.

#### *Effect of transfer to an associated company of participator's rights etc. in connection with an oil field or relevant licence*

- 5 (1) This paragraph applies to any agreement or other arrangement between a participator in an oil field and a company associated with the participator whereby—

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- (a) ownership of all or any of the participator's share of the oil won and saved from the field is transferred to the company; and
  - (b) the company obtains or assumes all or any of the participator's other rights, interests and obligations in connection with the field or any relevant licence.
- (2) As regards any chargeable period in which a participator in an oil field is a party to an arrangement to which this paragraph applies, the other party to the arrangement shall be treated for all purposes of this Part of this Act (except this paragraph) and for the purposes of [F18section 500 of the Taxes Act] as having been a participator in the field at all times when the actual participator was such a participator (including times before the arrangement was made), and shall be assessable and chargeable to tax and entitled to make any claim under this Part of this Act, and any deduction or claim under [F18section 500 of the Taxes Act], accordingly.
- (3) Where a participator in an oil field is or has been a party to an arrangement to which this paragraph applies then for all purposes of this Part of this Act—
  - (a) anything done by or in relation to the participator in connection with the field or any relevant licence shall be treated as being or having been done by or, as the case may be, in relation to the other party to the arrangement; and
  - (b) all rights, interests or obligations of the participator in connection with the field or any relevant licence shall be treated as being or having been rights, interests or obligations of the other party.
- (4) Where a participator in an oil field is or has been a party to an arrangement to which this paragraph applies, then, if any tax or interest payable under this Part of this Act by the other party to the arrangement is not paid within thirty days after the date on which it becomes payable, the Board may by notice in writing require the participator to pay that tax or interest; and where such a notice is served on the participator, the tax or interest in question shall be payable by him forthwith, but without prejudice to the Board's right to recover it from the other party.
- (5) For the purposes of this paragraph “company” means any body corporate, and a participator in an oil field and another company are associated with one another if—
  - (a) the participator has control over or is under the control of the other company; or
  - (b) the participator and the other company are both under the control of the same person or persons;and in this sub-paragraph “control” has the meaning given by section [F19840] of the Taxes Act.

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**Textual Amendments**

- F18** Words substituted (*retrospectively*) by [Finance Act 1990 \(c. 29, SIF 63:1\)](#), s. 89, Sch. 14 paras. 16, **19**  
**F19** Figure substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **Sch. 29 para. 32**
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**Modifications etc. (not altering text)**

- C7** See [Finance Act 1981 \(c. 35\)](#), s. **128(1)** and Sch. 16 para. 14; [Finance Act 1982 \(c. 39\)](#), s. 139(6), **Sch. 19 para. 20**



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*Oil owned by a person other than a participator in the oil field from which it was won*

- 6 (1) Where a proportion of a participator’s share in the oil won and saved from an oil field (as distinct from a specific quantity of oil comprised in that share) is owned by [<sup>F20</sup>a person (in this paragraph referred to as “the owner”) who is not a participator and] who acquired it (whether directly or indirectly) under an agreement to which paragraph 5 above does not apply, the following provisions of this paragraph shall have effect.
- (2) For the purposes of this Part of this Act the oil acquired by the owner under the agreement shall be treated in every case as having been disposed of to him by the participator otherwise than in a sale at arm’s length.
- (3) Where any oil which the owner owns in right of the agreement is in pursuance of the agreement—
- (a) delivered to the owner by the participator; or
  - (b) delivered to a third person by the participator acting on behalf of the owner, the delivery shall for the purposes of this Part of this Act be regarded as a delivery by the participator although he does not own the oil.
- (4) This sub-paragraph applies to all such oil (if any) as, being owned by the owner in right of the agreement, is in any chargeable period delivered by the participator as mentioned in the preceding sub-paragraph and would accordingly, apart from the following sub-paragraph, fall to be brought into account under section 2(5)(b) of this Act in computing the assessable profit or allowable loss accruing to the participator in that period (in the following sub-paragraph referred to as “the relevant period”).
- (5) If on a claim made by the participator within two months after the end of the relevant period—
- (a) it is shown that some or all of the oil to which sub-paragraph (4) above applies has been disposed of by or on behalf of the owner crude in sales at arm’s length; and
  - (b) the Board are satisfied that the oil with respect to which it is so shown includes the whole of so much of the oil to which that sub-paragraph applies as has been so disposed of,
- then, in computing the assessable profit or allowable loss accruing to the participator in the relevant period, the oil with respect to which it is so shown shall be brought into account by reference to the price received or receivable for it by the owner instead of by reference to its market value.

**Textual Amendments**

**F20** Words substituted by [Finance Act 1977 \(c. 36\), s. 54\(2\)](#)

*[<sup>F21</sup> Effect of certain transactions between participators*

**Textual Amendments**

**F21** Sch. 3 para. 6A inserted by [Finance Act 1977 \(c. 36\), s. 54](#)

- 6A Where the whole or part of the share of a participator (“the transferor”) of oil won from an oil field became the share, or part of the share, of another participator (“the



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transferee”) in pursuance of an agreement between them under which the transferor undertook to remain responsible for carrying out the transferee’s obligations in connection with the field so far as they relate to the transferred share or part, then, for the purposes of this Part of this Act—

- (a) the shares of the transferor and the transferee of oil won from the field shall be taken to be the same as they would have been if the transfer had not occurred, and
- (b) any oil comprised in the transferred share or part and taken up by or on the authority of the transferee in pursuance of the agreement shall be regarded as being disposed of and delivered to him by the transferor at the time when it is taken up.]

*Exclusion from section 2(4)(b) and (5)(d) of offshore oil in transit to place of first landing in United Kingdom*

7 In computing the assessable profit or allowable loss accruing to a participator in a chargeable period from an oil field, the market value of any oil won as mentioned in section 3(1)(f) of this Act—

- (a) shall not be taken into account under section 2(4)(b) of this Act if and to the extent that at the end of the preceding chargeable period the oil was in the course of being transported to the place where it was first landed in the United Kingdom; and
- (b) shall not be taken into account under section 2(5)(d) of this Act if and to the extent that at the end of the first-mentioned chargeable period the oil was in the course of being so transported.

*Certain subsidised expenditure to be disregarded*

8 (1) Expenditure shall not be regarded for any of the purposes of this Part of this Act as having been incurred by any person in so far as it has been or is to be met directly or indirectly by the Crown or by any government or public or local authority, whether in the United Kingdom or elsewhere, or by any person other than the first-mentioned person, [<sup>F22</sup>unless it is so met by a grant made under Part I of the <sup>M2</sup>Industry Act 1972 or a grant made under an enactment of the Parliament of Northern Ireland or Measure of the Northern Ireland Assembly and declared by order of the Treasury under section 84 of the <sup>M3</sup>Capital Allowances Act 1968 to correspond to a grant made under the said Part I].

(2) In considering, for the purposes of this paragraph, how far any expenditure has been or is to be met directly or indirectly by the Crown or by any authority or person other than the person incurring the expenditure, there shall be left out of account any insurance or compensation payable in respect of the loss or destruction of any asset.

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**Textual Amendments**

**F22** Words repealed by [Finance Act 1982 \(c. 39\)](#), [ss. 137\(1\)\(7\), 157\(6\)](#) and Sch. 19 Part IX in respect of relevant expenditure incurred after 9 March 1982 where the grant concerned is paid after that date

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

**C8** See [Finance Act 1981 \(c. 35\)](#), [s. 118\(5\)](#)

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### Marginal Citations

- M2 1972 c. 63.  
 M3 1968 c. 3.

#### *Election to have amounts mentioned in section 2(9)(b) and (c) spread*

- [<sup>F239</sup> (1) A participator in an oil field may by notice in writing to the Board elect—
- (a) that the relief for supplemented expenditure to be taken into account in computing the assessable profit or allowable loss accruing to him from the field in the chargeable period specified in the notice shall not exceed such amount as is so specified; and
  - (b) that any excess shall be dealt with in accordance with the following provisions of this paragraph.
- (2) Subject to sub-paragraphs (3) and (4) below, one-twentieth of any excess of the relief over the amount specified for the chargeable period in question shall be taken into account in computing the assessable profit or allowable loss accruing to the participator from the field in each of the next twenty chargeable periods.
- (3) A participator may, in the first notice given by him under sub-paragraph (1) above in respect of a field, elect that sub-paragraph (2) above shall have effect in relation to that and any subsequent notice given by him in respect of that field with the substitution for the denominator of the fraction and the number of chargeable periods of such number, being three, five, ten or fifteen, as is specified in the election.
- (4) A participator may by a notice in writing given to the Board and applying to any of the chargeable periods referred to in sub-paragraph (2) above before the last elect that so much of the excess as has not been taken into account in a previous chargeable period shall be taken into account in the period specified in the notice instead of partly in that period and partly in the subsequent periods.
- (5) Any notice under this paragraph shall be in such form as the Board may prescribe and shall be given within three months after the end of the chargeable period to which it relates or, if later, twenty-seven months after the end of the first chargeable period of the field.
- (6) Any tax charged or repayable in respect of the first four chargeable periods of an oil field in consequence of an election under this paragraph shall not carry interest under paragraph 15 or 16 of Schedule 2 to this Act in respect of any period before the date of the election.
- (7) In this paragraph “relief for supplemented expenditure” means the amount attributable to expenditure qualifying for supplement under paragraph (b)(ii) or (c)(ii) of section 2(9) of this Act which would, apart from any election under this paragraph, fall to be taken into account under paragraph (b) or (c) of section 2(9) in computing the assessable profit or allowable loss accruing to the participator from the field in the chargeable period in question; and the reference in this sub-paragraph to the amount attributable to expenditure qualifying for supplement as aforesaid includes the amount attributable to the expenditure itself as well as to the amount calculated by reference to it under the said paragraph (b)(ii) or (c)(ii).]

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*Status: Point in time view as at 01/02/1991. This version of this schedule contains provisions that are not valid for this point in time.*  
*Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1975, SCHEDULE 3. (See end of Document for details)*

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**Textual Amendments**

**F23** Sch. 3 para. 9 substituted by Finance Act 1981 (c. 35), s. 116(1) in relation to any chargeable period ending after 31 December 1979

[<sup>F24</sup>10 Where a participator has made an election under paragraph 9(1) above the reduction to be made in his case under section 8(1) of this Act for any chargeable period (whether or not that to which the election relates) shall not be greater than it would have been if he had made no such election.]

**Textual Amendments**

**F24** Sch. 3 para. 10 substituted by Finance Act 1981 (c. 35), s. 116(2) in relation to any chargeable period ending after 31 December 1979

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

**C9** See Finance Act 1981 (c. 35), s. 117(4)

*Restriction of amount of reduction under section 8(1)*

11 Where—

- (a) a claim under Schedule 5 or 6 to this Act is made after the relevant time; and
- (b) the reduction which would, apart from this paragraph, fall to be made under subsection (1) of section 8 of this Act for any chargeable period is greater than it would have been if the expenditure and other amounts allowed on the claim had been claimed before and allowed at the relevant time,

then, if the Board so direct, the reduction made under that subsection for that chargeable period shall be only what it would have been if the expenditure and other amounts allowed on the claim had been claimed before and allowed at the relevant time.

In this paragraph “the relevant time” means the end of twelve months from the end of the claim period to which the claim mentioned in sub-paragraph (a) above relates.

**Status:**

Point in time view as at 01/02/1991. This version of this schedule contains provisions that are not valid for this point in time.

**Changes to legislation:**

There are currently no known outstanding effects for the Oil Taxation Act 1975, SCHEDULE 3.