



Oil Taxation Act 1983

1983 CHAPTER 56

Charge of receipts

[^{F1}6B The condition for being a qualifying existing field

- (1) The condition for an existing field to be a qualifying existing field for the purposes of section 6A above is that at no time in the period of 6 years ending with 8th April 2003 (“the 6 year period”) was there—
 - (a) any use of a disqualifying asset (see subsection (2) below) in a UK area (see subsection (11) below) in relation to the field or oil won from it, or
 - (b) any provision of any services or other business facilities of whatever kind in connection with the use of a disqualifying asset in a UK area in relation to the field or oil won from it.
- (2) For the purposes of subsection (1) above “disqualifying asset”, in relation to an existing field and any time in the 6 year period, means an asset which at that time—
 - (a) was a qualifying asset in relation to a participator in an oil field; and
 - (b) was not an excepted asset (see subsection (3) below).
- (3) For the purposes of subsection (2) above “excepted asset”, in relation to an existing field and any time in the 6 year period, means any of the following—
 - (a) any asset (other than a tanker) which at that time was wholly situated in the existing field;
 - (b) any tanker which at that time was a non-dedicated tanker (see subsection (10) below) being used for transporting from the existing field oil which had been won from that field;
 - (c) any asset which at that time was being used in relation to oil which had been won from the existing field and transported from that field by a non-dedicated tanker;
 - (d) if the existing field is an oil field and is expected not to be a tanker loading field (see subsection (7) below)—
 - (i) any tanker which at that time was a dedicated tanker (see subsection (9) below) being used for transporting from the existing field oil which had been won from that field;

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- (ii) any asset which at that time was being used in relation to oil which had been won from the existing field and transported from that field by a dedicated tanker;
 - (iii) any asset which at that time was being used to transport from the existing field oil consisting of gas won from that field to another oil field for the purpose of enabling that oil to be used for assisting the extraction of oil from that other field;
 - (e) if at that time the existing field was not a taxable field, any asset by reference to which an election under section 231 of the Finance Act 1994 (election by reference to asset with excess capacity) was at that time in operation with respect to an oil field.
- (4) Where any use of an asset is, by virtue of subsection (3) above, use of an excepted asset, the provision of any services or other business facilities of whatever kind in connection with that use of that asset accordingly falls to be disregarded for the purposes of subsection (1)(b) above.
- (5) Where an asset in a UK area—
- (a) is a qualifying asset in relation to a participator in such an oil field as is mentioned in section 107 of the Finance Act 1980 (a “participator in the UK sector”), and
 - (b) is also, by virtue of paragraph 3 of Schedule 4 to this Act, a chargeable asset in relation to a participator in a foreign field (a “participator in the foreign sector”),
- subsection (6) below applies in relation to use of the asset in relation to the existing field or oil won from it.
- (6) Where this subsection applies, then, in determining for the purposes of subsection (1) above whether there has been any use of a disqualifying asset in relation to the existing field or oil won from it, any use of the asset in relation to that field or oil won from it shall be treated—
- (a) as use of a qualifying asset in relation to a participator in an oil field, if or to the extent that the use is attributable, on a just and reasonable basis, to a participator in the UK sector, or
 - (b) as use of an asset which was not a qualifying asset in relation to a participator in an oil field, if or to the extent that the use is attributable, on a just and reasonable basis, to a participator in the foreign sector.
- (7) For the purposes of subsection (3) above, the existing field is expected not to be a tanker loading field if, at the time when the relevant contract is entered into, it is expected that all (or virtually all) of the oil (other than oil consisting of gas) to be won from that field and transported from it after the beginning of the operational period will be so transported otherwise than by tanker.
- (8) For the purposes of subsection (7) above—
- (a) “the relevant contract” means the contract mentioned in section 6A(2)(b) above; and
 - (b) “the beginning of the operational period” means the time at which the qualifying asset to which that contract relates begins to be used under that contract in relation to the existing field or oil won from that field.
- (9) For the purposes of subsection (3) above a tanker is a dedicated tanker at any time if—
- (a) the existing field mentioned in that subsection is an oil field, and

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- (b) at that time the tanker is a mobile asset dedicated to that oil field (see section 2 above).
- (10) For the purposes of subsection (3) above a tanker is a non-dedicated tanker—
- (a) at any time, if the existing field mentioned in that subsection is not an oil field, or
 - (b) where that field is an oil field, at any time when the tanker is not a mobile asset dedicated to that oil field.
- (11) In this section “UK area” means each of the following—
- (a) the United Kingdom;
 - (b) the territorial sea of the United Kingdom;
 - (c) a designated area, to the extent that it does not fall to be treated by virtue of section 6A(6) above as a foreign field.
- (12) This section shall be construed as one with section 6A above.]

Textual Amendments

F1 Ss. 6A, 6B inserted (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), s. 285(3)

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