



Corporation Tax Act 2010

2010 CHAPTER 4

PART 8

OIL ACTIVITIES

[^{F1}CHAPTER 6A

SUPPLEMENTARY CHARGE: INVESTMENT ALLOWANCE

Activated and unactivated allowance: basic calculation rules

[^{F1}332F Activation of allowance: no change of equity share

- (1) This section applies where—
 - (a) for the whole or part of an accounting period, a company is a licensee in a qualifying oil field,
 - (b) the accounting period is not divided into reference periods (see section 332G),
 - (c) the company holds, for the accounting period and the qualifying oil field, a closing balance of unactivated allowance (see section 332FA) which is greater than zero, and
 - (d) the company has relevant income from the qualifying oil field for the accounting period.
- (2) The amount of activated allowance the company has for that accounting period and that qualifying oil field is the smallest of—
 - (a) the closing balance of unactivated allowance held for the accounting period and the oil field;
 - (b) [^{F2}the total amount of] the company's relevant income from that oil field for that accounting period;
 - (c) in a case where section 332FB applies, the relevant activation limit for the accounting period and the oil field (see subsection (2) of that section).

Status: Point in time view as at 11/07/2023.

Changes to legislation: Corporation Tax Act 2010, Section 332F is up to date with all changes known to be in force on or before 15 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)

- [^{F3}(3) For the purposes of this Chapter, income is relevant income of a company from a qualifying oil field for an accounting period if it is—
- (a) production income of the company from any oil extraction activities carried on in that oil field that is taken into account in calculating the company's adjusted ring fence profits for the accounting period, or
 - (b) income that—
 - (i) is income of such description (whether or not relating to the oil field) as may be prescribed by the Treasury by regulations, and
 - (ii) is taken into account as mentioned in paragraph (a).
- (4) The Treasury may by regulations make such amendments of this Chapter as the Treasury consider appropriate in consequence of, or in connection with, any provision contained in regulations under subsection (3)(b).
- (5) Regulations under subsection (3)(b) or (4) may provide for any of the provisions of the regulations to have effect in relation to accounting periods ending before (or current when) the regulations are made.
- (6) But subsection (5) does not apply to—
- (a) any provision of amending or revoking regulations under subsection (3)(b) which has the effect that income of any description is to cease to be treated as relevant income of a company from a qualifying oil field for an accounting period, or
 - (b) provision made under subsection (4) in consequence of or in connection with provision within paragraph (a).
- (7) Regulations under this section may make transitional provision or savings.
- (8) Regulations under this section may not be made unless a draft of the instrument containing them has been laid before, and approved by a resolution of, the House of Commons.]
- [Where a tariff receipt of the company relates only partly to the oil field mentioned in
- ^{F4}(9) subsection (1), for the purposes of subsection (3)(b) the tariff receipt is to be attributed to the oil field on a just and reasonable basis.
- (10) If the company has entered into any arrangements the purpose, or one of the main purposes of which is—
- (a) to cause income to fall within subsection (3)(b), or
 - (b) to advance the time at which any income falls within that provision,
- any income arising in connection with the arrangement is not regarded as a tariff receipt for the purposes of subsection (3)(b).
- (11) In subsection (10) “arrangement” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).]]

Textual Amendments

- F1** Pt. 8 Ch. 6A inserted (with effect in accordance with Sch. 12 para. 5 7 8 of the amending Act) by [Finance Act 2015 \(c. 11\)](#), **Sch. 12 para. 2**
- F2** Words in s. 332F(2)(b) inserted (15.9.2016) by [Finance Act 2016 \(c. 24\)](#), **s. 60(2)**
- F3** Ss. 332F(3)-(8) substituted for s. 332F(3) (15.9.2016) by [Finance Act 2016 \(c. 24\)](#), **s. 60(3)**

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- F4** Ss. 332F(9)-(11) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Investment Allowance and Cluster Area Allowance \(Relevant Income Tariff Receipts\) Regulations 2019 \(S.I. 2019/63\)](#), regs. 1(1), **4(2)**

Status:

Point in time view as at 11/07/2023.

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