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**Changes to legislation:** There are currently no known outstanding effects for the Energy (Oil and Gas) Profits Levy Act 2022, PART 1. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 1

#### RELIEFS

#### PART 1

##### CARRY BACK OR FORWARD OF QUALIFYING LEVY LOSSES

*Carry back of qualifying levy losses to earlier qualifying accounting periods*

- 1 (1) This paragraph applies if—
- (a) in a qualifying accounting period, a company carrying on a ring fence trade makes a qualifying levy loss in the period (“the loss-making period”), and
  - (b) the company was carrying on the trade in an earlier qualifying accounting period.
- (2) The company may make a claim for relief for the loss under this paragraph.
- (3) If the company makes a claim, the relief is given by deducting the loss from the company’s qualifying levy profits of previous qualifying accounting periods so far as they fall (wholly or partly) within the period of 12 months ending immediately before the loss-making period begins.
- (4) The amount of a deduction to be made under sub-paragraph (3) for any accounting period is the amount of the loss so far as it cannot be deducted under that sub-paragraph for a subsequent accounting period.
- (5) The company’s claim must be made—
- (a) within the period of two years after the end of the loss-making period, or
  - (b) within such further period as an officer of Revenue and Customs may allow.
- (6) If, for an accounting period, deductions under sub-paragraph (3) are to be made for qualifying levy losses of different accounting periods, the deductions are to be made in the order in which the losses were made (starting with the earliest loss).

#### Commencement Information

**II** Sch. 1 para. 1 in force at Royal Assent

- 2 (1) This paragraph applies if an accounting period falls partly within the period of 12 months mentioned in paragraph 1(3).
- (2) The amount of the deduction for the loss for the accounting period is not to exceed an amount equal to the overlapping proportion of the company’s qualifying levy profits of that period.

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- (3) The overlapping proportion is the same as the proportion that the part of the accounting period falling within the period of 12 months bears to the whole of the accounting period.

#### Commencement Information

**I2** Sch. 1 para. 2 in force at Royal Assent

- 3 (1) Relief under paragraph 1 is not available for a loss made in a ring fence trade unless for the loss-making period, the trade is carried on—
- (a) on a commercial basis, and
  - (b) with a view to the making of a profit in the trade or so as to afford a reasonable expectation of making such a profit.
- (2) If during the loss-making period there is a change in the way in which the trade is carried on, it is treated as having been carried on throughout that period in the way in which it is being carried on by the end of that period.

#### Commencement Information

**I3** Sch. 1 para. 3 in force at Royal Assent

- 4 (1) This paragraph applies if—
- (a) a company ceases to carry on a ring fence trade in a qualifying accounting period, and
  - (b) the company has made a terminal qualifying levy loss in the trade.
- (2) Paragraphs 1(3) and 2(1) and (3) have effect in relation to the terminal qualifying levy loss as if the references to 12 months were references to 3 years.
- (3) The following are terminal qualifying levy losses made in the trade—
- (a) the whole of any qualifying levy loss made by the company in the trade in a qualifying accounting period that begins during the final 12 months, and
  - (b) the overlapping proportion of any qualifying levy loss made by the company in the trade in a qualifying accounting period that ends, but does not begin, during the final 12 months.
- (4) The overlapping proportion is the same as the proportion that the part of the accounting period falling within the final 12 months bears to the whole of the accounting period.
- (5) “The final 12 months” means the period of 12 months ending when the company ceases to carry on the trade.
- (6) This paragraph does not apply if—
- (a) on the company ceasing to carry on the trade, any of the activities of the trade begin to be carried on by a person who is not (or by persons any or all of whom are not) chargeable to the levy, and
  - (b) the company’s ceasing to carry on the trade arises directly or indirectly in connection with, or otherwise in consequence of, arrangements the main purpose, or one of the main purposes, of which is to secure that the preceding

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provisions of this paragraph apply in relation to a loss by reason of the cessation.

- (7) For this purpose “arrangements” includes any transaction, series of transactions, scheme or arrangement, whether or not legally enforceable.

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**Commencement Information**

- I4** Sch. 1 para. 4 in force at Royal Assent

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**Commencement Information**

- I1** Sch. 1 para. 1 in force at Royal Assent  
**I2** Sch. 1 para. 2 in force at Royal Assent  
**I3** Sch. 1 para. 3 in force at Royal Assent  
**I4** Sch. 1 para. 4 in force at Royal Assent

*Carry forward of qualifying levy losses to subsequent qualifying accounting period*

- 5 (1) This paragraph applies if in a qualifying accounting period a company carrying on a ring fence trade makes a qualifying levy loss in the period.
- (2) Relief for the loss is given to the company under this paragraph.
- (3) The relief is given for that part of the loss (“the unrelieved loss”) for which no relief is given under any other provision of this Schedule.
- (4) For the purposes of the levy—
- (a) the unrelieved loss is carried forward to subsequent qualifying accounting periods (so long as the company continues to carry on the ring fence trade), and
  - (b) the qualifying levy profits of the ring fence trade of any such period are reduced by the unrelieved loss so far as that loss is not used under this paragraph to reduce profits of an earlier period.

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**Commencement Information**

- I5** Sch. 1 para. 5 in force at Royal Assent

**Changes to legislation:**

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