

## SCHEDULES

### SCHEDULE 44

#### SUPPLEMENTARY CHARGE: REDUCTION FOR CERTAIN NEW OIL FIELDS

##### PART 5

##### CHANGE IN EQUITY SHARE: ACTIVATION OF ALLOWANCE

###### *Introduction*

- 10 (1) This Part applies to a company in respect of a new oil field and an accounting period if the following conditions are met.
- (2) Condition A is that the company is a licensee in the field for the whole, or for part, of the accounting period.
- (3) Condition B is that the company's share of the equity in the field is different at different times during the accounting period.
- (4) Condition C is that the company holds an unactivated amount of field allowance for the field at any time during the accounting period.
- (5) Condition D is that the company has relevant income from the field in the accounting period.
- (6) In a case where a company has three or more different shares of the equity in a new oil field during a particular day, this Part (in particular provisions relating to the beginning or end of a day) has effect subject to the necessary modifications.

###### *Reference periods*

- 11 (1) For the purposes of this Part, the accounting period, or (if the company is not a licensee for the whole of the accounting period) the part or parts of the accounting period for which the company is a licensee, is to be divided into reference periods.
- (2) A reference period is a period of consecutive days that meets the following conditions.
- (3) Condition A is that, at the beginning of each day in the period, the company is a licensee in the new oil field.
- (4) Condition B is that, at the beginning of each day in the period, the company's share of the equity in the field is the same.
- (5) Condition C is that, at the beginning of the first day of the period, the company holds an unactivated amount of field allowance for the field.
- (6) Condition D is that each day in the period falls within the accounting period.

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*Status: This is the original version (as it was originally enacted).*

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*Activation of field allowance*

- 12 (1) An amount of the company's field allowance for the new oil field is to be activated in respect of each reference period.
- (2) The amount of the field allowance to be activated is the smallest of the following amounts—
- (a) the relevant activation limit,
  - (b) the company's relevant income from the field in the reference period, and
  - (c) the unactivated amount of the field allowance which the company holds at the beginning of the reference period.

- (3) The relevant activation limit is—

$$\frac{T}{5} \times E \times \frac{R}{365}$$

where—

T is the amount of the total field allowance for the field (see paragraph 24),  
 E is the company's share of the equity in the field during the reference period,  
 and  
 R is the number of days in the reference period.

- (4) The company's relevant income from the field in the reference period is—

$$I \times \frac{R}{L}$$

where—

I is the company's relevant income from the field in the whole of the accounting period,  
 R is the number of days in the reference period, and  
 L is the number of days in the accounting period for which the company is a licensee in the new oil field.