



Finance Act 2006

2006 CHAPTER 25

PART 5

OIL

New basis for determining market value

147 Section 146: commencement and transitional provisions

- (1) The amendments made by section 146 and Schedule 18 have effect in relation to oil delivered or appropriated on or after 1st July 2006 (disregarding section 12A of that Act).
- (2) Those amendments also have effect for the purpose of determining for any chargeable period ending on or after 31st December 2006—
 - (a) the value to be brought into account under section 2(4)(b) of OTA 1975 by reference to a previous chargeable period ending on or after 30th June 2006, and
 - (b) the value to be brought into account under section 2(5)(d) of that Act.
- (3) Subsections (1) and (2) are subject to any express provision in Schedule 18 as to the commencement or application of any provision of that Schedule.
- (4) In the following provisions of this section—
 - (a) “the last old period” means the chargeable period that ends on 30th June 2006, and
 - (b) “the first new period” means the chargeable period that ends on 31st December 2006.
- (5) Subsection (6) applies in relation to oil which was won from an oil field before 1st July 2006 and which—
 - (a) was loaded on to a ship before 1st July 2006 and transported from the place of extraction to a place in the United Kingdom or elsewhere, or

Status: This is the original version (as it was originally enacted).

- (b) was transported by pipeline from the place of extraction to a place in the United Kingdom and there loaded on to a ship before that date.
- (6) If the oil is or was disposed of crude by a participator in sales otherwise than at arm's length, but the market value of the oil—
 - (a) does not fall to be brought into account for the purposes of section 2(5)(b) of OTA 1975 for the last old period by reason only that the oil was not delivered in that period, and
 - (b) would not (apart from this subsection) fall to be brought into account for the purposes of that provision in the first new period by reason only that the date on which the oil is to be regarded by virtue of section 12A of that Act as delivered falls in the last old period,
the date on which the oil is to be taken for the purposes of section 2(5)(b) of that Act to have been delivered is instead to be the first business day of the first new period.
- (7) Any power to make regulations that is conferred under or by virtue of any of the amendments made by section 146 or Schedule 18 includes power to make regulations having effect for, or in relation to,—
 - (a) the first new period, or
 - (b) for the purpose mentioned in subsection (2), the last old period,notwithstanding that the period in question has begun or ended before the making of the regulations.
- (8) Any regulations made by virtue of subsection (7) must be made before 31st December 2006.