

Status: Point in time view as at 24/07/2002.

Changes to legislation: Income and Corporation Taxes Act 1988, Cross Heading: Special rules for sales etc. of oil is up to date with all changes known to be in force on or before 23 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 28AA

PROVISION NOT AT ARM'S LENGTH

Modifications etc. (not altering text)

- C1 Sch. 28AA modified (28.7.2000) by Finance Act 2000 (c. 17), Sch. 22 para. 58(1) (as amended by 2004 c. 12, s. 37, Sch. 5 para. 12) (with Sch. 22 para. 58(3))
- C1 Sch. 28AA applied (with modifications) (28.7.2000) by Finance Act 2000 (c. 17), Sch. 22 para. 59(1) (2) (as amended by 2004 c. 12, s. 37, Sch. 5 para. 13) (with Sch. 22 para. 59(4))
- C1 Sch. 28AA applied by Finance Act 1996 (c. 8), s. 100 (as substituted (with effect in accordance with s. 79(3) of the 2002 amending Act) by Finance Act 2002 (c. 23), Sch. 23 para. 6 (with s. 81(4)(5), Sch. 23 para. 25))
- C1 Sch. 28AA modified by Finance Act 1996 (c. 8), Sch. 9 para. 11A(1) (as inserted (with effect in accordance with s. 79(3) of the 2002 amending Act) by Finance Act 2002 (c. 23), Sch. 23 para. 11 (with s. 81(4)(5), Sch. 23 para. 25))

Special rules for sales etc. of oil

- 9 (1) Subject to paragraph 10 below, this paragraph applies to provision made or imposed by or in relation to the terms of a sale of oil if—
- (a) the oil sold is oil which has been, or is to be, extracted under rights exercisable by a company ("the producer") which (although it may be the seller) is not the buyer; and
 - (b) at the time of the sale not less than 20 per cent. of the producer's ordinary share capital is owned directly or indirectly by one or more of the following, that is to say, the buyer and the companies (if any) that are linked to the buyer.
- (2) Where this paragraph applies to provision made or imposed by or in relation to the terms of a sale of oil, this Schedule shall have effect as respects that provision as if the buyer, the seller and (if it is not the seller) the producer were all controlled by the same person at the time of the making or imposition of that provision.
- (3) For the purposes of this paragraph two companies are linked if—
- (a) one is under the control of the other; or
 - (b) both are under the control of the same person or persons.
- (4) For the purposes of this paragraph—
- (a) any question whether ordinary share capital is owned directly or indirectly by a company shall be determined as for section 838;
 - (b) rights to extract oil shall be taken to be exercisable by a company even if they are exercisable by that company only jointly with one or more other companies; and

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- (c) a sale of oil shall be deemed to take place at the time of the completion of the sale or when possession of the oil passes, whichever is the earlier.
- (5) In this paragraph “oil” includes any mineral oil or relative hydrocarbon, as well as natural gas.

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