

*Status: Point in time view as at 27/04/2017.*

*Changes to legislation: Finance Act 1994, Cross Heading: Miscellaneous provisions about companies is up to date with all changes known to be in force on or before 28 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*



# Finance Act 1994

## 1994 CHAPTER 9

### PART IV

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER I

#### GENERAL

#### *Miscellaneous provisions about companies*

#### <sup>F1</sup>134 **Controlled foreign companies.**

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#### **Textual Amendments**

**F1** S. 134 omitted (21.7.2009) (with effect in accordance with Sch. 16 para. 6 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 5(b)** (with Sch. 16 paras. 7, 8)

#### <sup>F2</sup>135 **Prevention of avoidance of corporation tax.**

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#### **Textual Amendments**

**F2** S. 135 repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

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### 136 Parts of trades: computations in different currencies.

- (1) The following section shall be inserted after section 94 of the <sup>M1</sup>Finance Act 1993 (computations in different currencies for different parts of trades)—

#### “94A Parts of trades: petroleum extraction companies.

- (1) If a trade carried on by a petroleum extraction company is a ring fence trade—
- (a) subsection (1) of section 94 above shall not apply as regards the trade, but
  - (b) regulations may make provision under that section as regards a case where in an accounting period the company carries on the trade and the condition mentioned in subsection (2) below is fulfilled.
- (2) The condition is that—
- (a) part of the trade consists of activities which relate to oil and are carried on under the authority of a petroleum licence in the United Kingdom or a designated area, and
  - (b) part of the trade consists of activities which relate to gas and are carried on under the authority of a petroleum licence in the United Kingdom or a designated area.
- (3) For the purposes of this section—
- (a) a petroleum licence is a licence granted under the Petroleum (Production) Act 1934 or the Petroleum (Production) Act (Northern Ireland) 1964;
  - (b) a petroleum extraction company is a company which carries on activities under the authority of such a licence;
  - (c) a designated area is an area designated by Order in Council under section 1(7) of the Continental Shelf Act 1964.
- (4) For the purposes of this section “ring fence trade” means activities which—
- (a) fall within any of paragraphs (a) to (c) of subsection (1) of section 492 of the Taxes Act 1988 (oil extraction etc.), and
  - (b) constitute a separate trade (whether by virtue of that subsection or otherwise).
- (5) For the purposes of this section—
- (a) “oil” means such substance as falls within the meaning of oil contained in section 502(1) of the Taxes Act 1988 and is not gas;
  - (b) “gas” means such substance as falls within the meaning of oil contained in section 502(1) of the Taxes Act 1988 and is gas of which the largest component by volume, measured at a temperature of 15 degrees centigrade and a pressure of one atmosphere, is methane or ethane or a combination of those gases.”
- (2) In section 95(6) of the <sup>M2</sup>Finance Act 1993 (commencement of provisions about currency to be used for computations) for “94” there shall be substituted “94A”.

#### Marginal Citations

M1 1993 c.34.

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**M2** 1993 c. 34.

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