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STATUTORY INSTRUMENTS

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**2010 No. 1899**

**CORPORATION TAX**

**The Qualifying Oil Fields Order 2010**

*Made* - - - - - *23rd July 2010*

*Coming into force* - - - - - *24th July 2010*

The Commissioners for Her Majesty's Revenue and Customs make this Order in exercise of the powers conferred on them by section 349(1), (2) and (3) of the Corporation Tax Act 2010(1).

A draft of the statutory instrument containing this Order was laid before and approved by a resolution of the House of Commons in accordance with section 349(4) of the Corporation Tax Act 2010.

**Citation, commencement and effect**

1.—(1) This Order may be cited as the Qualifying Oil Fields Order 2010.

(2) This Order shall come into force on the day after the day on which it is made and has effect in relation to a new oil field whose authorisation day is on or after the day on which the Order comes into force.

**Amendment of the Corporation Tax Act 2010**

2. The Corporation Tax Act 2010 is amended as follows.

3. In section 355 (meaning of “ultra high pressure/high temperature oil field”)—

(a) in paragraph (a) for “1034” substitute “862”, and

(b) in paragraph (b) for “176.67” substitute “166”.

4.—(1) Amend section 356 (meaning of “total field allowance for a new oil field”) as follows.

(2) In subsection (1)(c) for “£800,000,000” substitute “the amount determined in accordance with subsection (3)”.

(3) After subsection (2) insert—

“(3) The total field allowance for an ultra high pressure/high temperature oil field is—

(a) £800,000,000, if the temperature of oil in the reservoir formation is more than 176.67 degrees celsius, and

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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- (b) if the temperature of oil in the reservoir formation is more than 166 degrees celsius but not more than 176.67 degrees celsius, the sum of £500,000,000 and an amount calculated as follows—

$$\frac{X}{1067} \times \text{£ } 300,000,000$$

where X is the number of complete hundredths of a degree celsius by which the temperature of oil in the reservoir formation exceeds 166 degrees celsius.”

*Dave Hartnett*

*Steve Lamey*

Two of the Commissioners for Her Majesty's  
Revenue and Customs

23rd July 2010

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order amends provisions of the Corporation Tax Act 2010. The provisions form part of Chapter 7 of Part 8 of that Act which is concerned with the reduction of the supplementary charge for certain new oil fields in the context of the corporation tax treatment of oil activities.

Article 3 amends the definition of an ultra high pressure/high temperature oil field. In the reservoir formation, the oil must be at a pressure in excess of 862 bar and at a temperature of more than 166 degrees celsius.

Article 4 amends the total field allowance available for an ultra high pressure/high temperature oil field. The total allowance is £800 million if the temperature of oil is more than 176.67 degrees celsius in the reservoir formation. For temperatures of oil more than 166 degrees celsius and no more than 176.67 degrees celsius in the reservoir formation, the total allowance is calculated on the basis of a virtual straight line increase from £500 million to £800 million. In that calculation, only complete hundredths of a degree celsius are taken into account.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sector is foreseen.