
Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1983,
Cross Heading: Use by connected or associated person: avoidance devices. (See end of Document for details)

SCHEDULES

SCHEDULE 2

SUPPLEMENTAL PROVISIONS AS TO RECEIPTS FROM QUALIFYING ASSETS

Use by connected or associated person: avoidance devices

- 11 (1) This paragraph applies in any case where—
- (a) any consideration in respect of the use of an asset is received or receivable by a person (in this paragraph referred to as “the recipient”) in relation to whom the asset is not a qualifying asset; and
 - (b) the asset is at any time used in connection with an oil field by a person (in this paragraph referred to as “the user”) who is connected or associated with the recipient and who is a participator in that or any other oil field; and
 - (c) the consideration is so received or receivable under or in consequence of a scheme or arrangements the main purpose or one of the main purposes of which is the avoidance of petroleum revenue tax or corporation tax.
- (2) Subject to sub-paragraphs (5) and (6) below, the user shall be treated for the purposes of this Act and Part I [^{F1}of the principal Act and [^{F2}sections 299 to 301 of the Corporation Tax Act 2010]] as if—
- (a) any consideration arising from the use of the asset and received or receivable at any time by the recipient or a person connected or associated with him, other than consideration received or receivable from the user himself, had been received or receivable at that time by the user; and
 - (b) such proportion of any expenditure incurred by the recipient at any time in connection with the asset as it is just and reasonable to apportion to the use which gives rise to the consideration had been incurred at that time by the user for the purpose for which it was in fact incurred by the recipient.
- (3) For the purposes of this paragraph, a participator in an oil field is associated with another person if the participator, by acting together with a person who is, or two or more persons each of whom is, a participator in that oil field or in any other relevant field, would be able to secure or exercise control of that other person, and for this purpose—
- (a) “control” shall be construed in accordance with [^{F3}sections 450 and 451 of the Corporation Tax Act 2010]; and
 - (b) “relevant field” means an oil field in connection with which the asset referred to in sub-paragraph (1)(a) above has been, is, or is expected to be, used.
- (4) For the purposes of sub-paragraph (3) above—
- (a) a foreign field, within the meaning of section 12 of this Act, shall be treated as an oil field, and
 - (b) an asset is used in connection with a relevant field which is a foreign field if it is used in a way which, on the assumptions set out in subsection (5) of that section, would be use in connection with the foreign field,

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and, in relation to a relevant field which is a foreign field, the reference in sub-paragraph (3) above to a participator shall be construed in accordance with section 12(2)(b) of this Act.

- (5) If, in relation to the recipient, there is more than one person who is the user, any consideration or expenditure falling within paragraph (a) or paragraph (b) of sub-paragraph (2) above shall be apportioned between those persons in such manner as is just and reasonable.
- (6) Sub-paragraph (2)(b) above does not apply if the asset is a mobile asset which is not dedicated to an oil field.

Textual Amendments

- F1** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), **Sch. 29 para. 32**
- F2** Words in [Sch. 2 para. 11\(2\)](#) substituted (with effect in accordance with s. 1184(1) of the commencing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 184(2)** (with [Sch. 2](#))
- F3** Words in [Sch. 2 para. 11\(3\)\(a\)](#) substituted (with effect in accordance with s. 1184(1) of the commencing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 184(3)** (with [Sch. 2](#))

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