

SCHEDULES

SCHEDULE 3

TARIFF RECEIPTS ALLOWANCE

Qualifying tariff receipts referable to different periods

- 4 (1) This paragraph applies if any qualifying tariff receipts which are received or receivable by a participator for a chargeable period from a user field are referable to the use of a qualifying asset for a period (in this paragraph and paragraph 5 below referred to as "the period of use") which is not wholly comprised in that chargeable period.
- (2) If, apart from this sub-paragraph, the period of use would exceed ten years, it shall be treated for the purposes of the following provisions of this paragraph as ending immediately before the tenth anniversary of the first day of the period.
- (3) In a case where this paragraph applies, the qualifying tariff receipts referred to in sub-paragraph (1) above shall be treated for the purpose mentioned in subsection (1) of the principal section as reduced in accordance with paragraph 5 below and not in accordance with paragraph (a) or paragraph (b) of that subsection.
- (4) For the purpose of determining the amount of the reduction under paragraph 5 below.
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- (a) the qualifying tariff receipts shall be regarded as wholly received in the period of use ; and
- (b) if the period of use is not wholly comprised in a chargeable period, a portion of those receipts shall be regarded as received in each chargeable period which, in whole or in part, is comprised in the period of use ;
- and any chargeable period which, in whole or in part, is comprised in the period of use is in the following provisions of this paragraph and paragraph 5 below referred to as a "relevant chargeable period".
- (5) For the relevant chargeable period or, as the case may be, for each of them, there shall be determined the amount of oil won from the user field in question which is expected to be qualifying oil for that period ; and in this paragraph and paragraph 5 below "qualifying oil", in relation to a chargeable period, means oil which in that period is extracted, transported, initially treated or initially stored by means of any asset or assets giving rise to the qualifying tariff receipts referred to in sub-paragraph (1) above.
- (6) In a case falling within paragraph (b) of sub-paragraph (4) above, the portion of the qualifying tariff receipts which is to be regarded as received in each of the relevant chargeable periods shall bear to each of those receipts the same proportion as the amount of the qualifying oil for that period bears to the total of the qualifying oil for all the relevant chargeable periods.

Status: This is the original version (as it was originally enacted).

- (7) In any case where, apart from this sub-paragraph, it is not practicable to determine for the purpose of sub-paragraph (5) above how much of the oil won from a user field is for any period expected to be qualifying oil, such a determination shall be made on the assumption that any asset which gives rise to qualifying tariff receipts falling within that sub-paragraph will at all times be used to the full extent which, by reference to the receipts, is available for the extraction, transport, initial treatment or initial storage of oil won from the user field in question.
- 5 (1) For the purpose of calculating the reduction referred to in paragraph 4(3) above, there shall be determined, in accordance with paragraphs 2 and 3 above and sub-paragraphs (2) and (3) below, the amount which would be the cash equivalent of the participator's share of the tariff receipts allowance in respect of the user field in question for the relevant chargeable period or, if there is more than one such period, for each of them.
- (2) For a relevant chargeable period, the determination referred to in sub-paragraph (1) above shall be made on the basis—
- (a) that "A" in the formula in paragraph 2 above is the amount of the qualifying tariff receipts determined for the period under sub-paragraph (6) of paragraph 4 above or, if that sub-paragraph does not apply, the whole of the qualifying tariff receipts referred to in sub-paragraph (1) of that paragraph; and
 - (b) that "C" in the formula in paragraph 2 above is the amount of the qualifying oil for that period.
- (3) If, on the determination under sub-paragraph (1) above, the cash equivalent of the participator's share of the tariff receipts allowance in respect of the user field in question would, apart from this sub-paragraph, exceed the qualifying tariff receipts for that period (as calculated under sub-paragraph (2) above) then, for the purposes of this paragraph, the amount of that cash equivalent shall be taken to be reduced to an amount equal to those qualifying tariff receipts.
- (4) The amount of the reduction referred to in paragraph 4(3) above shall be an amount equal to the cash equivalent of the participator's share of the tariff receipts allowance in respect of the user field in question for the relevant chargeable period, as determined under this paragraph, or, if there is more than one relevant chargeable period, the aggregate of the cash equivalents as so determined for each of the relevant chargeable periods.
- 6 (1) In any case where—
- (a) there are normal qualifying tariff receipts from a user field for a chargeable period which, for the purpose of determining the amount of a reduction under paragraph 5 above in an amount of straddling qualifying tariff receipts from that field, was a relevant chargeable period as defined in paragraph 4(4) above, and
 - (b) those normal qualifying tariff receipts relate to oil to which the straddling qualifying tariff receipts do not relate,
- the amount which, apart from this paragraph, would be the cash equivalent of the participator's share of the tariff receipts allowance in respect of that user field for that chargeable period shall be varied in accordance with the following provisions of this paragraph.

Status: This is the original version (as it was originally enacted).

- (2) In the first instance, the cash equivalent of the participator's share of the tariff receipts allowance for the chargeable period in question shall be determined, in accordance with paragraphs 2 and 3 above, on the basis that—
 - (a) there is to be added to the normal qualifying tariff receipts for that period that portion of the straddling qualifying tariff receipts which, in accordance with sub-paragraph (6) of paragraph 4 above, is to be regarded as received in that period or, if that sub-paragraph does not apply, the whole of those receipts ; and
 - (b) there is to be added to the oil referred to in sub-paragraph (1)(b) above the oil which, by reference to the straddling qualifying tariff receipts, is qualifying oil for that chargeable period for the purposes of paragraphs 4 and 5 above.
- (3) The cash equivalent of the participator's share referred to in sub-paragraph (1) above shall be the amount produced by deducting from the cash equivalent of that share, as determined under sub-paragraph (2) above, the amount of the cash equivalent of his share for the period in question as determined under paragraph 5 above.
- (4) For the purposes of this paragraph, qualifying tariff receipts are " normal" if they fall to be treated as reduced in accordance with paragraph (a) or paragraph (b) of subsection (1) of the principal section and " straddling" if they fall to be treated as reduced in accordance with paragraph 5 above.