

SCHEDULES

SCHEDULE 15

OIL ACTIVITIES: TRANSFERABLE TAX HISTORY

PART 12

CHARGEABLE GAINS

Transferred tax history is not to be regarded as an asset

- 76 Where the seller and the purchaser jointly make a TTH election in respect of the TTH asset, the transfer of tax history is not to be treated as—
- (a) the disposal or acquisition of an asset for the purposes of TCGA 1992, or
 - (b) the disposal or acquisition of an intangible fixed asset for the purposes of Part 8 of CTA 2009.

Consideration for transferred tax history to be treated as consideration for the licence interest

- 77 The amount or value of any consideration for the transfer of tax history is to be treated as part of the consideration for the licence interest for the purposes of—
- (a) computing the chargeable gain or allowable loss accruing on the disposal (or on any subsequent disposal) of the licence interest (see section 8 of TCGA 1992), and
 - (b) computing the disposal value of the licence interest, on its disposal, for the purposes of Part 5 of CAA 2001 (mineral extraction allowances).

Market value of the licence interest: value of transferred tax history to be taken into account

- 78 Any value attributable to the transfer of tax history is to be taken into account in determining the market value of the licence interest for the purposes of—
- (a) section 17 of TCGA 1992 (disposals and acquisitions treated as being made at market value);
 - (b) Part 5 of CAA 2001, if the disposal value of the licence interest for the purposes of that Part is the market value of the licence interest at the time of that disposal (see section 423 of CAA 2001).

Licence swaps: references to disposal include references to transfer of tax history

- 79 For the purposes of the application of sections 195A to 196 of TCGA 1992 (oil licence swaps) in relation to the disposal of the licence interest by the seller to the purchaser, references in those sections to the disposal are treated as including references to the transfer of tax history.

Status: This is the original version (as it was originally enacted).

Interpretation of this Part

- 80 (1) References in this Part to “the transfer of tax history” are references to—
- (a) the seller, in consequence of the TTH election, ceasing to be entitled to take the transferred profits for an accounting period into account for certain corporation tax purposes in the circumstances specified in Part 3 of this Schedule, and
 - (b) the purchaser, in consequence of the TTH election, acquiring an entitlement, in the circumstances specified in Part 4 of this Schedule, to apply an amount of the transferred profits for the purposes of the trade loss relief provisions and to a corresponding repayment of supplementary charge.
- (2) References in this Part to “the licence interest” are references to the interest in a UK oil licence referred to in paragraph 1.