

SCHEDULES

SCHEDULE 4

RECEIPTS ATTRIBUTABLE TO UNITED KINGDOM USE OF FOREIGN FIELD ASSETS

Chargeable receipts

- 2 A participator in a foreign field is chargeable to tax in accordance with this Schedule in respect of consideration falling within subsection (1) of the principal section if, and only if—
- (a) the field asset which gives rise to that consideration is, in accordance with paragraph 3 below, a chargeable asset in relation to him ; and
 - (b) the consideration constitutes, in accordance with paragraph 4 below, a receipt for which he is accountable ;
- and, where the conditions in paragraphs (a) and (b) above are fulfilled, the consideration is in this Schedule referred to as a chargeable receipt of the participator.
- 3 (1) Subject to sub-paragraph (2) below, a field asset is a chargeable asset in relation to a participator in a foreign field if, on the relevant assumptions, expenditure incurred by the participator in respect of the asset would be or would have been allowable for that foreign field—
- (a) under section 3 of this Act or section 4 of the principal Act, or
 - (b) in the case of an asset the useful life of which was, at the time the expenditure was incurred, expected to exceed six months, under section 3 of the principal Act.
- (2) An asset which is a field asset by virtue of subsection (6) of the principal section is a chargeable asset in relation to that participator in that foreign field in relation to whom and to which the asset referred to in paragraph (c) of that subsection is a chargeable asset.
- 4 (1) Consideration falling within subsection (1) of the principal section constitutes a receipt for which a participator in a foreign field is accountable if, and only if.—
- (a) on the relevant assumptions, and
 - (b) on the further assumption that the field asset which gives rise to the consideration is a qualifying asset,
- the consideration would constitute, for the purposes of this Act, a tariff receipt or disposal receipt of the participator attributable to the foreign field.
- (2) In applying section 7 of this Act to determine whether any consideration falling within subsection (1)(c) of the principal section would, on the assumptions in sub-paragraph (1) above, constitute a disposal receipt, the reference in section 7(4)(b) of this Act to tariff receipts of the participator shall be construed as a reference to consideration falling within paragraph (a) or paragraph (b) of subsection (1) of the principal section which, on those assumptions, would constitute a tariff receipt of his.

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

- 5 (1) Schedule 2 to this Act, except paragraphs 4 and 6 to 8, applies in relation to chargeable receipts on the relevant assumptions and also on the further assumptions—
- (a) that any reference in that Schedule to tariff receipts or disposal receipts includes a reference to chargeable receipts ;
 - (b) that, except in paragraphs 5 and 11(3), any reference in that Schedule to an oil field or a participator applies only to a foreign field or, as the case may be, a participator in a foreign field ; and
 - (c) that any reference in that Schedule to a qualifying asset is a reference to a field asset which, in accordance with paragraph 3 above, is a chargeable asset.
- (2) In Schedule 2 to this Act, as applied by sub-paragraph (1) above, any reference to any of the provisions specified in sub-paragraph (2) of paragraph 8 below shall be construed as a reference to that provision as it has effect by virtue of that sub-paragraph.
- (3) In its application by virtue of sub-paragraph (1) above, paragraph 2 of Schedule 2 to this Act shall have effect as if the reference in sub-paragraph (2) of that paragraph to section 6 or section 7 of this Act included a reference to the principal section.
- (4) Notwithstanding anything in paragraph (a) of sub-paragraph (1) above, paragraph 9 of Schedule 2 to this Act, in its application by virtue of that sub-paragraph, shall have effect as if the reference in that paragraph to any disposal receipt were a reference to any chargeable receipt falling within paragraph (c) of subsection (1) of the principal section.
- (5) In its application by virtue of sub-paragraph (1) above, paragraph 10 of Schedule 2 to this Act shall have effect as if —
- (a) notwithstanding anything in paragraph (a) of that sub-paragraph, the reference in that paragraph to any disposal receipt were a reference to any chargeable receipt falling within paragraph (c) of subsection (1) of the principal section ; and
 - (b) in the application of paragraph 4 above for the purposes of paragraph 10 below, section 6(4)(b) of this Act were disregarded.
- (6) In its application by virtue of sub-paragraph (1) above, paragraph 11 of Schedule 2 to this Act shall have effect as if sub-paragraph (4) of that paragraph were omitted.
- 6 (1) Subject to sub-paragraph (2) below, the chargeable receipts of a participator in a foreign field are attributable to that field for which expenditure incurred by him in respect of the field asset concerned would be or would have been allowable as mentioned in paragraph 3(1) above ; and if there is more than one such foreign field, then the receipts are attributable to that one of those fields in connection with which, on the relevant assumptions, the field asset would have been first used.
- (2) The foreign field to which are attributable chargeable receipts referable to an asset which is a field asset by virtue of subsection (6) of the principal section is that field to which are attributable chargeable receipts referable to the field asset referred to in paragraph (c) of that subsection.