

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1980, Part II. (See end of Document for details)

SCHEDULES

SCHEDULE 17

TRANSFERS OF INTERESTS IN OIL FIELDS

Modifications etc. (not altering text)

- C1** Definitions applied for purposes of [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), [s. 64](#)—transfers of interests in oil fields.
[Sch. 17](#) applied (27.7.1999) by [1999 c. 16, s. 97\(3\)](#)
- C1** See also [Finance Act 1981 \(c. 35\)](#), [s. 112](#) for application of s. 111 of that Act (restriction of expenditure supplement) and [Oil Taxation Act 1975 \(c. 22\)](#), [s. 9](#) (limit on amount of tax payable) in case of a transfer.

PART II

TRANSFER OF OLD PARTICIPATOR'S EXPENDITURE RELIEF, LOSSES AND EXEMPTIONS

Unused expenditure relief

- 6 (1) There shall be transferred to the new participator the whole or, if the transfer is of part of the old participator's interest in the field, a corresponding part of any amount which—
- (a) would, apart from this paragraph, fall to be taken into account under section 2(9)(b) in computing the assessable profit or allowable loss accruing to the old participator from the field in the transfer period or a later chargeable period; and
 - (b) is attributable to expenditure allowed to the old participator under Schedule 5 in accordance with his interest in the field before the transfer.
- (2) If the whole of the old participator's interest in the field is transferred in the transfer period (whether to one new participator or partly to one and partly to another or others) there shall be transferred to the new participator the whole or, as the case may be, to each of them a corresponding part, of any amount which—
- (a) would, apart from this paragraph, fall to be taken into account under section 2(9)(c) in computing the assessable profit or allowable loss accruing to the old participator from the field in the transfer period or a later chargeable period; and
 - (b) is attributable to expenditure incurred by the old participator before the transfer and allowed to him under Schedule 6.
- (3) Any amount transferred to the new participator under this paragraph shall, instead of being taken into account as mentioned in sub-paragraph (1)(a) or (2)(a) above, be taken into account in computing the assessable profit or allowable loss accruing to the new participator from the field.

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Unused losses

- 7 (1) There shall be transferred to the new participator the whole or, if the transfer is of part of the old participator's interest in the field, a corresponding part of any loss which the Board have determined under Schedule 2 has accrued to the old participator from the field [^{F1}in the transfer period or any earlier chargeable period] to the extent that it has not been relieved against assessable profits accruing to him in the transfer period or an earlier chargeable period.
- (2) Any amount of a loss transferred to the new participator under this paragraph may be relieved under section 7 against assessable profits accruing to the new participator in the transfer period or a later chargeable period and shall not be set off against assessable profits of the old participator [^{F1}and, for the purposes of effecting such relief, subsection (1) of section 7 shall have effect as if the word "succeeding" were omitted].

Textual Amendments

- F1** Finance Act 1983 (c. 28), s. 41 in relation to transfer periods (see Sch. 17 Pt. I para. 1, ante) ending after 31 December 1982.

Accumulated capital expenditure

- 8 (1) There shall be transferred to the new participator the whole or, if the transfer is of part of the old participator's interest in the field, a corresponding part of the amount which under section 9(3) is the old participator's accumulated capital expenditure at the end of [^{F2}the last chargeable period before the transfer period].
- (2) Subject to paragraph 18 below, any amount transferred under this paragraph shall be treated for the purposes of section 9(3) as, or as part of, the new participator's accumulated capital expenditure at the end of the transfer [^{F3}period] and later [^{F3}chargeable periods] and not as, or as part of, the old participator's accumulated capital expenditure at the end of any such [^{F3}period].

Textual Amendments

- F2** Finance Act 1981 (c. 35), s. 114(2)(b) with effect whether the participator's net profit period ends before or after the passing of that Act.
- F3** Finance Act 1981 (c. 35), s. 114(2)(c) with effect whether the participator's net profit period ends before or after the passing of that Act.

Excluded oil

- 9 For the purpose of determining under section 10(1)(b) what oil is to be disregarded in computing a participator's gross profit or loss attributable to oil won from the field after the transfer there shall be treated as if it were the new participator's, and not the old participator's, the whole or, if the transfer is of part of the old participator's interest in the field, a corresponding part of the old participator's share of oil won and saved from the field before the transfer.

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Successive transfers

- 10 (1) Where the old participator transfers the whole or part of his interest in a field in which he has himself acquired an interest by a previous transfer, the amounts to be taken into account in determining what is to be transferred to the new participator under paragraphs 6, 7 and 8 above and what is to be the share of oil treated as the new participator's under paragraph 9 above shall include—
- (a) any amount which falls to be transferred to the old participator under paragraph 6 or 7 above by reference to the previous transfer and has not been taken into account or relieved in relation to him under paragraph 6(3) or 7(2) above; and
 - (b) any amount or share which falls to be transferred to the old participator or treated as his under paragraph 8 or 9 above by reference to the previous transfer.
- (2) Where the old participator makes successive transfers of parts of his interest, the amounts to be transferred to the new participator under paragraphs 6, 7 and 8 above and the share of oil to be treated as the new participator's under paragraph 9 above by reference to each transfer shall be that amount or share after deducting any of it which falls to be so transferred or treated by reference to a previous transfer.

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