



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 8

#### OIL ACTIVITIES

#### [<sup>F1</sup>CHAPTER 8

##### SUPPLEMENTARY CHARGE: ONSHORE ALLOWANCE

*Activated and unactivated allowance: basic calculation rules*

#### [<sup>F1</sup>356E Activation of allowance: no change of equity share

- (1) This section applies where—
  - (a) a company is a licensee in a licensed area for the whole or part (“the licensed part”) of an accounting period,
  - (b) the company's share of the equity in the site is the same throughout the accounting period or, as the case requires, throughout the licensed part of the accounting period,
  - (c) the licensed area is or contains a site,
  - (d) the company holds, for the accounting period and the site, a closing balance of unactivated allowance (see section 356EA) that is greater than zero, and
  - (e) the company has relevant income from the site for the accounting period.
- (2) The amount of activated allowance the company has for that accounting period and that site is the smaller of—
  - (a) the closing balance of unactivated allowance held for the accounting period and the site;
  - (b) the company's relevant income for that accounting period from that site.
- (3) In this Chapter “relevant income”, in relation to a site and an accounting period of a company, means production income of the company from any oil extraction activities

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**Changes to legislation:** There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 356E. (See end of Document for details)

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carried on at the site that is taken into account in calculating the company's adjusted ring fence profits for the accounting period.]

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**Textual Amendments**

- F1** Pt. 8 Ch. 8 inserted (with effect in accordance with Sch. 15 paras. 6(1), 9(2) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 15 para. 3](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 356E.