



Finance Act 1983

1983 CHAPTER 28

PART III

OIL TAXATION

35 Phasing out of APRT

- (1) In section 139 of the Finance Act 1982 (liability for APRT etc.) in subsection (1) (the periods for which the liability arises)—
 - (a) in paragraph (a) after the words " after 31st December 1982 " there shall be inserted the words " and before 1st January 1987 " ; and
 - (b) in paragraph (b) for the words " nine immediately succeeding chargeable periods " there shall be substituted the words " immediately succeeding chargeable periods (if any) which ends before 1st January 1987 and " .
- (2) In subsection (2) of that section (the rate of APRT) for the words " at the rate of 20 per cent." there shall be substituted the following paragraphs: —
 - “(a) for the chargeable period ending on 30th June 1983, at the rate of 20 per cent.;
 - (b) for subsequent chargeable periods ending on or before 31st December 1984, at the rate of 15 per cent.;
 - (c) for chargeable periods ending in 1985, at the rate of 10 per cent.; and
 - (d) for chargeable periods ending in 1986, at the rate of 5 per cent.”
- (3) In consequence of subsections (1) and (2) above—
 - (a) in each of subsections (3)(a) and (4)(a) of section 139 of the Finance Act 1982, for the words " the APRT which is paid " there shall be substituted the words " any APRT which is payable and paid " ;
 - (b) in subsection (4) of that section for the words " the APRT paid " , in each place where they occur, there shall be substituted the words " any APRT paid " ; and
 - (c) Schedule 19 to that Act shall have effect subject to the modifications set out in Schedule 7 to this Act.

Status: This is the original version (as it was originally enacted).

36 Increased oil allowance for certain new fields

- (1) For all relevant new fields, as denned in subsection (2) below, section 8 of the principal Act (the oil allowance) shall have effect subject to the following modifications:—
- (a) in subsection (2) (the amount of the allowance for each chargeable period) for " 250,000 metric tonnes " there shall be substituted " 500,000 metric tonnes " ; and
 - (b) in subsection (6) (the total allowance for a field) for " 5 million metric tonnes " there shall be substituted " 10 million metric tonnes " .
- (2) Subject to subsection (3) below, in this section " relevant new field " means an oil field—
- (a) no part of which lies in a landward area, within the meaning of the Petroleum (Production) Regulations 1982 or in an area to the East of the United Kingdom and between latitudes 52° and 55° North; and
 - (b) for no part of which consent for development has been granted to the licensee by the Secretary of State before 1st April 1982 ; and
 - (c) for no part of which a programme of development had been served on the licensee or approved by the Secretary of State before that date.
- (3) In determining, in accordance with subsection (2) above, whether an oil field (in this subsection referred to as " the new field ") is a relevant new field, no account shall be taken of a consent for development granted before 1st April 1982 or a programme of development served on the licensee or approved by the Secretary of State before that date if—
- (a) in whole or in part that consent or programme related to another oil field for which a determination under Schedule 1 to the principal Act was made before the determination under that Schedule for the new field; and
 - (b) on or after 1st April 1982, a consent for development is or was granted or a programme of development is or was served on the licensee or approved by the Secretary of State and that consent or programme relates, in whole or in part, to the new field.
- (4) In subsections (2) and (3) above " development" means—
- (a) the erection or carrying out of permanent works for the purpose of getting oil from the field or for the purpose of conveying oil won from the field to a place on land; or
 - (b) winning oil from the field otherwise than in the course of searching for oil or drilling wells;
- and consent for development does not include consent which is limited to the purpose of testing the characteristics of an oil-bearing area and does not relate to the erection or carrying out of permanent works.
- (5) In subsection (4) above " permanent works " means any structures or other works whatsoever which are intended by the licensee to be permanent and are neither designed to be moved from place to place without major dismantling nor intended by the licensee to be used only for searching for oil.

37 Reliefs for exploration and appraisal expenditure etc.

- (1) The section set out in Part I of Schedule 8 to this Act shall be inserted in the principal Act after section 5 for the purpose of setting up a new allowance by virtue of which a

participator in an oil field may obtain relief for certain expenditure which is incurred otherwise than in connection with that field.

- (2) For the purpose of giving effect to, and in consequence of, the new allowance, the enactments specified in Part II of Schedule 8 to this Act shall have effect subject to the amendments there specified.
- (3) Part III of Schedule 8 to this Act shall have effect with respect to sums received after 15th March 1983 and falling to be set off against expenditure which would otherwise be allowable under section 5 of the principal Act or under the new section set out in Part I of that Schedule.
- (4) In paragraph 1 of Schedule 7 to the principal Act (claims for certain allowances)—
 - (a) in sub-paragraph (1) the words from " but may not " to the end of the sub-paragraph (which impose a time limit on claims) shall be, and shall be deemed always to have been, omitted ; and
 - (b) in sub-paragraph (2) the words " within the time allowed for making the original claim " shall be, and shall be deemed always to have been, omitted ;and, accordingly, any claim which, immediately before the passing of this Act, could not have been made by virtue of the time bar may be made thereafter.

38 Terms of payment to be implied in determining market value

In paragraph 2 of Schedule 3 to the principal Act (definition of market value of oil) at the end of sub-paragraph (2) (the price under a contract of sale at arm's length) there shall be added the words—

“and, for the avoidance of doubt, it is hereby declared that the terms as to payment which are to be implied in the contract shall be those which are customarily contained in contracts for the sale at arm's length of oil of the kind in question”.

39 Exclusion of oil appropriated for production purposes in other fields

- (1) In section 12(1) of the principal Act (interpretation of Part I) in the definition of " relevantly appropriated " (which, among other matters, excludes oil appropriated for production purposes) after the word " purposes " there shall be added the words " in relation to that or any other oil field " .
- (2) This section has effect, and shall be deemed to have had effect, for chargeable periods ending after 31st December 1977.

40 Variation of decisions on claims for allowable expenditure

- (1) At the end of Schedule 5 to the principal Act (allowance of expenditure under section 3 or 4 of that Act) there shall be inserted the following paragraph—
 - “9 (1) If, within the period of three years commencing with the date on which notice of a decision of the Board under paragraph 3 above was given to the responsible person for an oil field, it appears to the Board that the relevant amount was incorrectly stated in the notice, the Board may before the expiry of that period serve on the responsible person a notice stating what appears to the Board to be the correct amount (referred to below as " the notice of variation ").

Status: This is the original version (as it was originally enacted).

- (2) In this paragraph " the relevant amount ", in relation to a notice of a decision on a claim under paragraph 3 above, means any one or more of the following—
 - (a) the amount of expenditure allowed on the claim ;
 - (b) the amount of that expenditure allowed as qualifying for supplement under section 2(9)(b)(ii) of this Act;
 - (c) where different percentages were stated in that notice to apply to different parts of that expenditure for the purpose of calculating the supplement, each of those parts of that expenditure.
- (3) The responsible person may, by notice in writing given to the Board not more than thirty days after the notice of variation was served on him, appeal to the Special Commissioners against the notice of variation.
- (4) A notice of appeal under sub-paragraph (3) shall state the grounds on which the appeal is brought.
- (5) An appeal under this paragraph may at any time be abandoned by notice in writing given to the Board by the responsible person.
- (6) A notice of variation may be withdrawn at any time before it becomes effective.
- (7) In any case where—
 - (a) the responsible person gives notice of appeal against a notice of variation, and
 - (b) before the appeal is determined by the Special Commissioners, the Board and the responsible person agree as to what the relevant amount ought to be, the notice of variation shall have effect subject to such modifications as may be necessary to give effect to that agreement ; and thereupon the appeal shall be treated as having been abandoned.
- (8) On an appeal against a notice of variation the Special Commissioners may vary the notice, quash the notice or dismiss the appeal; and the notice may be varied whether or not the variation is to the advantage of all or any of the participators in the oil field in question.
- (9) Where a notice of variation relating to a decision on a claim becomes effective, the relevant amount shall be taken for the purposes of this Part of this Act as having been reduced or increased, as the case may require, on the date on which notice of the decision was given, by such amount as may be necessary to give effect to that notice, and the Board may make such computations under section 2 of this Act and such assessments or determinations or such amendments of assessments or determinations as may be necessary in consequence of that reduction or increase.
- (10) A notice of variation becomes effective for the purposes of this paragraph either—
 - (a) on the expiry of the period during which notice of appeal against the notice of variation may be given to the Special Commissioners under sub-paragraph (3) above without such notice of appeal being given; or

- (b) where such notice of appeal is given, when the notice of variation can no longer be varied or quashed by the Special Commissioners or by the order of any court.

(11) This paragraph has effect in relation to notices of decisions of the Board under paragraph 3 above given after 15th March 1983.”

- (2) In Schedule 6 to the principal Act (allowance of expenditure on claim by participator) at the end of the first column of the Table set out in paragraph 2 (application of provisions of Schedule 5) there shall be added " 9 " .

41 Transfers of interests in fields

- (1) In sub-paragraph (1) of paragraph 7 of Schedule 17 to the Finance Act 1980 (transfers of unused losses from old participator to new in cases of transfers of interests in fields) for the words " in any chargeable period before the transfer period " there shall be substituted the words " in the transfer period or any earlier chargeable period " .
- (2) In sub-paragraph (2) of that paragraph at the end there shall be added the words " and, for the purposes of effecting such relief, subsection (1) of section 7 shall have effect as if the word " succeeding " were omitted " .
- (3) This section has effect in relation to transfer periods (within the meaning of paragraph 1 of Schedule 17 to the Finance Act 1980) ending after 31st December 1982.