



Finance Act 1999

1999 CHAPTER 16

PART IV

OIL TAXATION

96 Transfer of field interest.

- (1) This section applies where—
 - (a) section 95 above has applied to a lease;
 - (b) the lessee has transferred the whole or part of his interest in the lessee's oil field; and
 - (c) pursuant to the transfer, the relevant asset is used in connection with that oil field under a lease ("the new participant's lease") by the person who is the new participant in relation to the transfer.
- (2) Subject to subsection (4) below, section 95 above shall have effect as if the new participant were the lessee and the new participant's lease were the lease in question.
- (3) The reference in subsection (1)(b) above to the lessee includes a reference to a successor of his; and subject to subsection (4) below, the expenditure that the new participant is treated by virtue of subsection (2) above as having incurred includes—
 - (a) any expenditure, excluding operating expenditure, incurred by the lessee or a successor of his under the lease in question or a lease of the relevant asset; and
 - (b) any expenditure (not falling within paragraph (a) above) incurred by the lessee or a successor of his after the disposal mentioned in section 95(1)(a) above in acquiring the relevant asset or an interest in it.
- (4) Where the transfer mentioned in subsection (1)(b) above, or any antecedent transfer, was a transfer of part of the transferor's interest in the lessee's oil field—
 - (a) the amount of the cap which is applicable by virtue of subsection (2) above shall be so much of the cap that would be applicable apart from this subsection as accords with the proportion of the lessee's interest in the field that is represented by the new participant's interest in the field; and

Status: Point in time view as at 27/07/1999.

Changes to legislation: Finance Act 1999, Section 96 is up to date with all changes known to be in force on or before 12 July 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)

- (b) the expenditure incurred (as mentioned in subsection (3) above) by the lessee or any successor of his that is treated, by virtue of subsection (2) above, as expenditure incurred by the new participator shall be so much of the expenditure incurred (as so mentioned) by the person concerned as accords with the proportion of that person's interest in the field that is represented by the new participator's interest in the field.
- (5) A person is a successor of the lessee for the purposes of this section if and only if—
- (a) this section has applied to an earlier transfer by the lessee or a successor of his of the whole or part of his interest in the lessee's oil field; and
 - (b) that person was the new participator in relation to the earlier transfer and used the relevant asset under the lease in connection with that oil field.
- (6) In this section "antecedent transfer" means a transfer (other than the transfer mentioned in subsection (1)(b) above) by the lessee or a successor of his of the whole or part of his interest in the lessee's oil field, pursuant to which the relevant asset was used as mentioned in subsection (1)(c) above.

Status:

Point in time view as at 27/07/1999.

Changes to legislation:

Finance Act 1999, Section 96 is up to date with all changes known to be in force on or before 12 July 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.