



# Finance (No. 2) Act 1979

## 1979 CHAPTER 47

### PART III

#### PETROLEUM REVENUE TAX

#### **22 Taxation of British National Oil Corporation**

- (1) Section 9(1) of the Petroleum and Submarine Pipelines Act 1975 (exemption of British National Oil Corporation and its wholly owned subsidiaries from petroleum revenue tax) shall not have effect in relation to chargeable periods ending after 30th June 1979 ; and the provisions of subsections (2) and (3) below, being transitional provisions, shall have effect—
  - (a) in the case of subsection (2), for the purpose of computing the assessable profit or allowable loss accruing from any oil field to that Corporation or any company which is or has been one of those subsidiaries; and
  - (b) in the case of subsection (3), for the purpose of computing the assessable profit or allowable loss accruing from any oil field to any of the following persons (in this section referred to as " relevant persons ") that is to say, that Corporation, any such company and any person having an interest in an oil field, being an interest the whole or part of which in any chargeable period ending before 1st July 1979 constituted the interest in that oil field of that Corporation or one of those subsidiaries.
- (2) In relation to any oil field, section 2 of the Oil Taxation Act 1975 shall have effect with respect to the chargeable period ending next after 30th June 1979 as if in subsections (6)(b)(ii) and (7)(b) (royalty repaid and paid in period to be taken into account) for the words " in the period " there were substituted the words " in or before the period " .
- (3) If for any chargeable period—
  - (a) there is an amount to be taken into account by virtue of paragraph (b) or (c) of subsection (9) of the said section 2 (allowable expenditure) or both those paragraphs ; and
  - (b) the whole or any part of that amount is attributable to expenditure incurred before 1st July 1979,

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*Status: This is the original version (as it was originally enacted).*

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that amount or, as the case may be, that part (including so much of it as is so taken into account by virtue of sub-paragraph (ii) of the said paragraph (b) or (c)) shall be deemed for the purposes of that Act, except section 9, to be reduced by the relevant amount or, as the case may be, by so much of the relevant amount as has not been taken into account under this subsection in computing the assessable profit or allowable loss accruing to the relevant person in question or any other person in an earlier chargeable period.

- (4) In this section " the relevant amount", in relation to an oil field, means the aggregate gross profit, as defined in section 2(4) of the Oil Taxation Act 1975, accruing in chargeable periods ending before 1st July 1979 in respect of so much of the interest of the relevant person in question in that oil field as in any of those chargeable periods constituted the interest in that oil field of the British National Oil Corporation or one of its wholly owned subsidiaries; and in this subsection " wholly owned subsidiary " has the same meaning as in the Petroleum and Submarine Pipe-lines Act 1975.