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SCHEDULES

SCHEDULE 3

TARIFF RECEIPTS ALLOWANCE

Tariff Receipts Allowance The participator's share

- 1 (1) In this Schedule—
- " the principal section " means section 9 of this Act;
 - " receipts from existing contracts " means qualifying tariff receipts under a contract or contracts made as mentioned in subsection (3) of the principal section ;
- and other expressions have the same meaning as in the principal section.
- (2) In relation to a user field, any reference in the following provisions of this Schedule to the oil to which any qualifying tariff receipts which are received or receivable in a chargeable period relate is a reference to the oil won from that user field which, in that chargeable period, is extracted, transported, initially treated or initially stored (or subjected to two or more of those operations) by means of the asset to which the qualifying tariff receipts are referable.
- 2 (1) Subject to paragraphs 3 and 6 below, where an amount of qualifying tariff receipts received or receivable by a participator in a chargeable period from a user field falls to be treated, for the purpose mentioned in subsection (1) of the principal section, as reduced in accordance with paragraph (a) or paragraph (b) of that subsection, the cash equivalent of his share of the tariff receipts allowance in respect of that user field for that period is the amount given, subject to sub-paragraph (2) below, by the formula: —
- $$£ \left(A \times \frac{B}{C} \right)$$
- where—
- " A " is the amount of those qualifying tariff receipts ;
 - " B " is the tariff receipts allowance in respect of that user field, expressed in metric tonnes; and
 - " C " is the amount, in metric tonnes, of the oil to which those qualifying tariff receipts relate.
- (2) If, apart from this sub-paragraph, the fraction
- $$\frac{B}{C}$$
- in the formula in sub-paragraph (1) above would exceed unity, it shall be treated as unity for the purposes of this Schedule.
- 3 (1) This paragraph applies where, for a chargeable period ending on or before 30th June 1987, of the qualifying tariff receipts which—
- (a) are received or receivable from a user field, and

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- (b) fall to be treated as reduced as mentioned in paragraph 2(1) above, some are receipts from existing contracts and some are not.
- (2) If the oil to which any of the receipts from existing contracts relate is the same as the oil to which any of the other qualifying tariff receipts relate, then, for each participator who has any of those receipts from existing contracts,
- (a) paragraph 2 above shall be applied separately in relation to those receipts from existing contracts and his other qualifying tariff receipts which relate to that oil, and
 - (b) in the application of that paragraph to his receipts from existing contracts " B " shall be 375,000 metric tonnes,
- and, so far as relates to that oil, for the purposes of the principal section the total of the amounts determined on those separate applications of paragraph 2 above shall, for the participator in question, be the cash equivalent of his share of the tariff receipts allowance in respect of the user field for the chargeable period in question.
- (3) If, in a case where this paragraph applies, any of the receipts from existing contracts relate to oil to which the other qualifying tariff receipts do not relate, then, for each participator who has any of those receipts from existing contracts, paragraph 2 above, with the omission of sub-paragraph (2), shall in the first instance be applied separately in relation to those receipts from existing contracts and his other qualifying tariff receipts which relate to oil to which receipts from existing contracts do not relate, so that.—
- (a) where A1 is the total of those receipts from existing contracts, B1 will be 375,000 metric tonnes and C1 will be limited to the oil to which those receipts relate ; and
 - (b) where A2 is the total of his qualifying tariff receipts relating to oil to which receipts from existing contracts do not relate, B2 will be 250,000 metric tonnes and C2 will be limited to the oil to which these qualifying tariff receipts relate.
- (4) Where paragraph 2 above has been applied separately in accordance with sub-paragraph (3) above.—
- (a) the sum produced by the formula

$$£(A_1 \times \frac{B_1}{C_1})$$
 shall be reduced by multiplying it by the fraction

$$\frac{C_1}{C_1 + C_2}$$
 , and
 - (b) the sum produced by the formula

$$£(A_2 \times \frac{B_2}{C_2})$$
 shall be reduced by multiplying it by the fraction

$$\frac{C_2}{C_1 + C_2}$$
- and, subject to sub-paragraph (5) below, so far as relates to the oil referred to in paragraphs (a) and (b) of sub-paragraph (3) above, for the purposes of the principal section the total of those two reduced sums shall, for the participator in question, be the cash equivalent of his share of the tariff

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receipts allowance in respect of the user field for the chargeable period concerned.

- (5) If, so far as relates to the oil referred to in paragraphs (a) and (b) of sub-paragraph (3) above.—
- (a) the amount which, in accordance with sub-paragraph (4) above, would be the cash equivalent of a participator's share of the tariff receipts allowance in respect of a user field for a chargeable period exceeds
 - (b) the total of the participator's qualifying tariff receipts which relate to that oil and which fall to be treated as reduced as mentioned in paragraph 2(1) above,
- that cash equivalent shall be an amount equal to the total of those qualifying tariff receipts.