

SCHEDULES

SCHEDULE 15

OIL ACTIVITIES: TRANSFERABLE TAX HISTORY

PART 5

TTH ACTIVATION

TTH activation event

- 30 (1) A TTH activation event occurs in relation to the TTH asset if—
- (a) the winning of oil from the TTH oil field has permanently ceased, and
 - (b) at the end of a post-acquisition accounting period of the purchaser, the total decommissioning expenditure amount exceeds the total net profits amount.
- (2) The “total decommissioning expenditure amount” is the relevant proportion of the total of the decommissioning expenditure amounts (see paragraph 31) attributable to the TTH oil field, in respect of which an allowance or allocation is made to the purchaser, for—
- (a) the period mentioned in sub-paragraph (1)(b), and
 - (b) each preceding accounting period which is a post-acquisition accounting period.
- (3) The “total net profits amount” is the aggregate of the tracked profit or loss amounts (see paragraphs 64 and 65) attributable to the TTH asset for—
- (a) the period mentioned in sub-paragraph (1)(b), and
 - (b) each preceding accounting period which is a post-acquisition accounting period.
- (4) But if the aggregate of the tracked profit or loss amounts attributable to the TTH asset for the periods mentioned in sub-paragraph (3)(a) and (b) is a negative amount, the total net profits amount is nil.
- (5) In this paragraph, “the relevant proportion” means the proportion that the interest in the TTH oil field which is the TTH asset bears to the purchaser’s other interests in the TTH oil field or, if the proportion cannot reasonably be determined on that basis, such other proportion determined on a just and reasonable basis.