
Changes to legislation: Finance Act 2015, SCHEDULE 14 is up to date with all changes known to be in force on or before 05 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 14

Section 51

INVESTMENT ALLOWANCE AND CLUSTER AREA ALLOWANCE: FURTHER AMENDMENTS

PART 1

AMENDMENTS OF CTA 2010

- 1 CTA 2010 is amended as follows.
- 2 (1) Section 270 (overview of Part) is amended as follows.
 - (2) After subsection (6) insert—

“(6A) Chapter 6A makes provision about the reduction of supplementary charge by an allowance for certain expenditure incurred in relation to qualifying oil fields for the purposes of oil-related activities.”
 - (3) Omit subsection (7).
 - (4) After subsection (7A) insert—

“(7B) Chapter 9 makes provision about the reduction of supplementary charge by an allowance for certain expenditure incurred in relation to a cluster area for the purposes of oil-related activities.”
 - (5) In subsection (8)—
 - (a) at the end of paragraph (a) insert “ and ”, and
 - (b) omit paragraph (c) and the “and” before it.
- 3 In section 330 (supplementary charge in respect of ring fence trades), for subsection (5) substitute—

“(5) This Chapter is subject to—

 - (a) Chapter 6A (reduction of supplementary charge: investment allowance),
 - (b) Chapter 8 (reduction of supplementary charge: onshore allowance), and
 - (c) Chapter 9 (reduction of supplementary charge: cluster area allowance).”
- 4 After section 330 insert—

“330ZA Ordering of allowances

- (1) In this section “relieving Chapter” means any of the following—
 - (a) Chapter 6A (reduction of supplementary charge: investment allowance);

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- (b) Chapter 8 (reduction of supplementary charge: onshore allowance);
 - (c) Chapter 9 (reduction of supplementary charge: cluster area allowance).
- (2) Where a company has allowances under more than one relieving Chapter available for reducing the adjusted ring fence profits that are to be chargeable under section 330(1) for an accounting period, the company may choose the order in which the relieving Chapters in question are to be applied.
- (3) In any relieving Chapter, “adjusted ring fence profits”, in relation to a company and an accounting period, means the adjusted ring fence profits which would (ignoring all relieving Chapters except those which the company chooses to apply before that Chapter) be taken into account in calculating the supplementary charge on the company under section 330(1) for the accounting period.”
- 5 In section 356C (generation of onshore allowance), in subsection (9)(a), for “section 351” substitute “ section 356IB ”.
- 6 Omit section 356DB (companies with both field allowance and onshore allowance).
- 7 Before section 356J (but after the heading “Interpretation”) insert—

“Authorisation of development”: oil fields

- “356IB) In this Chapter a reference to authorisation of development of an oil field is a reference to a national authority—
- (a) granting a licensee consent for development of the field,
 - (b) serving on a licensee a programme of development for the field, or
 - (c) approving a programme of development for the field.
- (2) In this section—
- “consent for development”, in relation to an oil field, does not include consent which is limited to the purpose of testing the characteristics of an oil-bearing area,
- “development”, in relation to an oil field, means winning oil from the field otherwise than in the course of searching for oil or drilling wells, and
- “national authority” means—
- (a) the Secretary of State, or
 - (b) a Northern Ireland department.”
- 8 In section 356JB (definitions for Chapter 8), in the definition of “adjusted ring fence profits”, for the words from “means” to the end substitute “ is to be read in accordance with section 330ZA ”.
- 9 (1) Schedule 4 (index of defined expressions) is amended as follows.
- (2) Omit the entries for—
- “additionally-developed oil field (in Chapter 7 of Part 8)”,
 - “adjusted ring fence profits (in Chapter 7 of Part 8)”,
 - “adjusted ring fence profits (in Chapter 8 of Part 8)”,
 - “authorisation day (in Chapter 7 of Part 8)”,
 - “authorisation of development of an oil field (in Chapter 7 of Part 8)”,

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“eligible oil field (in Chapter 7 of Part 8)”,
“licensee (in Chapter 7 of Part 8)”,
“new oil field (in Chapter 7 of Part 8)”,
“qualifying oil field (in Chapter 7 of Part 8)”,
“relevant income (in Chapter 7 of Part 8)”,
“small oil field (in Chapter 7 of Part 8)”,
“total field allowance for a new oil field (in Chapter 7 of Part 8)”,
“total field allowance for an additionally-developed oil field”,
“ultra heavy oil field (in Chapter 7 of Part 8)”, and
“ultra high pressure/high temperature oil field (in Chapter 7 of Part 8)”.

(3) At the appropriate places insert—

“adjusted ring fence profits (in Chapters 6A, 8 and 9 of Part 8)	section 330ZA”;
“cluster area (in Part 8)	section 356JD”;
“cluster area allowance (in Chapter 9 of Part 8)	section 356JF(2)”;
“cumulative total amount of activated allowance (in Chapter 6A of Part 8)	section 332E(2)”;
“cumulative total amount of activated allowance (in Chapter 9 of Part 8)	section 356JG(2)”;
“investment allowance (in Chapter 6A of Part 8)	section 332C(2)”;
“investment expenditure (in Chapter 6A of Part 8)	section 332BA”;
“investment expenditure (in Chapter 9 of Part 8)	section 356JE”;
“licence (in Chapter 6A of Part 8)	section 332KA”;
“licence (in Chapter 9 of Part 8)	section 356JNB”;
“licensed area (in Chapter 9 of Part 8)	section 356JNB”;
“licensed sub-area (in Chapter 9 of Part 8)	section 356JNA”;
“licensee (in Chapter 6A of Part 8)	section 332KA”;
“licensee (in Chapter 9 of Part 8)	section 356JNB”;

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“qualifying oil field (in Chapter 6A of Part 8)	section 332B”;
“reference period (in Chapter 6A of Part 8)	section 332G”;
“reference period (in Chapter 9 of Part 8)	section 356JI”;
“relevant income (in Chapter 6A of Part 8)	section 332F(3)”;
“relevant income (in Chapter 9 of Part 8)	section 356JH(3)”.

PART 2

COMMENCEMENT

- 10 (1) The amendments made by Part 1 of this Schedule have effect in relation to accounting periods ending on or after 1 April 2015.
- (2) Sub-paragraph (1) is subject to sub-paragraphs (3) and (4).
- (3) So far as they relate to cluster area allowance under Chapter 9 of Part 8 of CTA 2010 (as inserted by Schedule 13) the amendments made by Part 1 of this Schedule have effect in relation to expenditure incurred on or after 3 December 2014.
- (4) So far as they relate to investment allowance under Chapter 6A of Part 8 of CTA 2010 (as inserted by Schedule 12) in respect of oil fields not falling within paragraph 6(1)(a) or (b) of that Schedule, the amendments made by Part 1 of this Schedule have effect subject to paragraphs 7 and 8 of that Schedule.

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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):

- Sch. 21 para. 2(e) and word inserted by [2021 c. 26 Sch. 27 para. 44\(3\)\(b\)](#)
- Sch. 21 para. 5(6) inserted by [2021 c. 26 Sch. 27 para. 44\(4\)\(b\)](#)