

## SCHEDULES

### SCHEDULE 15

#### OIL ACTIVITIES: TRANSFERABLE TAX HISTORY

#### PART 4

#### EFFECT OF A TTH ELECTION ON THE PURCHASER

##### *Application of this Part*

- 23 This Part applies if—
- (a) the seller and the purchaser have jointly made a TTH election in respect of the TTH asset,
  - (b) the TTH election has been approved by an officer of Revenue and Customs (see paragraphs 61 and 62),
  - (c) the winning of oil from the TTH oil field has permanently ceased, and
  - (d) in a post-acquisition accounting period (the “loss period”)—
    - (i) the purchaser makes a loss in a ring fence trade,
    - (ii) the loss is a decommissioning loss, and
    - (iii) the purchaser holds, for the loss period, an activated TTH amount (see Parts 5 and 6).
- 24 In paragraph 23(d)(ii), “decommissioning loss” means a loss in respect of which—
- (a) a claim for relief under section 37 of CTA 2010 is made by the purchaser by virtue of section 39 or 40 of that Act (relief for trade losses: terminal losses and ring fence trades), or
  - (b) relief is given under section 42 of CTA 2010 (ring fence trades: further extension of period for relief).

##### *Effect of trade loss relief provisions*

- 25 (1) The total activated TTH amount held by the purchaser for the loss period is to be applied in accordance with sub-paragraph (2)(b) or (3)(b).
- (2) The purchaser’s total profits of a pre-acquisition accounting period are to be treated, for the purposes of section 37(3)(b) of CTA 2010 (including for the purposes of that provision as it has effect under the other trade loss relief provisions) as being the total of—
- (a) the amount of the purchaser’s total profits for that period, and
  - (b) if and so far as the loss in respect of which relief is claimed exceeds the amount mentioned in paragraph (a), the activated transferred profits amount for that period.

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- (3) The purchaser’s profits of a ring fence trade of a pre-acquisition accounting period are to be treated for the purposes of section 42 of CTA 2010, as being the total of—
  - (a) the purchaser’s profits of a ring fence trade for that period, and
  - (b) if and so far as the loss in respect of which relief is claimed exceeds the amount mentioned in paragraph (a), the activated transferred profits amount for that period.
- (4) The “activated transferred profits amount” for a pre-acquisition accounting period means the amount allocated to the period under paragraph 44 for the purposes of the application of this paragraph in relation to the loss period.
- (5) See paragraphs 38 to 42 for provision about the “total activated TTH amount”.

*Repayment of supplementary charge*

- 26 (1) This paragraph applies where, in respect of a loss period, an activated transferred profits amount for a pre-acquisition accounting period is to be applied in accordance with paragraph 25(2)(b) or (3)(b).
  - (2) A repayment of tax to be determined as if—
    - (a) an amount had been charged under section 330(1) of CTA 2010 in respect of the activated ARFP amount for the pre-acquisition accounting period,
    - (b) that amount had been charged on, and paid by, the purchaser (instead of the seller), and
    - (c) the transferred adjusted ring fence profits amount for the pre-acquisition accounting period were recalculated in accordance with paragraph 50.
  - (3) See paragraph 53 for provision about the “activated ARFP amount”.
- 27 (1) In this Schedule, references to the transferred adjusted ring fence profits amount for a pre-acquisition accounting period of the purchaser are references to—
  - (a) the transferred adjusted ring fence profits amount (see paragraph 20(2)) for the accounting period of the seller which coincides with the pre-acquisition accounting period of the purchaser, or
  - (b) if there is no coinciding accounting period of the seller, the overlapping proportion of the transferred adjusted ring fence profits amount for each accounting period of the seller that overlaps with the pre-acquisition accounting period of the purchaser.
  - (2) The overlapping proportion, in relation to an accounting period of the seller, is the same as the proportion that the part of the seller’s accounting period that overlaps with the pre-acquisition accounting period of the purchaser bears to the whole of the seller’s accounting period.

*Supplementary provision: repayment and enquiries*

- 28 For the purposes of section 59D(2) of TMA 1970 (repayment of excess corporation tax), the following amounts paid by the seller are treated as having been paid by the purchaser—
  - (a) the amount of corporation tax in respect of an activated transferred profits amount, for a pre-acquisition accounting period, that is applied in accordance with 25(2)(b) or (3)(b), and

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- (b) the amount of supplementary charge in respect of the transferred adjusted ring fence profits amount for that accounting period.
- 29 (1) An enquiry under Part 4 of Schedule 18 to FA 1998 into a tax return for the accounting period in which the claim under section 37 of CTA 2010 in respect of a decommissioning loss in a loss period is made (see paragraphs 23 and 24), or an enquiry into the claim under Schedule 1A to TMA 1970, extends to—
- (a) the decommissioning expenditure amount attributable to the TTH oil field for any accounting period,
  - (b) the tracked profit or loss amount attributable to the TTH asset for any accounting period, and
  - (c) whether a TTH activation event has occurred in relation to the TTH asset.
- (2) See Part 5 for provision about “the decommissioning expenditure amount” and a TTH activation event, and paragraphs 64 and 65 for provision about the “tracked profit and loss amount”.