

# FINANCE ACT 2013

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## EXPLANATORY NOTES

### INTRODUCTION

#### ***Section 84: Decommissioning Relief Agreements: Terminal Losses Accruing by Virtue of Another's Default***

#### **Summary**

1. **Section 84** makes amendments to existing petroleum revenue tax (PRT) legislation which have the effect of ensuring that, where a company that has rights under a decommissioning relief agreement has incurred decommissioning expenditure as a consequence of another company defaulting on its own decommissioning liability, the terminal loss provisions of paragraph 15 of Schedule 17 to FA 1980 will not apply with the proviso that the disapplication of the terminal loss provisions by virtue of this section does not give rise to an allowable unrelievable field loss. The amendments come into force in relation to a default occurring on or after the date of Royal Assent to Finance Act 2013.