

*Status: Point in time view as at 21/07/2009.*

*Changes to legislation: Finance Act 2009, Part 6 is up to date with all changes known to be in force on or before 16 June 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)*

## SCHEDULES

### SCHEDULE 44

#### SUPPLEMENTARY CHARGE: REDUCTION FOR CERTAIN NEW OIL FIELDS

#### PART 6

#### CHANGE IN EQUITY SHARE: TRANSFER OF FIELD ALLOWANCE

##### *Introduction*

- 13 (1) This Part applies if the following conditions are met.
- (2) Condition A is that a company that is a licensee in a new oil field (“the transferor”) disposes of the whole or a part of its share of the equity in the new oil field (and in this Part each of those to which a share of the equity is disposed of is referred to as “a transferee”).
- (3) Condition B is that, immediately before the disposal, the transferor holds an unactivated amount of field allowance for the new oil field.
- (4) Sub-paragraph (5) applies when—
- (a) determining (for the purposes of this paragraph) whether a transferor holds an unactivated amount of field allowance immediately before the disposal (“the relevant time”), and
- (b) determining (for the purposes of paragraph 14) the unactivated amount of field allowance which a transferor holds at the relevant time;
- but it applies only if an amount of field allowance for the new oil field (“the relevant amount”) has, by virtue of paragraph 12, been activated in respect of the reference period that ends because of the disposal.
- (5) When making the determination, the relevant amount of the field allowance must be treated as having been activated at a time before the relevant time.
- (6) In a case where a company has three or more different shares of the equity in a new oil field during a particular day, this Part (in particular provisions relating to the beginning or end of a day) has effect subject to the necessary modifications.

##### *Reduction of field allowance if equity disposed of*

- 14 (1) The unactivated amount of the field allowance for the new oil field which the transferor holds immediately before the disposal is to be reduced by the following amount—

$$F \times \frac{E1 - E2}{E1}$$

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where—

F is the unactivated amount of the field allowance which the transferor holds immediately before the disposal,

E1 is the transferor's share of the equity in the new oil field immediately before the disposal, and

E2 is the transferor's share of the equity in the new oil field immediately after the disposal.

- (2) This paragraph has effect at the end of the day on which the disposal takes place.

*Acquisition of field allowance if equity acquired*

- 15 (1) If a transferee holds a field allowance for the new oil field immediately before the disposal, the unactivated amount of the field allowance is to be increased by the amount calculated in accordance with sub-paragraph (4).
- (2) If a transferee does not hold a field allowance for the new oil field immediately before the disposal, the transferee is to hold a field allowance for the new oil field.
- (3) The amount of the field allowance which the transferee is to hold is calculated in accordance with sub-paragraph (4).
- (4) The amount referred to in sub-paragraphs (1) and (3) is—

$$R \times \frac{E3}{E1 - E2}$$

where—

R is the amount of the reduction determined in accordance with paragraph 14,

E3 is the share of the equity in the new oil field that the transferee has acquired from the transferor, and

E1 and E2 are the same as in paragraph 14.

- (5) This paragraph has effect at the end of the day on which the disposal takes place.

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