



# Oil Taxation Act 1983

## 1983 CHAPTER 56

### *Charge of receipts*

#### **12 Charge of receipts attributable to U.K. use of foreign field asset.**

- (1) The provisions of Schedule 4 to this Act have effect for the purpose of bringing into charge to tax the amount or value of certain consideration (whether in the nature of income or capital) which is received or receivable after 30th June 1982 by a participator in a foreign field—
  - (a) in respect of the United Kingdom use of a field asset; or
  - (b) in respect of the provision, in connection with the United Kingdom use of a field asset, of services or other business facilities of whatever kind; or
  - (c) in respect of the disposal of a field asset or an interest in such an asset where either the asset has already been in United Kingdom use or it is reasonable to expect that, after the disposal, the asset will be in United Kingdom use.
- (2) In this section and Schedule 4 to this Act—
  - (a) “foreign field” means, subject to subsection (3) below, an area which is not under the jurisdiction of the government of the United Kingdom but which, by an order made by statutory instrument by the Secretary of State for the purposes of this Act, is specified as a foreign field; and
  - (b) in relation to a foreign field, “participator” means a person who is, or has rights, interests or obligations of, a licensee in respect of the foreign field under the law of a country outside the United Kingdom.
- (3) For the purposes of this section and Schedule 4 to this Act, in the case of an oil field [<sup>F1</sup>which is a taxable field and] which, by virtue of section 107 of the <sup>M1</sup>Finance Act 1980 (transmedian fields) is deemed to include the sector mentioned in subsection (1)(a)(ii) of that section—
  - (a) that sector shall be treated as a foreign field; and
  - (b) the remainder of that field shall be treated as a separate oil field.

[<sup>F2</sup>(3A) No order may be made under subsection (2)(a) above on or after 1st July 1993.]

- (4) In this section and Schedule 4 to this Act—

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*Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1983, Section 12. (See end of Document for details)*

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- (a) “field asset”, in relation to a foreign field, means an asset which—
- (i) is not a mobile asset, and
  - (ii) is situated in the United Kingdom, the territorial sea thereof or a designated area, and
  - (iii) subject to subsection (6) below, is, has been or is expected to be used in a way which, on the assumptions in subsection (5) below, would be use in connection with the foreign field; and
- (b) “United Kingdom use”, in relation to a field asset, means the use of the asset in connection with the exploration or exploitation of so much of the seabed and subsoil and their natural resources as is situated in the territorial sea of the United Kingdom or a designated area.
- (5) The assumptions referred to in subsection (4)(a) above are—
- (a) that every foreign field is situated in a designated area and is an oil field within the meaning of Part I of the principal Act; and
  - (b) that references in Part I of the principal Act to oil are references to any substance that would be oil if the enactments mentioned in section 1(1) thereof extended to the foreign field.
- (6) For the purposes of this section and Schedule 4 to this Act an asset which falls within sub-paragraphs (i) and (ii) of paragraph (a) of subsection (4) above but does not fall within sub-paragraph (iii) of that paragraph is nevertheless a field asset if—
- (a) its use gives rise or is expected to give rise to consideration which, assuming the asset to be a field asset, would fall within subsection (1) above; and
  - (b) its useful life continues, or is expected to continue, for more than six months after the time at which the consideration referred to in paragraph (a) above is first received or receivable; and
  - (c) it is, or is expected to be, used in association with another asset which is a field asset.
- (7) For the purposes of subsection (6)(c) above, an asset shall not be regarded as used in association with a field asset unless it is so used in a way which constitutes use in connection with an oil field or would constitute such use but for section 10(2) of the principal Act (exempt gas).

#### Subordinate Legislation Made

- P1** S. 12 for previous exercises of power see Index to Government Orders  
**P2** S. 12(2): s. 9(5) (with s. 12(2)) power exercised by [S.I. 1991/1982](#), [S.I. 1991/1983](#) and [S.I. 1991/1984](#)

#### Textual Amendments

- F1** Words in s. 12(3) inserted (27.7.1993) by [1993 c. 34, s. 193\(4\)](#)  
**F2** S. 12(3A) inserted (27.7.1993) by [1993 c. 34, s. 193\(5\)](#)

#### Marginal Citations

- M1** [1980 c. 48.](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Oil Taxation Act 1983, Section 12.