
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

SCHEDULES

SCHEDULE 42

Section 88

PRT: FORMER LICENSEES AND FORMER OIL FIELDS

PART 1

PERSONS WHO CEASE TO BE LICENSEES BECAUSE OF CESSATION EVENTS

- 1 OTA 1975 is amended as follows.
- 2 (1) Section 12 (interpretation of Part 1) is amended as follows.
 - (2) In subsection (1), in the definition of “participator”—
 - (a) for “any”, in the first place, substitute “ a ”,
 - (b) after paragraph (a) insert—
 - “(aa) a person who is no longer a licensee in respect of any licensed area wholly or partly included in the field, but who—
 - (i) was such a licensee at any time in any chargeable period preceding the relevant chargeable period, and
 - (ii) ceased to be such a licensee because of a cessation event; and”,
 - (c) in paragraph (b), after “field” insert “ (and who does not fall within paragraph (aa) of this definition) ”,
 - (d) in paragraph (c), after “paragraph” insert “ (aa) or ”, and
 - (e) omit the words after paragraph (g).
 - (3) After that subsection insert—
 - “(1A) In the definition of “participator” in subsection (1)—
 - (a) “cessation event”, in relation to an oil field to which a licence relates, means any of the following—
 - (i) determination of the licence by the licensee,
 - (ii) revocation of the licence by the Secretary of State or a Northern Ireland Department,
 - (iii) expiry of the licence at the end of its term,
 - (iv) the licensed area ceasing to include any relevant area whatsoever, by reason of the licensee surrendering the licence so far as it relates to the whole of the relevant area, and
 - (v) the licence ceasing to apply to the oil field by reason of the operation of the licence;

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- and for the purposes of sub-paragraph (iv) “relevant area” means an area which is, or combination of areas each of which is, included in the oil field (whether or not such an area falls partly outside the oil field);
- (b) “current participant”, “former participant” and “default payment” have the same meanings as in paragraph 2A of Schedule 5.”
- 3 In Schedule 5 (allowance of expenditure other than abortive exploration expenditure), in paragraph 2C(2)—
- (a) in the definition of “current participant”, after “paragraph (a),” insert “(aa),”, and
- (b) in paragraph (b) of the definition of “former participant”, after “paragraph (a),” insert “(aa),”.
- 4 The amendments made by this Part have effect in relation to persons who cease to be licensees because of cessation events occurring in chargeable periods that begin after 30 June 2009.

PART 2

AREAS TREATED AS CONTINUING TO BE OIL FIELDS

- 5 OTA 1975 is amended as follows.
- 6 In section 12(1) (interpretation of Part 1), in the definition of “oil field”, after “this Act” insert “ (which also includes provision about areas that are to be treated as continuing to be oil fields) ”.
- 7 (1) Schedule 1 (determination of oil fields) is amended as follows.
- (2) Before paragraph 1 insert— “ Areas that are oil fields ”
- (3) After paragraph 5 insert—

“Areas treated as continuing to be oil fields

- 6 (1) This paragraph applies if an area has ceased to be—
- (a) an oil field within the meaning of paragraph 1(1), or
- (b) part of such an oil field.
- (2) The area is to be treated as continuing to be—
- (a) the oil field, or
- (b) the part of the oil field,
- that it actually was.
- (3) Accordingly, whilst the area is treated in accordance with sub-paragraph (2), any reference to an oil field is to include a reference to the area.
- (4) Sub-paragraph (2) ceases to apply to the area—
- (a) in accordance with sub-paragraph (5), and
- (b) if or to the extent that it has not ceased to apply in accordance with sub-paragraph (5), in accordance with sub-paragraph (6).

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (5) Sub-paragraph (2) ceases to apply to the area if, or to the extent that, it again becomes—
 - (a) an oil field within the meaning of paragraph 1(1), or
 - (b) part of such an oil field.
 - (6) Sub-paragraph (2) ceases to apply to the area at the end of the second chargeable period that falls after the chargeable period in which the area is decommissioned.
- 7
- (1) A relevant area is decommissioned for the purposes of paragraph 6 if all qualifying assets of the relevant area are decommissioned.
 - (2) If, and to the extent that, a UK offshore decommissioning regime applies to qualifying assets of the relevant area, those assets are decommissioned if—
 - (a) the Secretary of State has approved one or more abandonment programmes under the regime in relation to those assets, and
 - (b) those programmes have been carried out to the satisfaction of the Secretary of State.
 - (3) If, and to the extent that, a UK offshore decommissioning regime does not apply to qualifying assets of the relevant area, those assets are decommissioned if the Board are satisfied that they have been decommissioned.
 - (4) For the purposes of sub-paragraph (3) the Board must have regard to any obligations to decommission the qualifying assets which arise under the law applicable to the relevant area (whether the law of any part of the United Kingdom or of any other state or territory), including any obligations imposed by an authority having functions under that law in respect of such decommissioning.
 - (5) If sub-paragraph (3) applies (to any extent) to any qualifying assets, the Board must give the responsible person notice of any decision the Board make under that sub-paragraph.
 - (6) The responsible person may appeal against such a decision by notice in writing given to the Board within three months of the responsible person receiving the notice under sub-paragraph (5).
 - (7) An appeal under sub-paragraph (6) may, before it is notified to the tribunal, be abandoned by notice in writing given to the Board by the responsible person.
 - (8) The provisions of paragraphs 14A to 14I of Schedule 2 apply to appeals under sub-paragraph (6) subject to any necessary modifications.
 - (9) In this paragraph—
 - “qualifying assets” means assets that are qualifying assets within the meaning of OTA 1983;
 - “relevant area” means an area that is treated as being an oil field, or part of an oil field, under paragraph 6;
 - “UK offshore decommissioning regime” means—
 - (a) Part 4 of the Petroleum Act 1998, and
 - (b) Part 1 of the Petroleum Act 1987.”

Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)*

- 8 The amendments made by this Part have effect in relation to areas that cease to be oil fields, or parts of oil fields, in chargeable periods that begin after 30 June 2009.

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

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\(4\)\(c\)](#)