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SCHEDULES

SCHEDULE 39

Section 85

PRT: BLENDED OIL

- 1 Part 5 of FA 1987 (oil taxation) is amended as follows.
- 2 For section 63 substitute—

“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—
 - “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;

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“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.”

- 3 (1) Schedule 12 (supplementary provisions as to blended oil) is amended as follows.
(2) For paragraphs 1 and 2 (and the headings before them) substitute—

“Interpretation

- 1 (1) In this Schedule—

“HMRC” means Her Majesty's Revenue and Customs;

“method of allocation” means a method for making an allocation of blended oil for the purposes of section 63 that has been selected by the participators in the originating fields (including such a method that has been amended in accordance with this Schedule).

- (2) In this Schedule a reference to a suitable method of allocation is a reference to a method which secures that allocation of blended oil is just and reasonable (for the purposes of the oil taxation legislation).

Method of allocation not suitable

- 2 (1) This paragraph applies if it appears to HMRC that—

- (a) a method of allocation that has been used in respect of a chargeable period was not suitable, or
- (b) a method of allocation that is proposed to be used in respect of a chargeable period would not be suitable.

- (2) HMRC may give notice to each of the participators in the originating fields—

- (a) informing the participators of what appears to HMRC to be the case, and
- (b) proposing amendments to the method of allocation.

- (3) If HMRC give notice, the allocation of the blended oil for the purposes of section 63 in respect of the chargeable period is to be redetermined, or determined, using the method of allocation as amended in accordance with the notice.

- (4) Sub-paragraph (3) is subject to—

- (a) the following provisions of this Schedule,
- (b) any subsequent notice given under this paragraph, and
- (c) any amendment to the method of allocation made by the participators in the originating fields.”

- (3) In paragraph 3(1)—

- (a) for “the Board” (in each place) substitute “ HMRC ”, and
- (b) for “paragraph 2(a)” substitute “ paragraph 2(2) ”.

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- (4) In paragraph 3(2), for “the Board” (in each place) substitute “ HMRC ”.
 - (5) After paragraph 3(2) insert—
 - “(3) If the method of allocation is amended in accordance with this paragraph, the allocation of the blended oil for the purposes of section 63 in respect of the chargeable period is to be redetermined, or determined, using the method of allocation as so amended.
 - (4) Sub-paragraph (3) is subject to—
 - (a) any subsequent notice given under this paragraph, and
 - (b) any amendment to the method of allocation made by the participators in the originating fields.”
 - (6) Omit paragraph 4.
- 4 The amendments made by this Schedule have effect in relation to chargeable periods beginning after 30 June 2009.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 102(4)(za) inserted by [2010 c. 33 Sch. 9 para. 3\(3\)](#)
- Sch. 53 para. 2A-2D and cross-heading inserted by [2010 c. 33 Sch. 9 para. 7](#)
- Sch. 53 para. 6A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 8](#)
- Sch. 53 para. 11A11B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 17](#)
- Sch. 53 para. 14A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 18](#)
- Sch. 54 para. 9B9C and cross-heading inserted by [2010 c. 33 Sch. 9 para. 11](#) (Sch. 54 para. 9B is amended before it comes into force by [2016 c. 24, Sch. 1 para. 66\(5\)](#))
- Sch. 54 para. 12A12B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 19](#)
- Sch. 54 Pt. A1 inserted by [2010 c. 33 Sch. 9 para. 10](#) (Sch. 9 para. 10 is amended before it comes into force by [2017 c. 32, Sch. 4 para. 182](#))
- Sch. 55 para. 6(3A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(2\)\(a\)](#)
- Sch. 55 para. 6(4A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(3\)\(a\)](#)
- Sch. 55 para. 17(4)(ba) inserted by [2015 c. 11 Sch. 20 para. 19](#)
- Sch. 56 para. 3(1)(d) omitted by [2021 c. 26 Sch. 27 para. 40\(4\)\(c\)](#)