



Energy (Oil and Gas) Profits Levy Act 2022

2022 CHAPTER 40

Relief for investment expenditure

5 Section 2: meaning of “disqualifying purposes”

- (1) Expenditure is incurred for disqualifying purposes for the purposes of section 2 so far as it arises directly or indirectly in connection with, or otherwise in consequence of, any avoidance arrangements.
- (2) For this purpose arrangements are “avoidance arrangements” if—
 - (a) the main purpose, or one of the main purposes, of the arrangements is to secure a relevant levy advantage, and
 - (b) it is reasonable, taking account of all the relevant circumstances—
 - (i) to conclude that the arrangements are, or include steps that are, contrived, abnormal or lacking a genuine commercial purpose, or
 - (ii) to regard the arrangements as circumventing the intended limits relating to the relief under section 2(3) or as otherwise exploiting shortcomings in this Act.
- (3) For this purpose “a relevant levy advantage” includes—
 - (a) relief or increased relief from the levy,
 - (b) repayment or increased repayment of the levy,
 - (c) avoidance or reduction of a charge to the levy or an assessment to the levy,
 - (d) avoidance of a possible assessment to the levy,
 - (e) deferral of a payment of the levy or advancement of a repayment of the levy, and
 - (f) avoidance of an obligation to deduct or account for the levy.
- (4) In this section “arrangements” includes any transaction, series of transactions, scheme or arrangement, whether or not legally enforceable.

Changes to legislation: There are currently no known outstanding effects for the Energy
(Oil and Gas) Profits Levy Act 2022, Section 5. (See end of Document for details)

Commencement Information

II S. 5 in force at Royal Assent

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