



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART VI

COMPANIES, OIL, INSURANCE ETC.

CHAPTER II

OIL AND MINING INDUSTRIES

Oil exploration and exploitation

196 Interpretation of sections 194 and 195.

- (1) For the purposes of section 194, a [^{F1}UK licence] relates to an undeveloped area at any time if—
- (a) for no part of the licensed area has consent for development been granted to the licensee by the Secretary of State on or before that time; and
 - (b) for no part of the licensed area has a programme of development been served on the licensee or approved by the Secretary of State on or before that time.

[^{F2}(1A) For the purposes of section 194 a licence other than a UK licence relates to an undeveloped area at any time if, at that time—

- (a) no development has actually taken place in any part of the licensed area; and
- (b) no condition for the carrying out of development anywhere in that area has been satisfied—
 - (i) by the grant of any consent by the authorities of a country or territory exercising jurisdiction in relation to the area; or
 - (ii) by the approval or service on the licensee, by any such authorities, of any programme of development.]

Status: Point in time view as at 12/01/2000. This version of this provision has been superseded.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 196 is up to date with all changes known to be in force on or before 28 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)

- (2) Subsections (4) and (5) of section 36 of the ^{M1}Finance Act 1983 (meaning of “development”) shall have effect in relation to [^{F3}subsections (1) and (1A) above] as they have effect in relation to subsection (2) of that section.
- (3) In relation to a licence under the ^{M2}Petroleum (Production) Act (Northern Ireland) 1964 any reference in subsection (1) above to the Secretary of State shall be construed as a reference to the Department of Economic Development.
- (4) In relation to a disposal to which section 194 applies of a licence under which the buyer acquires an interest in the licence only so far as it relates to part of the licensed area, any reference in subsection (1) or subsection (3) of that section or subsection (1) above to the licensed area shall be construed as a reference only to that part of the licensed area to which the buyer’s acquisition relates.
- [^{F4}(5) In sections 194 and 195 and this section—
- “foreign oil concession” means any right to search for or win overseas petroleum, being a right conferred or exercisable (whether or not by virtue of a licence) in relation to a particular area;
- “interest” in relation to a licence, includes, where there is an agreement which—
- (a) relates to oil from the whole or any part of the licensed area, and
- (b) was made before the extraction of the oil to which it relates,
- any entitlement under that agreement to, or to a share of, either that oil or the proceeds of its sale;
- “licence” means any UK licence or foreign oil concession;
- “licensed area” (subject to subsection (4) above)—
- (a) in relation to a UK licence, has the same meaning as in Part I of the ^{M3}Oil Taxation Act 1975; and
- (b) in relation to a foreign oil concession, means the area to which the concession applies;
- “licensee”—
- (a) in relation to a UK licence, has the same meaning as in Part I of the Oil Taxation Act 1975; and
- (b) in relation to a foreign oil concession, means the person with the concession or any person having an interest in it;
- “oil”—
- (a) except in relation to a UK licence, means any petroleum (within the meaning of [^{F5}Part I of the Petroleum Act 1998]); and
- (b) in relation to such a licence, has the same meaning as in Part I of the Oil Taxation Act 1975;
- “overseas petroleum” means any oil that exists in its natural condition at a place to which neither [^{F5}Part I of the Petroleum Act 1998] nor the ^{M4}Petroleum (Production) Act (Northern Ireland) 1964 applies; and
- “UK licence” means a licence within the meaning of Part I of the ^{M5}Oil Taxation Act 1975.
- (5A) References in sections 194 and 195 to a part disposal of a licence shall include references to the disposal of any interest in a licence.]
- (6) In section 194—

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- (a) “exploration work”, in relation to any area, means work carried out for the purpose of searching for oil anywhere in that area;
- (b) “appraisal work”, in relation to any area, means work carried out for the purpose of ascertaining the extent or characteristics of any oil-bearing area the whole or part of which lies in the area concerned or what the reserves of oil of any such oil-bearing area are.

Textual Amendments

- F1** Words in s. 196(1) substituted (with effect in accordance with s. 181(4) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 181\(1\)](#)
- F2** S. 196(1A) inserted (with effect in accordance with s. 181(4) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 181\(2\)](#)
- F3** Words in s. 196(2) substituted (with effect in accordance with [s. 181\(4\)](#) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 181\(2\)](#)
- F4** S. 196(5)(5A) substituted for s. 196(5) (retrospectively and with effect in accordance with [s. 181\(4\)\(5\)](#) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 181\(3\)](#)
- F5** Words in s. 196(5) substituted (15.2.1999) by [Petroleum Act 1998 \(c. 17\), s. 52\(4\), Sch. 4 para. 32\(3\)](#) (with [Sch. 3](#)); [S.I. 1999/161](#), art. 2(1)

Marginal Citations

- M1** 1983 c. 28.
- M2** 1964 c. 28 (N.I.).
- M3** 1975 c. 22.
- M4** 1964 c. 28 (N.I.).
- M5** 1975 c. 22.

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