



Finance (No. 2) Act 2024

2024 CHAPTER 12

Energy (oil and gas) profits levy

19 Energy security investment mechanism

In the Energy (Oil and Gas) Profits Levy Act 2022, after section 17 insert—

“17A Circumstances in which the levy ends early: energy security investment mechanism

- (1) This section applies if—
 - (a) the average price of oil over a reference period, and
 - (b) the average price of gas over the same period,are at or below the average of those prices over the period of 20 years ending with 31 December 2022 (as adjusted in accordance with section 17B).
- (2) The Treasury must make regulations amending—
 - (a) section 1(3)(b),
 - (b) section 7(2), and
 - (c) section 16,so as to substitute the final day of that reference period for references to what would otherwise be the final day of the levy.
- (3) This section needs to be read with section 17B.

17B Section 17A: supplementary provision

- (1) This section applies for the purposes of section 17A.
- (2) Every period of 6 months ending with the final day of each of the levy months is a reference period; and for this purpose a “levy month” means March 2024 and every later month up to and including the month immediately before the month in which the final day of the levy falls.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2024, Cross Heading: Energy (oil and gas) profits levy. (See end of Document for details)

- (3) The average price of oil, and the average price of gas, over a reference period is to be calculated in accordance with provision made by regulations made by the Treasury (whether by reference to a published index of prices or otherwise).
- (4) In the case of the reference period ending with 31 March 2024, the average prices of oil and gas over the period of 20 years ending with 31 December 2022 (“the threshold prices”) are—
 - (a) in the case of oil, \$71.40 per barrel, and
 - (b) in the case of gas, £0.54 per therm.
- (5) In the case of reference periods ending in the financial year 2024 (namely, the financial year beginning with April 2024), the threshold prices are—
 - (a) in the case of oil, \$74.21 per barrel, and
 - (b) in the case of gas, £0.57 per therm.
- (6) In the case of reference periods ending in any other relevant financial year—
 - (a) the threshold prices are taken to be the prices determined in accordance with subsection (7), and
 - (b) any change required by that subsection is to be made by reference to the threshold prices applicable in the case of reference periods ending in the preceding relevant financial year.
- (7) If the consumer prices index for the December before the start of a relevant financial year has changed from that index for the previous December—
 - (a) the threshold prices in the case of reference periods ending in the relevant financial year are taken to have changed by the same percentage as the percentage change in that index, and
 - (b) those prices are to be rounded up to the nearest whole cent or penny.
- (8) Before the start of each relevant financial year, His Majesty’s Revenue and Customs must publish the threshold prices in the case of reference periods ending in that financial year in such manner as they consider appropriate.
- (9) In this section—
 - “consumer prices index” means the all items consumer prices index published by the Statistics Board,
 - “final day of the levy” means the last day of what would otherwise be the latest qualifying accounting period, and
 - “relevant financial year” means any financial year after the financial year 2024 other than one beginning after the final day of the levy.”

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