



# Finance Act 1995

## 1995 CHAPTER 4

### PART IV

#### PETROLEUM REVENUE TAX

#### **148 Transfer of interests in fields: restriction of transferred losses.**

- (1) In Schedule 17 to the <sup>M1</sup>Finance Act 1980 (transfer of interests in oil fields) paragraph 7 (transfer of unused losses from the old to the new participator) shall be amended as follows.
- (2) At the beginning of sub-paragraph (2) there shall be inserted “ Subject to the following provisions of this paragraph ”.
- (3) After sub-paragraph (2) there shall be inserted the following sub-paragraphs—
  - “(3) If, in the case of a transfer of the whole or part of an interest on or after 29th November 1994,—
    - (a) the old participator made a claim or election for the allowance of any expenditure unrelated to the field, and
    - (b) the claim or election was received by the Board on or after that date, and
    - (c) the expenditure allowed on the claim or election fell to be taken into account in computing the assessable profit or allowable loss of the old participator for the transfer period or any earlier chargeable period,then, from the sum which, apart from this sub-paragraph, would be the aggregate of all the losses transferred to the new participator under this paragraph there shall be deducted (subject to sub-paragraphs (5) and (6) below) so much of the expenditure referred to in paragraph (a) above as is allowed on the claim or election (and, accordingly, the amount so deducted shall not fall to be transferred to the new participator under this paragraph).
- (4) In this paragraph “expenditure unrelated to the field” means expenditure allowable under any of the following provisions—

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995, Section 148. (See end of Document for details)*

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- (a) section 5 (abortive exploration expenditure);
- (b) section 5A (exploration and appraisal expenditure);
- (c) section 5B (research expenditure);
- (d) section 6 (unrelievable loss from abandoned field); and
- (e) section 65 of the <sup>M2</sup>Finance Act 1987 (cross-field allowance of certain expenditure incurred on new fields);

and, in relation to any such expenditure, “claim” means a claim under Schedule 7 or Schedule 8 and “election” means an election under Part I of Schedule 14 to the <sup>M3</sup>Finance Act 1987 and, in relation to such an election, expenditure shall be regarded as allowed if it is accepted by the Board as allowable in accordance with that Schedule.

- (5) Where, in accordance with sub-paragraph (1) above, only a part of a loss (corresponding to the part of the interest transferred) falls to be transferred under this paragraph, only a corresponding part of the expenditure referred to in sub-paragraph (3) above shall be deducted under that sub-paragraph.
- (6) Where the amount of the deduction under sub-paragraph (3) above equals or exceeds the sum from which it is to be deducted, no part of any loss shall be transferred to the new participator under this paragraph.”

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**Marginal Citations**

**M1** 1980 c. 48.

**M2** 1987 c. 16.

**M3** 1987 c. 16.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1995, Section 148.