

**Changes to legislation:** There are currently no known outstanding effects for the Oil Taxation Act 1975,  
Cross Heading: Assessments to tax and determinations of loss, etc.. (See end of Document for details)

## SCHEDULES

### SCHEDULE 2

#### MANAGEMENT AND COLLECTION OF PETROLEUM REVENUE TAX

##### Modifications etc. (not altering text)

- C1** See Oil Taxation Act 1983 (c. 56), **Sch. 4 para. 14** for application of Sch. 2 to tax chargeable only by virtue of the provisions of s. 12 and Sch. 4 of that Act

##### *Assessments to tax and determinations of loss, etc.*

- 10 (1) Where it appears to the Board that, in accordance with the provisions of this Part of this Act, an assessable profit has accrued to a participator in a chargeable period from [<sup>F1</sup>a taxable field], they shall make an assessment to tax on the participator and shall give him notice of the assessment.
- [<sup>F2</sup>(1A) An assessment under sub-paragraph (1) may be made at any time not more than 4 years after the end of the chargeable period to which it relates (subject to paragraphs 12A [<sup>F3</sup>, 12B and 13E] ).]
- (2) Where it appears to the Board that, in accordance with those provisions, an allowable loss has accrued to a participator in a chargeable period from [<sup>F1</sup>a taxable field], they shall make a determination that the loss is allowable to the participator and shall give him notice of the determination.
- (3) Where it appears to the Board that, in accordance with those provisions, neither an assessable profit nor an allowable loss has accrued to a participator in a chargeable period, they shall make a determination to that effect and shall give him notice of the determination.
- (4) A notice of assessment for a chargeable period shall state the amount of any allowable losses which, in accordance with those provisions, have been set against the assessable profit for that period.
- (5) A notice of assessment or determination shall state that the participator may appeal against the assessment or determination in accordance with paragraph 14 below.
- (6) After the service of the notice of assessment or the notice of determination the assessment or determination, as the case may be, shall not be altered except in accordance with the express provisions of this Part of this Act (including the provisions applied by paragraph 1 above).

##### Textual Amendments

- F1** Words in Sch. 2 para. 10 substituted (27.7.1993) by 1993 c.34 s. 187(1)

*Changes to legislation:* There are currently no known outstanding effects for the Oil Taxation Act 1975.  
*Cross Heading:* Assessments to tax and determinations of loss, etc.. (See end of Document for details)

- F2** Sch. 2 para. 10(1A) inserted (1.4.2011) by [Finance Act 2009 \(c. 10\)](#), s. 99(2), **Sch. 51 para. 19**; [S.I. 2010/867](#), art. 2(2)
- F3** Words in Sch. 2 para. 10(1A) substituted (1.4.2011) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), s. 28(2), **Sch. 12 para. 8**

**Modifications etc. (not altering text)**

- C1** See [Finance Act 1980 \(c. 48\)](#), **s. 106** and Sch. 17 para. 14 where interest in oil field transferred after 1 August 1980

- 11 (1) Where a participator has under paragraph 2 above delivered to the Board a return for a chargeable period and the Board are satisfied that the information given in the return is correct in so far as it is material for the purpose of computing his assessable profit or allowable loss (if any) for that period, the Board shall (in so far as the computation falls to be made by reference to the matters dealt with in the return) make the assessment or determination under paragraph 10 above in accordance with the return.
- (2) Where the Board are not so satisfied in relation to a participator's return or a participator fails to deliver to the Board a return for a chargeable period as required by paragraph 2 above, the Board shall, in so far as the computation of his assessable profit or allowable loss (if any) for that period falls to be made by reference to the matters which were dealt with in the return or, as the case may be, ought to have been dealt with in a return, make the assessment or determination under paragraph 10 above to the best of their judgment.
- (3) Nothing in sub-paragraph (2) above or in paragraph 5 above shall be taken, in a case where the participator has delivered a return as to which the Board are not satisfied as mentioned in sub-paragraph (1) above, to prevent the Board from basing their assessment or determination on the participator's having had an interest in oil won and saved from the field different from that on which he based his return.
- 12 (1) Where it appears to the Board—
- (a) that the assessable profit charged to tax by or stated in an assessment ought to be or to have been larger or smaller; or
  - (b) that the allowable loss stated in an assessment or a determination of loss ought to be or to have been larger or smaller; or
  - (c) that, where they made a determination that neither an assessable profit nor an allowable loss accrued in a chargeable period, they ought to have made an assessment to tax or a determination of loss for that period, [<sup>F4</sup>or]
  - [<sup>F5</sup>(d) that for any chargeable period they ought to have made an assessment to tax instead of a determination of loss or a determination of loss instead of an assessment to tax];
- the Board may make such assessments or determinations or such amendments of assessments or determinations as may be necessary; and where the Board exercise any of their powers under this paragraph in relation to a chargeable period, they may make such [<sup>F6</sup>assessments or determinations or amendments of assessments or determinations] for other chargeable periods as may be necessary in consequence of the exercise of those powers[<sup>F7</sup>and “taxable field” and “non-taxable field” have the same meaning as in Part III of the Finance Act 1993].
- [<sup>F8</sup>(1A) An assessment (or an amendment of an assessment) under sub-paragraph (1) may be made at any time not more than 4 years after the end of the chargeable period to which the assessment relates (subject to sub-paragraph (1B) and paragraphs 12A and 12B).

**Changes to legislation:** There are currently no known outstanding effects for the Oil Taxation Act 1975.  
Cross Heading: Assessments to tax and determinations of loss, etc.. (See end of Document for details)

- (1B) The time limits in sub-paragraph (1A) and paragraphs 12A and 12B do not apply to an amendment of an assessment where the amendment is made in consequence (directly or indirectly) of—
- (a) the granting of relief under section 7(2) or (3) to any participator for allowable losses accruing in any chargeable period, <sup>F9</sup>...
  - [ <sup>F10</sup>(aa) a claim under paragraph 13A (see paragraph 13E), or]
  - (b) a notice of variation served under paragraph 9 of Schedule 5 on any responsible person in respect of a claim for any claim period.]
- (2) Where under sub-paragraph (1) above it appears to the Board that the assessable profit for a chargeable period ought to have been larger and that the deficiency resulted from an excessive allowable loss accruing in a subsequent period having been set against the profit for that period, the Board may <sup>F11</sup>... make a further assessment by virtue of sub-paragraph (1) above at any time not later than [<sup>F12</sup>4 years] after the end of the chargeable period in which the allowable loss accrued [<sup>F13</sup>(subject to paragraphs 12A and 12B)] .
- [<sup>F14</sup>(3) Where under this paragraph the Board make an assessment or determination or amend an assessment or determination they shall give notice thereof to the participator concerned; and sub-paragraphs (4), (5) and (6) of paragraph 10 above shall apply in relation to any such assessment, determination or amendment as they apply in relation to an assessment or determination under that paragraph.]

#### Textual Amendments

- F4** Word added by [Finance Act 1976 \(c. 40\), s. 130\(2\)](#)
- F5** Sch. 2 para. 12(1)(d) added by [Finance Act 1976 \(c. 40\), s. 130\(2\)](#)
- F6** Words substituted by [Finance Act 1976 \(c. 40\), s. 130\(2\)](#)
- F7** Definitions in s. 12(1) added (27.7.1993) by [1993 c.34 s. 185\(5\)](#)
- F8** Sch. 2 para. 12(1A)(1B) inserted (1.4.2011) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 20\(2\); S.I. 2010/867, art. 2\(2\)](#)
- F9** Word in Sch. 2 para. 12(1B)(a) omitted (1.4.2011) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\), s. 28\(2\), Sch. 12 para. 9\(a\)](#)
- F10** Sch. 2 para. 12(1B)(aa) inserted (1.4.2011) by [Finance \(No. 3\) Act 2010 \(c. 33\), s. 28\(2\), Sch. 12 para. 9\(b\)](#)
- F11** Words in Sch. 2 para. 12(2) omitted (1.4.2011) by virtue of [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 20\(3\)\(a\); S.I. 2010/867, art. 2\(2\)](#)
- F12** Words in Sch. 2 para. 12(2) substituted (1.4.2011) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 20\(3\)\(b\); S.I. 2010/867, art. 2\(2\)](#)
- F13** Words in Sch. 2 para. 12(2) inserted (1.4.2011) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 20\(3\)\(c\); S.I. 2010/867, art. 2\(2\)](#)
- F14** Sch. 2 para. 12(3) added by [Finance Act 1976 \(c. 40\), s. 130\(3\)\(4\)](#)

#### Modifications etc. (not altering text)

- C2** See [Oil Taxation Act 1983 \(c. 56\), Sch. 5 para. 5\(3\)](#) in relation to transitional provisions introduced by s. 13 and Sch. 5 of that Act

[<sup>F15</sup>12A(1) Where—

*Changes to legislation:* There are currently no known outstanding effects for the Oil Taxation Act 1975,  
 Cross Heading: Assessments to tax and determinations of loss, etc.. (See end of Document for details)

- (a) the Board has extended the period for the delivery of any return that is required under paragraph 2 of this Schedule to be delivered for any chargeable period, and
- (b) the relevant time falls more than one year after the end of the chargeable period,

the period within which the Board may make an assessment under this Schedule for that chargeable period shall not expire before the end of the period of [<sup>F16</sup>4 years] beginning with the relevant time.

(2) In this paragraph “the relevant time” means the earlier of—

- (a) the time which, as a result of the extension, is the latest time for the delivery of the return; and
- (b) the time when the return is delivered.]

#### Textual Amendments

**F15** Sch. 2 para. 12A inserted (27.7.1999 with application in relation to chargeable periods ending on or after 30.6.1999) by [1999 c. 16, s. 102\(3\)\(8\)](#)

**F16** Words in Sch. 2 para. 12A(1) substituted (1.4.2011) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 21; S.I. 2010/867, art. 2\(2\)](#)

[<sup>F17</sup>12~~B~~1) In a case involving a relevant situation brought about carelessly by a participator (or a person acting on behalf of a participator), an assessment (or an amendment of an assessment) under this Schedule on the participator may be made at any time not more than 6 years after the end of the relevant chargeable period (subject to subparagraph (2) [<sup>F18</sup>and (2A)] ).

(2) In a case involving a relevant situation brought about deliberately by a participator (or a person acting on behalf of a participator), an assessment (or an amendment of an assessment) on the participator may be made at any time not more than 20 years after the end of the relevant chargeable period.

[ In a case involving a relevant situation brought about by arrangements which were  
<sup>F19</sup>(2A) expected to give rise to a tax advantage in respect of which a participator (or a person acting on behalf of a participator) was under an obligation to notify the Board under section 253 of the Finance Act 2014 (duty to notify Commissioners of promoter reference number) but failed to do so, an assessment (or an amendment of an assessment) on the participator may be made at any time not more than 20 years after the end of the relevant chargeable period.]

(3) “Relevant situation” means a situation in which—

- (a) there is a loss of tax,
- (b) the assessable profit charged to tax by or stated in an assessment for a chargeable period ought to be or to have been larger,
- (c) the allowable loss stated in an assessment or a determination of loss for a chargeable period ought to be or to have been smaller, or
- (d) an assessment to tax should have been made for a chargeable period but was not made.

(4) “Relevant chargeable period” means—

- (a) in the case of a further assessment under paragraph 12(2), the chargeable period in which the excessive allowable loss accrued, and

---

**Changes to legislation:** There are currently no known outstanding effects for the Oil Taxation Act 1975,  
Cross Heading: Assessments to tax and determinations of loss, etc.. (See end of Document for details)

---

- (b) in any other case, the chargeable period to which the assessment relates.
- (5) Where the participator carried on a trade or business with one or more other persons at any time in the chargeable period for which the assessment under sub-paragraph (1) [<sup>F20</sup>, (2) or (2A)] is made, an assessment to tax in respect of the profits of that trade or business may also be made on any of the participator's partners.
- (6) In determining the amount of the tax to be charged on a person for a chargeable period in an assessment in a case mentioned in sub-paragraph (1) [<sup>F21</sup>, (2) or (2A)] (including an assessment under sub-paragraph (5)), effect must be given to any relief or allowance to which that person would have been entitled for that period if a valid claim or application had been made.
- (7) Sub-paragraph (6) only applies if the person on whom the assessment is made so requires.
- (8) Subsections (5) to (7) of section 118 of the Taxes Management Act 1970 (losses and situations brought about carelessly or deliberately) apply for the purposes of this paragraph as they apply for the purposes of that Act.
- (9) In subsection (6)(b) of that section (as it applies for the purposes of this paragraph), the reference to the person who provides the information has effect as if it included any person who becomes the responsible person for the oil field after the information is provided.]

#### Textual Amendments

- F17** Sch. 2 para. 12B inserted (1.4.2011) by [Finance Act 2009 \(c. 10\)](#), s. 99(2), **Sch. 51 para. 22**; [S.I. 2010/867](#), art. 2(2)
- F18** Words in [Sch. 2 para. 12B\(1\)](#) inserted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), **s. 277(2)(a)** (with ss. 269-271)
- F19** [Sch. 2 para. 12B\(2A\)](#) inserted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), **s. 277(2)(b)** (with ss. 269-271)
- F20** Words in [Sch. 2 para. 12B\(5\)](#) substituted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), **s. 277(2)(c)** (with ss. 269-271)
- F21** Words in [Sch. 2 para. 12B\(6\)](#) substituted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), **s. 277(2)(d)** (with ss. 269-271)

**Changes to legislation:**

There are currently no known outstanding effects for the Oil Taxation Act 1975, Cross Heading: Assessments to tax and determinations of loss, etc..