



Corporation Tax Act 2010

2010 CHAPTER 4

PART 8

OIL ACTIVITIES

[^{F1}CHAPTER 9

SUPPLEMENTARY CHARGE: CLUSTER AREA ALLOWANCE

[^{F1}Determination of cluster areas

Textual Amendments

F1 Pt. 8 Ch. 9 inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), [Sch. 13 para. 2](#)

356JD Meaning of “cluster area”

- (1) In this Part “cluster area” means an offshore area which the [^{F2}OGA] determines to be a cluster area.
- (2) A cluster area is treated as not including any previously authorised oil field (or any part of such an oil field) (see section 356JDA).
- (3) An area is “offshore” for the purposes of this section if the whole of it lies on the seaward side of the baselines from which the territorial sea of the United Kingdom is measured.
- (4) Before determining an area to be a cluster area the [^{F2}OGA] must—
 - (a) give written notice of the proposed determination to every person who is a licensee in respect of a licensed area or sub-area which is wholly or partly included in the proposed cluster area and to any other licensee whose interests appear to the [^{F2}OGA] to be affected, and

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Determination of cluster areas. (See end of Document for details)

- (b) publish a notice of the proposed determination on a website that is, and indicates that it is, kept by or on behalf of the [F²OGA].
- (5) The [F²OGA] must consider any representations made in writing and within 30 days of the date of the publication of the notice under subsection (4)(b) (or, in the case of representations made by a person to whom notice is given under subsection (4)(a), within 30 days of receipt of the notice, if later).
- (6) A determination under this section—
- (a) has effect from the day on which it is published,
 - (b) may be in any form the [F²OGA] thinks appropriate, and
 - (c) must assign to the cluster area an identifying number or other designation.
- (7) After making a determination the [F²OGA] must—
- (a) give written notice of the determination to every person who is a licensee in respect of a licensed area or sub-area which is wholly or partly included in the cluster area and any other person to whom notice of the proposed determination was given;
 - (b) publish a notice of the determination on a website that is, and indicates that it is, kept by or on behalf of the [F²OGA].
- (8) The [F²OGA] may vary or revoke a determination made under this section, and subsections (4), (5), (6)(a) and (b) and (7) are to apply as if the variation or revocation were a new determination.

Textual Amendments

F2 Word in s. 356JD substituted (1.10.2016) by [The Petroleum \(Transfer of Functions\) Regulations 2016 \(S.I. 2016/898\)](#), regs. 1(2), **15(7)**

356JDA Meaning of “previously authorised oil field”

- (1) In section 356JD “previously authorised oil field”, in relation to a cluster area, means an oil field, other than a decommissioned oil field, whose development (in whole or in part) was authorised for the first time before the relevant day.
- (2) An oil field is a “decommissioned oil field” in relation to a cluster area if, immediately before the relevant day, all assets of the oil field which are relevant assets have been decommissioned.
- (3) In this section, “relevant day”, in relation to an oil field and a cluster area, means the date of publication of the first determination, or variation of a determination, under section 356JD as a result of which the oil field is (ignoring section 356JD(2)) wholly or partly included in the cluster area.
- (4) Sub-paragraphs (2) to (9) of paragraph 7 of Schedule 1 to OTA 1975 apply for the purpose of determining whether relevant assets of an oil field are decommissioned as they apply for the purpose of determining whether qualifying assets of a relevant area are decommissioned.
- (5) For the purposes of this section, an asset is a relevant asset of an oil field if—
 - (a) it has at any time been a qualifying asset (within the meaning of the Oil Taxation Act 1983) in relation to any participator in the field, and

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Determination of cluster areas. (See end of Document for details)

- (b) it has at any time been used for the purpose of winning oil from the field.
- (6) In this section references to authorisation of development of an oil field are to be interpreted in accordance with section 356IB.
- (7) See also paragraph 5 of Schedule 13 to FA 2015, as a result of which certain proposed determinations made before the day on which that Act is passed are treated as made under section 356JD for the purposes of this Chapter.]

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross
Heading: Determination of cluster areas.