

SCHEDULES

SCHEDULE 4

PROVISIONS SUPPLEMENTARY TO SECTIONS 3 AND 4

Long-term assets used in connection with more than one oil field

- 5 (1) Where in any claim period a long-term asset is used to a substantial extent in connection with an oil field (in this paragraph referred to as " the relevant field ") and is in that period also used in connection with one or more other oil fields, then, if any payments for the hire of that asset are receivable by all or any of the persons mentioned in sub-paragraph (3) below in respect of its use in the period in connection with the other field or fields, the following sub-paragraph shall apply.
- (2) The use of the asset in the claim period in question in connection with the other field or fields shall be treated for the purposes of this Part of this Act as use in connection with the relevant field ; but the total amount of expenditure allowable under sections 3 and 4 of this Act on a claim for that period in respect of the relevant field shall be reduced by an amount equal to the aggregate of the payments for the hire of the asset which are receivable in the period by all or any of the persons mentioned in sub-paragraph (3) below in respect of its use in connection with the other field or fields.
- (3) The persons referred to in sub-paragraphs (1) and (2) above are the participators in the relevant field and every other person connected with any of them ; and section 533 of the Taxes Act (connected persons) shall apply for the purposes of this sub-paragraph.
- (4) For the purposes of this paragraph an asset used in connection with an oil field is a long-term asset if its useful life continues after the end of the claim period in which it is first used in connection with the field.