

Status: Point in time view as at 01/04/2010.

Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1983, Cross Heading: Purchase at place of extraction. (See end of Document for details)

SCHEDULES

SCHEDULE 2

SUPPLEMENTAL PROVISIONS AS TO RECEIPTS FROM QUALIFYING ASSETS

Purchase at place of extraction

- 12 (1) [^{F1}Subject to sub-paragraphs (4) to (6)] below, in any case where—
- (a) a participator in an oil field or any person connected with him purchases any oil, otherwise than in pursuance of such an agreement as is mentioned in paragraph 6A of Schedule 3 to the principal Act (transactions between participators), and takes delivery of that oil at the place of extraction, and
 - (b) any of that oil is transported, initially treated or initially stored (or subjected to any two or more of those operations) by means of any asset which is a qualifying asset in relation to that field, and
 - (c) when the oil is disposed of or relevantly appropriated by the participator or the person connected with him, the selling price of the oil exceeds the price paid for it on the purchase referred to in paragraph (a) above,
- the participator shall be treated for the purposes of this Act and Part I [^{F2}of the principal Act and [^{F3}sections 299 to 301 of the Corporation Tax Act 2010]] as having received an amount equal to that excess as tariff receipts which arise in the chargeable period in which the selling price falls to be determined and are attributable to the use of the asset for carrying out the operation or operations referred to in paragraph (b) above.
- (2) In this paragraph “selling price”, in relation to any oil, means the aggregate of the amounts determined in relation to that oil in accordance with [^{F4}paragraphs (a) to (cb)] of subsection (5) of section 2 of the principal Act; and for the purpose of the application of those paragraphs and of determining whether any oil falling within sub-paragraph (1) above is relevantly appropriated,—
- (a) a person who is connected with the participator and who purchased oil as mentioned in sub-paragraph (1)(a) above shall be deemed to be a participator; and
 - (b) oil falling within sub-paragraph (1) above shall be treated for the purposes of section 2(5) of the principal Act and the definition of “relevantly appropriated” in section 12 of that Act as if it were oil won from the field referred to in paragraph (a) of that sub-paragraph.
- (3) A person who takes delivery of oil [^{F5}before it has been transported—
- (a) to the place at which it is first landed in the United Kingdom; or
 - (b) to the place referred to in section 3(1)(f)(ii) of the principal Act]
- shall be treated for the purposes of sub-paragraph (1)(a) above as having taken delivery of the oil at the place of extraction.

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- (4) Sub-paragraph (1) above does not apply to oil if, at a time before the participator's selling price for that oil falls to be determined as mentioned in sub-paragraph (2) above, the oil is either—
- (a) stored in the field referred to in paragraphs (a) and (b) of sub-paragraph (1) above; or
 - (b) used for the purpose of assisting the extraction of oil from that field.
- (5) Sub-paragraph (1) above does not apply to oil if, by virtue of [^{F6}2(5)(b) or (ca) of the principle oil Act (oil disposed of otherwise than in sales at arm's length),] the market value of the oil is taken into account in calculating the gross profit and loss (if any) accruing to a participator from an oil field in any chargeable period.
- [^{F7}(6) In any chargeable period ending on or after 30th June 2004, sub-paragraph (1) above does not apply to oil in a case where—
- (a) had the operation or operations to which the oil was subjected as mentioned in paragraph (b) of that sub-paragraph been carried out under a contract entered into on or after 9th April 2003, and
 - (b) had an amount been received or receivable under the contract in that chargeable period by the participator,
- that amount would have been a tax-exempt tariffing receipt.]

Textual Amendments

- F1** Words in Sch. 2 para. 12(1) substituted (22.7.2004) by [Finance Act 2004 \(c. 12\), s. 285\(4\)\(a\)](#)
- F2** Words substituted by [Income and Corporation Taxes Act 1988 \(c. 1\), Sch. 29 para. 32](#)
- F3** Words in [Sch. 2 para. 12\(1\)](#) substituted (with effect in accordance with s. 1184(1) of the commencing Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 184\(4\)](#) (with [Sch. 2](#))
- F4** Words in Sch. 2 para. 12(2) substituted (31.7.1998 with effect in accordance with s. 152 of the amending Act) by [1998 c. 36, s. 152\(2\)\(a\)](#)
- F5** Sch. 2 para. 12(3)(a)(b) substituted (16.7.1992 with effect in accordance with s. 74(5) of the substituting Act) by [Finance \(No. 2\) Act 1992 \(c. 48\), s. 74\(5\), Sch. 15 para. 7](#).
- F6** Words in Sch. 2 para. 12(5) substituted (31.7.1998 with effect in accordance with s. 152 of the amending Act) by [1998 c. 36, s. 152\(2\)\(b\)](#)
- F7** Sch. 2 para. 12(6) added (22.7.2004) by [Finance Act 2004 \(c. 12\), s. 285\(4\)\(b\)](#)

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