



Finance Act 2013

2013 CHAPTER 29

PART 2

OIL

Decommissioning relief agreements

83 Effect of claim on PRT

- (1) This section applies where a sum is payable to a company (“the claimant”) under a decommissioning relief agreement.
- (2) Subsection (3) applies where the reference amount is calculated by reference to what the claimant’s assessable profit in any chargeable period would be if any expenditure incurred by it were used to reduce its profit in a particular way (rather than in any way that it has in fact been used).
- (3) For the purposes of petroleum revenue tax—
 - (a) the expenditure is treated as having been used to reduce the claimant’s profit in that way (rather than in any way that it has in fact been used), and
 - (b) the claimant is treated as if it had received the tax relief it would receive if its profit were reduced in that way (so no repayment of tax is to be made by virtue of this subsection).
- (4) Subsection (5) applies where the reference amount is calculated by reference to what any other company’s assessable profit in any chargeable period would be if any expenditure incurred by the claimant—
 - (a) had been incurred by the other company, and
 - (b) were used to reduce the other company’s profit in a particular way.
- (5) For the purposes of petroleum revenue tax—
 - (a) the expenditure is treated as incurred by the other company (and not the claimant),

Status: This is the original version (as it was originally enacted).

- (b) the expenditure is treated as having been used by the other company to reduce its profit in that way, and
 - (c) the other company is treated as if it had received the tax relief it would receive if its profit were reduced in that way (so no repayment of tax is to be made by virtue of this subsection).
- (6) In this section—
- “assessable profit” and “chargeable period” have the same meaning as in Part 1 of OTA 1975,
 - “company” has the meaning given by section 1121 of CTA 2010,
 - “decommissioning relief agreement” has the same meaning as in section 80, and
 - “the reference amount” means the reference amount (within the meaning of that section) that relates to the sum mentioned in subsection (1).