

Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1975, SCHEDULE 5. (See end of Document for details)

SCHEDULES

SCHEDULE 5

Sections 3 and 4.

ALLOWANCE OF EXPENDITURE (OTHER THAN ABORTIVE EXPLORATION EXPENDITURE)

Modifications etc. (not altering text)

C1 Sch. 5 excluded by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), **s. 108(6)**.

Claim periods and claims

- 1 (1) In relation to any oil field—
 - (a) the first claim period is whichever of the following periods the responsible person elects, namely the period ending at the end of June following the determination of the field or the period ending at the end of December following that determination (including, in either case, an unlimited time prior to that determination);
 - (b) each subsequent claim period is whichever of the following periods the responsible person elects, namely the period of six months or the period of twelve months from the end of the preceding claim period:

Provided that unless and until the responsible person elects the period of six months from the end of any particular claim period, the claim period next after that claim period shall be taken to be the period of twelve months from the end of it.
- (2) An election under this paragraph must be made by notice in writing to the Board.
- 2 (1) A claim under this Schedule for the allowance of any expenditure allowable under section 3 or 4 of this Act for an oil field must be made by the responsible person to the Board and, subject to the provisions of this Part of this Act, must be made in a claim or claims for the claim period in which the expenditure is incurred, but may not be made before the determination of the field or more than [F14 years] after the end of the claim period in which the expenditure is incurred.
- (2) A claim under this Schedule for the allowance of any expenditure allowable under section 3 or 4 of this Act for an oil field which was incurred by a person before he became a participator in the field must be made in a claim for the claim period in which he became a participator.
- (3) A claim under this Schedule shall not include any expenditure allowable under section 3 or 4 of this Act which has been included in a claim under Schedule 6 to this Act.
- (4) A claim must state—
 - (a) what part (if any) of the expenditure is claimed as qualifying for supplement under section 2(9)(b)(ii) of this Act; and

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- (b) [^{F2}Subject to paragraph 2A below]the shares in which, in accordance with their respective interests in the oil field, the participators propose to divide between them, for the purposes of paragraph (b) of section 2(9) of this Act, the expenditure allowed on the claim and the amount which will arise under sub-paragraph (ii) of that paragraph if some or all of that expenditure is allowed on the claim as so qualifying.
- (5) Where a claim for the allowance of any expenditure under section 4 of this Act for an oil field was made in relation to any asset for the claim period which, in the case of that asset, is the first relevant claim period (as defined in that section), then any claim with respect to that field made under this Schedule for any subsequent claim period must give all such information as is relevant for the purpose of enabling the Board to carry into effect the provisions of that section in relation to that asset.
- (6) A claim must be in such form as the Board may prescribe and must include a declaration that all statements contained in it are correct to the best of the knowledge and belief of the person making the claim.
- [^{F3}(7) Where—
- (a) the claim period in which any expenditure allowable under section 3 or 4 of this Act for an oil field is incurred coincides with or includes a chargeable period, and
- (b) the Board has extended the period for the delivery of the return that is required under paragraph 5 of Schedule 2 to this Act to be delivered for that chargeable period by the responsible person, and
- (c) the relevant time falls more than [^{F4}2 years] after the end of the claim period, sub-paragraph (1) above shall have effect as if the reference to [^{F5}4 years] after the end of the claim period in which the expenditure is incurred were a reference to two years after the relevant time.
- (8) In sub-paragraph (7) above “the relevant time” means the earlier of—
- (a) the time which, as a result of the extension mentioned in that sub-paragraph, is the latest time for the delivery of the return there mentioned; and
- (b) the time when that return is delivered.]

Textual Amendments

- F1** Words in Sch. 5 para. 2(1) substituted (1.4.2011) by Finance Act 2009 (c. 10), s. 99(2), Sch. 51 para. 23(2); S.I. 2010/867, art. 2(2)
- F2** Words in Sch. 5 para. 2(4)(b) inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 107(1).
- F3** Sch. 5 para. 2(7)(8) inserted (27.9.1999 with application in relation to chargeable periods ending on or after 30.6.1999) by 1999 c. 16, s. 102(4)(8)
- F4** Words in Sch. 5 para. 2(7)(c) substituted (1.4.2011) by Finance Act 2009 (c. 10), s. 99(2), Sch. 51 para. 23(3)(a); S.I. 2010/867, art. 2(2)
- F5** Words in Sch. 5 para. 2(7) substituted (1.4.2011) by Finance Act 2009 (c. 10), s. 99(2), Sch. 51 para. 23(3)(b); S.I. 2010/867, art. 2(2)

Modifications etc. (not altering text)

- C2** See Oil Taxation Act 1983 (c. 56), s. 3(6)
- C3** See Finance Act 1982 (c. 39), s. 135(1)(c) in relation to any case where oil was won before the date of determination

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- C4** See Finance (No. 2) Act 1979 (c. 47), s. 19(4) where more than one rate of uplift applies; Finance Act 1981 (c. 35), s. 111(6)
- C5** See Oil Taxation Act 1983 (c. 56), s. 5(7)

- [^{F6}2A (1) This paragraph applies if—
- (a) a current participator (“the defaulter”) has defaulted on a liability under—
 - (i) a relevant agreement, or
 - (ii) an abandonment programme,
 to make a payment towards abandonment expenditure, and
 - (b) a current or former participator (“the contributing participator”) pays an amount in or towards meeting the whole or part of the default (“a default payment”).
- (2) If a claim is made under this Schedule for the allowance of the abandonment expenditure, the amount of the default payment is to be attributed to the contributing participator for the purposes of paragraphs 2(4)(b) and 3(1)(c).
- (3) But the amount attributed under sub-paragraph (2) may not exceed—
- (a) so much of the sum in default as the contributing participator is required to meet in accordance with—
 - (i) the relevant agreement, or
 - (ii) the abandonment programme, or
 - (b) such other amount as the participator may be required to meet in accordance with a direction given under Part 4 of the Petroleum Act 1998.
- (4) Sub-paragraph (2) is subject to paragraph 2B.
- (5) In determining the amount which is to be attributed to the contributing participator under sub-paragraph (2), account shall be taken of the whole of the defaulter's interest in the relevant oil field.
- (6) But in determining the share of the abandonment expenditure to be attributed to the defaulter under paragraph 2(4)(b), the amount which would be attributed by reference to the defaulter's interest in the relevant oil field is to be reduced or (as the case may be) extinguished by the deduction of the aggregate of—
- (a) the amount attributed to the contributing participator under sub-paragraph (2), and
 - (b) any other amounts attributed under sub-paragraph (2) to other current or former participators who make default payments in respect of the defaulter's default.

Textual Amendments

- F6** Sch. 5 paras. 2A-2C substituted for Sch. 5 para. 2A (with effect in accordance with s. 103(2) of the amending Act) by Finance Act 2008 (c. 9), s. 103(1)

Modifications etc. (not altering text)

- C6** Sch. 5 para. 2A definitions applied by Finance Act 1991 (c. 31, SIF 63:1), s.108(1).

- 2B (1) No amount is to be attributed to a contributing participator under paragraph 2A(2) unless the following conditions are all met.

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- (2) The first condition is that the contributing participator is not connected with the defaulter, applying [^{F7}section 1122 of CTA 2010] (connected persons) for the purposes of this sub-paragraph.
- (3) The second condition is that, at the end of the claim period for which the claim is made, the defaulter still has an interest in the relevant oil field which, under paragraph 2(4)(b), falls to be taken into account in determining the shares in the abandonment expenditure.
- (4) The third condition is that the relevant participators have taken all reasonable steps by way of legal remedy—
 - (a) to secure that the defaulter meets the whole of the liability referred to in paragraph 2A(1)(a), and
 - (b) to enforce any guarantee or other security provided in respect of that liability.
- (5) In sub-paragraph (4) “relevant participators” means—
 - (a) each current participator (other than the defaulter), and
 - (b) each former participator who makes a default payment in respect of the defaulter's default.

Textual Amendments

- F6** Sch. 5 paras. 2A-2C substituted for Sch. 5 para. 2A (with effect in accordance with s. 103(2) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 103\(1\)](#)
- F7** Words in [Sch. 5 para. 2B\(2\)](#) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 167](#) (with [Sch. 2](#))

- 2C (1) An amount attributed under paragraph 2A(2) is—
- (a) in the case of a current participator, to be an addition to the share of the abandonment expenditure referable to the current participator's interest in the oil field, or
 - (b) in the case of a former participator, to be the share of the abandonment expenditure referable to the former participator's interest in the oil field.
- (2) In paragraphs 2A and 2B and this paragraph—
- “abandonment expenditure” means expenditure which is allowable for an oil field by virtue of section 3(1)(i) or (j);
- “abandonment programme” means an abandonment programme approved under Part 4 of the Petroleum Act 1998 (including any such programme as revised);
- “current participator” means a person who is, by virtue of paragraph (a), [^{F8}(aa),] (b) or (c) of the definition in section 12, a participator in the relevant oil field in the chargeable period in which the abandonment expenditure is incurred;
- “former participator” means a person who—
- (a) is not a current participator, but
 - (b) was, by virtue of paragraph (a), [^{F9}(aa),] (b) or (c) of the definition in section 12, a participator in the relevant oil field in any chargeable period before the chargeable period in which the abandonment expenditure is incurred;

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“relevant agreement” has the meaning given by section 104(5)(a) of the Finance Act 1991;

“relevant oil field” means the oil field to which the abandonment expenditure relates;

“sum in default” means the amount of the payment which the defaulter is liable to make as mentioned in paragraph 2A(1)(a), [^{F10}less so much of that payment as has been made by the defaulter]

- (3) For the purposes of paragraph 2A, a current participator is to be regarded as defaulting on a liability to make a payment towards abandonment expenditure if the following conditions are met.
- (4) The first condition is that the current participator has failed to make the payment in full on the due day.
- (5) The second condition is that—
- (a) any of the payment remains unpaid on the sixtieth day after the due day, or
 - (b) before that sixtieth day, the current participator's interest in a relevant licence becomes liable under the relevant agreement to be sold or forfeited, in whole or in part, by reason of the failure to meet the liability.
- (6) In sub-paragraphs (4) and (5) “due day” means the day on which the payment towards abandonment expenditure becomes due under the relevant agreement or the abandonment programme.]

Textual Amendments

- F6** Sch. 5 paras. 2A-2C substituted for Sch. 5 para. 2A (with effect in accordance with s. 103(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [s. 103\(1\)](#)
- F8** Word in Sch. 5 para. 2C(2) inserted (with effect in accordance with Sch. 42 para. 4 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 42 para. 3\(a\)](#)
- F9** Word in Sch. 5 para. 2C(2) inserted (with effect in accordance with Sch. 42 para. 4 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 42 para. 3\(b\)](#)
- F10** Words in [Sch. 5 para. 2C\(2\)](#) substituted (with effect in accordance with Sch. 31 para. 23 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 31 para. 4](#)

- 3 (1) The Board shall by notice in writing to the responsible person inform him of their decision on the claim, stating in the notice—
- (a) the amount of the expenditure allowed by them on the claim;
 - (b) the amount, if any, of that expenditure allowed by them on the claim as qualifying for supplement under section 2(9)(b)(ii) of this Act; and
 - (c) the shares determined by the Board to be the shares in which, in the opinion of the Board, the amount stated under (a) above or, as the case may be, the aggregate of that amount and an amount equal to the relevant percentage of the amount stated under (b) above, is divisible between the participators for the purposes of section 2(9)(b) of this Act;
- and where the decision relates to part only of the expenditure claimed, or claimed as so qualifying, the Board shall give a further notice or notices in relation to the remainder.
- (2) In this paragraph “the relevant percentage” means the percentage mentioned in the said section 2(9)(b)(ii).

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Modifications etc. (not altering text)

- C7** See Finance (No. 2) Act 1979 (c. 47), s. 19(4) where more than one rate of uplift applies; Finance Act 1981 (c. 35), s. 111(6)
- C8** See Finance (No. 2) Act 1979 (c. 47), s. 19 where more than one rate of uplift applies

- 4 If, in a case where sub-paragraph (5) of paragraph 2 above requires a claim made for a particular claim period to give all such information as is relevant for the purpose there mentioned in relation to an asset, a claim satisfying the requirements of that sub-paragraph is not made within twelve months after the end of that period, then, in carrying into effect the provisions of section 4 of this Act in relation to that asset for that claim period, the Board may proceed according to the best of their judgment, and may make any adjustments under any of the provisions mentioned in paragraph 6(2) of Schedule 4 to this Act accordingly.

Modifications etc. (not altering text)

- C9** See Oil Taxation Act 1983 (c. 56), s. 5(7)

Appeals

- 5 (1) If—
- (a) the amount or total of the amounts stated under sub-paragraph (1)(a) of paragraph 4 above in the notice or notices given by the Board under that paragraph on a claim, or the amount or total of the amounts so stated under sub-paragraph (1)(b) of that paragraph, is less than the amount claimed; or
 - (b) the shares so stated under sub-paragraph (1)(c) of that paragraph in the notice or latest of the notices so given differ from the shares stated under paragraph 2(4)(b) above in the claim,
- the responsible person may ^{F11}appeal by notice in writing given to the Board not more than three years after the making of the claim ^{F12}...; but the bringing of an appeal under this paragraph shall not affect the operation of any notice so given by the Board.
- (2) On an appeal ^{F13}that is notified to the tribunal] against a decision on a claim brought on the ground mentioned in sub-paragraph (1)(b) above, and in any proceedings arising out of such an appeal, any participator in the oil field to which the claim relates shall be entitled to ^{F14}be a party].
 - (3) An appeal against a decision on a claim may at any time ^{F15}before it is notified to the tribunal] be abandoned by a notice in writing given to the Board by the responsible person.
 - (4) On an appeal ^{F16}that is notified to the tribunal] against a decision on a claim, the ^{F17}tribunal] may vary the decision appealed against whether or not the variation is to the advantage of all or any of the participators in the oil field to which the claim relates.
 - ^{F18}(5) The provisions of paragraphs 14A to 14I of Schedule 2 shall apply to appeals under this paragraph subject to any necessary modifications.]

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Textual Amendments

- F11** Word in Sch. 5 para. 5(1) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 77(2)(a)**
- F12** Words in Sch. 5 para. 5(1) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 77(2)(b)**
- F13** Words in Sch. 5 para. 5(2) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 77(3)(a)**
- F14** Words in Sch. 5 para. 5(2) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 77(3)(b)**
- F15** Words in Sch. 5 para. 5(3) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 77(4)**
- F16** Words in Sch. 5 para. 5(4) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 77(5)(a)**
- F17** Word in Sch. 5 para. 5(4) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 77(5)(b)**
- F18** Sch. 5 para. 5(5) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 77(6)**

Modifications etc. (not altering text)

- C10** See [Finance \(No. 2\) Act 1979 \(c. 47\)](#), s. 19 where more than one rate of uplift applies

6 (1) Where the responsible person gives notice of appeal against a decision on a claim on one or both of the grounds mentioned in paragraph 5(1)(a) above and, before the appeal is determined by the [^{F19}tribunal], the Board and the responsible person agree on—

- (a) the amount of the expenditure that ought to be allowed on the claim; or
- (b) the amount, if any, of the expenditure claimed which ought to be so allowed as qualifying for supplement under section 2(9)(b)(ii) of this Act,

the appropriate amount (if any) of the expenditure claimed or, as the case may be, claimed as so qualifying shall be treated for the purposes of this Part of this Act as having been allowed by the Board on the claim, and as having been so allowed on the date on which the notice of appeal was given.

For the purposes of this sub-paragraph the appropriate amount (if any) of the expenditure claimed or, as the case may be, claimed as so qualifying, is an amount thereof equal to the excess, if any, of the amount so agreed on over the corresponding amount or the total of the corresponding amounts allowed by the notice or notices previously given by the Board under paragraph 3 above.

(2) Where the responsible person gives notice of appeal against a decision on a claim on the ground mentioned in paragraph 5(1)(b) above and, before the appeal is determined by the [^{F20}tribunal], the Board and the responsible person agree on the shares in which the amount of any expenditure allowed on the claim, or so allowed as qualifying for supplement under section 2(9)(b)(ii) of this Act, ought to be divided between the participators for the purposes of section 2(9)(b) of this Act, the shares so agreed on shall be deemed to be the shares stated in any notice previously given by the Board under paragraph 3 above on the claim, and shall apply in the case of any part of the expenditure claimed, or claimed as so qualifying, which is by virtue of this or the following paragraph treated as having been allowed on the claim;

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- (3) Where the Board and the responsible person agree on the matter mentioned in sub-paragraph (1)(a), sub-paragraph (1)(b) or sub-paragraph (2) above in the circumstances there mentioned, the corresponding ground of appeal shall be treated as having been abandoned; and where by virtue of this sub-paragraph all the grounds of the appeal fall to be so treated, the appeal itself shall be treated as having been abandoned.

Textual Amendments

- F19** Word in Sch. 5 para. 6(1) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 78**
- F20** Word in Sch. 5 para. 6(2) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 78**

Modifications etc. (not altering text)

- C11** See [Finance \(No. 2\) Act 1979 \(c. 47\)](#), s. 19 where more than one rate of uplift applies

- 7 (1) Where^[F21] on an appeal under paragraph 5 above ^[F22]that is notified to the tribunal, the tribunal determines] that any amount or part of an amount in dispute is allowable under section 3 or 4 of this Act or qualifies for supplement under section 2(9)(b)(ii) of this Act, the following provisions of this paragraph shall apply;
- (2) Subject to paragraph 8(2) below, the said amount or part shall be treated for the purposes of this Part of this Act as having been allowed on the claim to which the appeal relates, and as having been so allowed on the date on which the notice of appeal was given.
- (3) There shall be made in any computation made under section 2 of this Act, and in any assessment to tax or determination, all such adjustments as are necessary in consequence of the determination of the ^[F23]tribunal].

Textual Amendments

- F21** Punctuation in Sch. 5 para. 7(1) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 79(2)(a)**
- F22** Words in Sch. 5 para. 7(1) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 79(2)(b)**
- F23** Word in Sch. 5 para. 7(3) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 79(3)**

Modifications etc. (not altering text)

- C12** See [Oil Taxation Act 1983 \(c. 56\)](#), s. 3(6)
- C13** See [Finance \(No. 2\) Act 1979 \(c. 47\)](#), s. 19 where more than one rate of uplift applies

- 8 (1) Where—
- ^[F24](a) an appeal is made against a determination by the tribunal on an appeal under paragraph 5 above; and]
- (b) in the proceedings on the ^[F25]appeal so made], or in any proceedings arising out of those proceedings, any matter which was determined by the ^[F26]tribunal] on ^[F27]the appeal under paragraph 5 above] is finally determined otherwise than in accordance with their determination on that appeal,

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the following provisions of this paragraph shall apply.

- (2) Any expenditure allowable under section 3 or 4 of this Act, which, if the decision of the Board on the claim to which the appeal under paragraph 5 above related had been in accordance with the final determination of that matter, would have been allowed by that decision, or allowed by it as qualifying for supplement under section 2(9)(b)(ii) of this Act, shall be treated for the purposes of this Part of this Act as having been allowed by the Board on the claim to the extent that it has not been previously allowed on the claim, and as having been so allowed to that extent on the date on which the original notice of appeal was given under paragraph 5 above.
- (3) There shall be made in any computation made under section 2 of this Act and in any assessment to tax or determination all such adjustments or further adjustments as are necessary in consequence of the final determination.
- (4) Any tax which becomes payable in consequence of any adjustment made under subparagraph (3) above in an assessment for a chargeable period shall carry interest at the [^{F28}rate applicable under section 178 of the Finance Act 1989] from [^{F29}two months] after the end of that period to the date of payment.
- (5) For the purposes of this paragraph a matter shall not be deemed to be finally determined in any such proceedings as are mentioned in sub-paragraph (1)(b) above until a determination thereof made in any such proceedings can no longer be varied or overruled by the order of any court [^{F30}or the tribunal].

Textual Amendments

- F24** Sch. 5 para. 8(1)(a) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 80(2)**
- F25** Words in Sch. 5 para. 8(1)(b) substituted (1.9.1994) by S.I. 1994/1813, reg. 2(1), **Sch. 1 para. 19(b)(i)**
- F26** Word in Sch. 5 para. 8(1)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 80(3)**
- F27** Words in Sch. 5 para. 8(1)(b) substituted (1.9.1994) by S.I. 1994/1813, reg. 2(1), **Sch. 1 para. 19(b)(ii)**
- F28** Words substituted by [Finance Act 1989 \(c. 26\)](#), **s. 179(1)(4)** and S.I. 1989 No. 1298 (C. 44) for periods beginning on or after 18 August 1989
- F29** Words substituted by [Petroleum Revenue Tax Act 1980 \(c. 1, SIF 63:1\)](#), **s. 2** in relation to tax charged for any period ending on or after 31 December 1979
- F30** Words in Sch. 5 para. 8(5) added (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 80(4)**

Modifications etc. (not altering text)

- C14** See [Oil Taxation Act 1983 \(c. 56\)](#), **s. 3(6)**
- C15** A rate of 12 per cent. prescribed by S.I. 1979 No. 1687 was extended to Sch. 5 para. 8(4) by [Petroleum Revenue Tax Act 1980 \(c. 1, SIF 63:1\)](#), **s. 2(3)** from 1 January 1980, reduced to 8 per cent. by S.I. 1982 No. 1587 from 1 December 1982 and increased to 11 per cent. by S.I. 1985 No. 563 from 1 May 1985. See also S.I. 1989 No. 1297 for regulations made and interest rates set under [Finance Act 1989 \(c. 26\)](#), **s. 178**

- [^{F319} (1) If [^{F32}... it appears to the Board that the relevant amount was incorrectly stated [^{F33}:in a notice of a decision under paragraph 3 above given to the responsible person for an oil field], the Board may before the expiry of [^{F34}the permitted period] serve on the responsible Person a notice stating what appears to the Board to be the correct amount (referred to below as “the notice of variation”).

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^{F35}(1A)

^{F35}(1B)

^{F35}(1C)

(2) In this paragraph “the relevant amount”, in relation to a notice of a decision on a claim under paragraph 3 above, means any one or more of the following—

- (a) the amount of expenditure allowed on the claim;
- (b) the amount of that expenditure allowed as qualifying for supplement under section 2(9)(b)(ii) of this Act;
- (c) where different percentages were stated in that notice to apply to different parts of that expenditure for the purpose of calculating the supplement, each of those parts of that expenditure.

^{F36}(2A)

^{F37}(2B) [In this paragraph “permitted period” means the period of 4 years beginning with the date on which the notice of the decision under paragraph 3 was given (but see sub-paragraph (2C)).

(2C) Where the relevant amount was overstated in the notice of decision as a result of an inaccuracy in a statement or declaration made by the responsible person (or a person acting on behalf of the responsible person) in connection with the claim—

- (a) if the inaccuracy was careless, the permitted period is extended to 6 years, and
- (b) if the inaccuracy was deliberate, the permitted period is extended to 20 years.]

(3) The responsible person may, by notice in writing given to the Board not more than thirty days after the notice of variation was served on him, appeal ^{F38}... against the notice of variation.

(4) A notice of appeal under sub-paragraph (3) shall state the grounds on which the appeal is brought.

(5) An appeal under this paragraph may at any time [^{F39}before it is notified to the tribunal] be abandoned by notice in writing given to the Board by the responsible person.

(6) A notice of variation may be withdrawn at any time before it becomes effective.

(7) In any case where—

- (a) the responsible person gives notice of appeal against a notice of variation, and
- (b) before the appeal is determined by the [^{F40}tribunal], the Board and the responsible person agree as to what the relevant amount ought to be,

the notice of variation shall have effect subject to such modifications as may be necessary to give effect to that agreement; and thereupon the appeal shall be treated as having been abandoned.

(8) On an appeal [^{F41}that is notified to the tribunal] against a notice of variation the [^{F42}tribunal] may vary the notice, quash the notice or dismiss the appeal; and the

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notice may be varied whether or not the variation is to the advantage of all or any of the participators in the oil field in question.

- (9) Where a notice of variation relating to a decision on a claim becomes effective, the relevant amount shall be taken for the purposes of this Part of this Act as having been reduced or increased, as the case may require, on the date on which notice of the decision was given, by such amount as may be necessary to give effect to that notice, and the Board may make such computations under section 2 of this Act and such assessments or determinations or such amendments of assessments or determinations as may be necessary in consequence of that reduction or increase.
- (10) A notice of variation becomes effective for the purposes of this paragraph either—
- (a) on the expiry of the period during which notice of appeal against the notice of variation may be given^{F43} ... under sub-paragraph (3) above without such notice of appeal being given; or
 - (b) where such notice of appeal is given, when the notice of variation can no longer be varied or quashed by the [^{F44}tribunal] or by the order of any court.
- ^{F45}(11)
- [For the purposes of this section, an inaccuracy in a statement or declaration made
- ^{F46}(12) by the responsible person (or a person acting on behalf of the responsible person) is careless if it is due to a failure by the person to take reasonable care.
- (13) An inaccuracy in a statement or declaration made by the responsible person (or a person acting on behalf of the responsible person) is to be treated as careless if—
- (a) the responsible person, the person who acted on behalf of the responsible person or any person who becomes the responsible person for the oil field after the statement or declaration is made discovers the inaccuracy some time after it is made, and
 - (b) that person fails to take reasonable steps to inform Her Majesty's Revenue and Customs.]]

Textual Amendments

- F31** Sch. 5 para. 9 added by [Finance Act 1983 \(c. 49\), s. 40\(1\)](#)
- F32** Words in Sch. 5 para. 9(1) omitted (1.4.2011) by virtue of [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 24\(2\)\(a\)](#); S.I. 2010/867, art. 2(2)
- F33** Words in Sch. 5 para. 9(1) substituted (1.4.2011) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 24\(2\)\(b\)](#); S.I. 2010/867, art. 2(2)
- F34** Words in Sch. 5 para. 9(1) substituted (1.4.2011) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 24\(2\)\(c\)](#); S.I. 2010/867, art. 2(2)
- F35** Sch. 5 para. 9(1A)-(1C) omitted (1.4.2011) by virtue of [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 24\(3\)](#); S.I. 2010/867, art. 2(2)
- F36** Sch. 5 para. 9(2A) omitted (1.4.2011) by virtue of [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 24\(3\)](#); S.I. 2010/867, art. 2(2)
- F37** Sch. 5 para. 9(2B)(2C) inserted (1.4.2011) by [Finance Act 2009 \(c. 10\), s. 99\(2\), Sch. 51 para. 24\(4\)](#); S.I. 2010/867, art. 2(2)
- F38** Words in Sch. 5 para. 9(3) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\), art. 1\(2\), Sch. 1 para. 81\(2\)](#)
- F39** Words in Sch. 5 para. 9(5) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\), art. 1\(2\), Sch. 1 para. 81\(3\)](#)

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- F40** Word in Sch. 5 para. 9(7) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 81(4)**
- F41** Words in Sch. 5 para. 9(8) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 81(5)(a)**
- F42** Word in Sch. 5 para. 9(8) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 81(5)(b)**
- F43** Words in Sch. 5 para. 9(10)(a) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 81(6)**
- F44** Word in Sch. 5 para. 9(10)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 81(7)**
- F45** Sch. 5 para. 9(11) omitted (1.4.2011) by virtue of [Finance Act 2009 \(c. 10\)](#), s. 99(2), **Sch. 51 para. 24(5)**; [S.I. 2010/867](#), art. 2(2)
- F46** Sch. 5 para. 9(12)(13) inserted (1.4.2011) by [Finance Act 2009 \(c. 10\)](#), s. 99(2), **Sch. 51 para. 24(6)**; [S.I. 2010/867](#), art. 2(2)

Modifications etc. (not altering text)

- C16** See [Oil Taxation Act 1983 \(c. 56\)](#), s. 14 in relation to the re-opening of decisions for claim periods ending on or after 30 June 1982
- C17** Sch. 5 para. 9 modified (3.5.1994) by [1994 c. 9](#), ss. 231, 232(8)(a), 234, [Sch. 22 paras. 9\(4\), 10, 11](#)

[^{F47}10 In this Schedule “tribunal” means the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal.]

Textual Amendments

- F47** Sch. 5 para. 10 inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 82**

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