



Finance Act 1981

1981 CHAPTER 35

PART VII

PETROLEUM REVENUE TAX

112 Restriction of expenditure supplement: transfers of interests

- (1) Section 111 above shall have effect in accordance with this section where a participator in an oil field has acquired the whole or part of his interest in the field as a result of one or more transfers to him within the meaning of Schedule 17 to the Finance Act 1980, and in this section " the new participator " and " the old participator " mean respectively the first-mentioned participator and any participator from whom he has acquired the whole or part of his interest.
- (2) The new participator's net profit period shall be whichever is the earlier of—
 - (a) his own net profit period as determined in accordance with section 111 above and subsections (3) and (4) below; or
 - (b) subject to subsection (5) below, the chargeable period which is the net profit period of the old participator or, if there are two or more old participators, of whichever of them has the earliest net profit period.
- (3) Where the old participator has transferred the whole of his interest in the field to the new participator, the net profit period of the new participator shall be determined by treating as if they were his the total assessable profits and allowable losses of the old participator as determined for the purposes of section 111 above.
- (4) Where the old participator has transferred part of his interest in the field to the new participator, the net profit period of the old and new participators shall be determined by treating as if they were the new participator's and not the old participator's such part of the total assessable profits and allowable losses of the old participator (as determined for the purposes of section 111 above) as may be just and reasonable.
- (5) The net profit period of an old participator shall not be taken into account under subsection (2)(b) above if the new participator's own net profit period, as determined without reference under subsection (3) or (4) above to the old participator's assessable

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profits or allowable losses, fell before the chargeable period in which the new participator acquired the whole or part of the old participator's interest.