
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2019, Cross Heading:
Original TTH amount transferred before eligible ring fence profits (subject to opt-out). (See end of Document for details)

SCHEDULES

SCHEDULE 15

OIL ACTIVITIES: TRANSFERABLE TAX HISTORY

PART 13

ONWARD SALE

Original TTH amount transferred before eligible ring fence profits (subject to opt-out)

- 85 (1) Paragraphs 86 and 87 apply in relation to the subsequent TTH election, subject to sub-paragraph (2).
- (2) The first purchaser and the second purchaser may elect, at the time the TTH election is made, that neither paragraph 86 nor paragraph 87 applies in relation to the subsequent TTH election.
- 86 (1) The total TTH amount may not include an amount representing the first purchaser's eligible ring fence profits for an accounting period unless it also includes an amount representing, in respect of each relevant accounting period, the original TTH amount for that period.
- (2) Paragraph 11 (consecutive accounting periods) does not apply in relation to an amount representing an original TTH amount for a relevant accounting period (but see sub-paragraph (3)).
- (3) The total TTH amount may not include an amount representing the original TTH amount for a particular accounting period unless it also includes an amount representing the original TTH amount for the next following relevant accounting period.
- (4) If the original TTH amount exceeds the total TTH amount, the transferred profits amount for the earliest relevant accounting period must be an amount equal to—
- (a) the total TTH amount, less
 - (b) the transferred profits amount for later relevant accounting periods.
- (5) For the purposes of paragraph 12 (the transferred profits amount)—
- (a) references to the “earliest period” are to be treated as references to the earliest accounting period for which there is a transferred profits amount by reason of the first purchaser's eligible ring fence profits for that period (and not by reason of an original TTH amount for that period), and
 - (b) the reference in sub-paragraph (2) to the TTH balance for the earliest period is to be treated as a reference to the TTH balance less the transferred profits amounts for each relevant accounting period.
- 87 In the application of this Schedule for the purposes of the subsequent TTH election—

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- (a) in sub-paragraph (2) of paragraph 30 (TTH activation event), the reference to an allowance or allocation made to the purchaser includes a reference to the relevant proportion (within the meaning of paragraph 83(5)) of an allowance or allocation made to the first purchaser;
- (b) in paragraph 30(2)(b) and (3)(b), and in paragraph 31 (decommissioning expenditure amount), references to a post-acquisition accounting period of the purchaser include references to a post-acquisition accounting period of the first purchaser;
- (c) in paragraph 30(3) as it applies in relation to post-acquisition accounting periods of the first purchaser, the reference to amounts attributable to the TTH asset is to be treated as a reference to the relevant proportion (within the meaning of paragraph 83(5)) of those amounts;
- (d) in paragraph 30(5) as it applies for the purposes of determining the total decommissioning expenditure amount in relation to a post-acquisition accounting period of the first purchaser, the reference to the purchaser is to be treated as a reference to the first purchaser;
- (e) references in this Schedule to a pre-acquisition accounting period of the purchaser include references to a pre-acquisition accounting period of the first purchaser;
- (f) references in paragraphs 83 to 86 and 89 to an amount of the first purchaser's eligible ring fence profits do not include references to an original TTH amount.

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