



Finance Act 1987

1987 CHAPTER 16

PART V

OIL TAXATION

[^{F1}63 Blends of oil from two or more fields.

- (1) This section applies if, at any time before its disposal or relevant appropriation, oil won from an oil field (“the relevant field”) in a chargeable period (“the relevant period”) is mixed with oil won from one or more other oil fields.
- (2) A relevant participator's share of oil won from the relevant field in the relevant period is to be taken to be the amount of the blended oil that it is just and reasonable (for the purposes of the oil taxation legislation) to allocate to the participator in respect of the relevant period.
- (3) In making the allocation regard must be had (in particular) to the quantity and quality of the oil derived from each of the originating fields.
- (4) If the participators in the originating fields select a method for making the allocation, that method is to be used to determine that allocation.
- (5) But that is subject to Schedule 12.
- (6) If the participators in the originating fields fail to select a method for making the allocation, HMRC may select a method.
- (7) In a case where only some oil won from the relevant field in the relevant period is, before its disposal or relevant appropriation, mixed with oil won from one or more other fields, subsection (2) has effect for the purpose of determining the amount of the blended oil that is to be taken to be included in a relevant participator's share of oil won from the relevant field.
- (8) Schedule 12 contains provision supplementing this section.
- (9) In this section and Schedule 12—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1987, Section 63. (See end of Document for details)

“blended oil” means oil that consists of oil from two or more oil fields that has been mixed;

“foreign field” means an area which is a foreign field for the purposes of section 12 of the Oil Taxation Act 1983;

“oil” includes any substance which would be oil if the enactments mentioned in section 1(1) of the principal Act extended to a foreign field;

“oil field” includes a foreign field;

“oil taxation legislation” means Part 1 of the principal Act and any enactment construed as one with that Part;

“originating fields”, in relation to any blended oil, means the oil fields from which oil which has been mixed as mentioned in subsection (1);

“relevant participator” means a person who is a participator in the relevant field at any time in the relevant period.]

Textual Amendments

- F1** S. 63 substituted (with effect in accordance with Sch. 39 para. 4 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 39 para. 2](#)

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1987, Section 63.