

*Changes to legislation:* There are currently no known outstanding effects for the Oil Taxation Act 1975, Cross Heading: Returns by participators. (See end of Document for details)

## SCHEDULES

### SCHEDULE 2

#### MANAGEMENT AND COLLECTION OF PETROLEUM REVENUE TAX

##### Modifications etc. (not altering text)

- C1** See Oil Taxation Act 1983 (c. 56), Sch. 4 para. 14 for application of Sch. 2 to tax chargeable only by virtue of the provisions of s. 12 and Sch. 4 of that Act

##### *Returns by participators*

- 2 (1) Every participator in [<sup>F1</sup>a taxable field] shall, for each chargeable period, prepare and, within two months after the end of the period [<sup>F2</sup>or within such longer period as the Board may allow], deliver to the Board a return complying with the following provisions of this paragraph; but nothing in this sub-paragraph shall require a participator to deliver a return under this paragraph before 31st August 1975.
- (2) A return under this paragraph for a chargeable period shall give the following information in relation to oil which is or was included in the participator's share of any oil won from [<sup>F1</sup>the taxable field] (whether or not in that period), that is to say—
- (a) in the case of each delivery (other than one made before 13th November 1974) in the period of oil disposed of by him crude (other than oil delivered as mentioned in (c) of this sub-paragraph), the return shall—
- (i) state the quantity of oil delivered;
  - (ii) state the person to whom the oil was disposed of;
  - (iii) in the case of oil disposed of in a sale at arm's length, state the price received or receivable for the oil or, in the case of oil disposed of otherwise than in a sale at arm's length, state the market value of the oil [<sup>F3</sup>at the material time][<sup>F4</sup>as determined in accordance with Schedule 3 to this Act in the case of the delivery][<sup>F5</sup>or (in the case of light gases) the market value as determined in accordance with paragraph 3A of Schedule 3 to this Act]; and
  - (iv) contain such other particulars of or relating to the disposal as the Board may prescribe;
- (b) in the case of each relevant appropriation of crude oil (other than one made before 13th November 1974) in the period (not being oil disposed of by him), the return shall—
- (i) state the quantity of oil appropriated;
  - (ii) state the market value of the oil [<sup>F3</sup>at the material time][<sup>F6</sup>as determined in accordance with Schedule 3 to this Act in the case of the appropriation][<sup>F7</sup>or (in the case of light gases) the market value as determined in accordance with paragraph 3A of Schedule 3 to this Act]; and

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- (iii) contain such other particulars of or relating to the appropriation as the Board may prescribe;
  - (c) in the case of crude oil delivered to the [<sup>F8</sup>OGA] in the period under the terms of a licence granted under [<sup>F9</sup>Part I of the Petroleum Act 1998], the return shall state the total quantity of the oil;
  - (d) in the case of crude oil which, at the end of the period, has either not been disposed of and not relevantly appropriated or has been disposed of but not delivered, the return shall—
    - (i) state the quantity of the oil;
    - (ii) state the market value of the oil [<sup>F10</sup>on the last business day] of the period; and
    - (iii) contain such other particulars relating to the oil as the Board may prescribe.
- [<sup>F11</sup>(2A) Every participator in [<sup>F1</sup>a taxable field] shall, in the first return under this paragraph which he makes for that field, state whether any and, if any, how much [<sup>F12</sup>expenditure to which section 5A or section 5B] of this Act applies and which relates to, or to a licence for, any part of the field has been claimed under Schedule 7 to this Act—
- (a) by him, or
  - (b) by a company associated with him in respect of that expenditure, or
  - (c) if he or such a company is the new participator, within the meaning of Schedule 17 to the Finance Act 1980, by the old participator, within the meaning of that Schedule, or by a company associated with him in respect of that expenditure,
- and subsection (7) of section 5 of this Act applies for the purposes of this subparagraph as it applies for the purposes of that section.]
- (3) A return under this paragraph for a chargeable period shall state—
- (a) the amount of royalty payable by the participator for that period in respect of his share of oil won from the field as shown in the return or returns made by him to the Secretary of State under the relevant licence or licences;
  - (b) the amount of royalty paid by the participator in that period in respect of that share;
  - (c) the amount of any royalty paid under any relevant licence in respect of the field which was repaid to the participator in that period; and
  - (d) the amount of any periodic payment made by the participator to the [<sup>F13</sup>OGA] in that period under each relevant licence otherwise than by way of royalty.
- [<sup>F14</sup>(3A) A return under this paragraph for a chargeable period shall—
- (a) state the amount (if any) which, in the case of the participator, is to be brought into account for that period in accordance with section 2(5)(e) of this Act;
  - (b) contain such particulars as the Board may prescribe (whether before or after the passing of the Finance Act 1987) with respect to any nominated transaction under Schedule 10 to that Act—
    - (i) the effective volume of which forms part of the participator's aggregate effective volume (construing those terms in accordance with that Schedule) for any calendar month comprised in that chargeable period; and

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- (ii) which has not led to deliveries of oil or relevant appropriations of which particulars are included in the return by virtue of sub-paragraph (2) above; and
  - (c) contain such other particulars as the Board may prescribe (as mentioned above) in connection with the application of section 61 of and Schedule 10 to the Finance Act 1987.]
- (4) A return under this paragraph shall be in such form as the Board may prescribe and shall include a declaration that the return is correct and complete.
- [<sup>F15</sup>(5) The power of the Board to allow an extension of time under sub-paragraph (1) above shall include power—
- (a) to allow an extension for an indefinite period; and
  - (b) to provide for the period of any extension to end at such time as may be stipulated in a notice given by the Board.]

#### Textual Amendments

- F1** Words in Sch. 2 para. 2(1)(2)(2A) substituted (27.7.1993) by 1993 c.34 s. 187(1)
- F2** Words in Sch. 2 para. 2 inserted (27.7.1999 with application in relation to chargeable periods ending on or after 30.6.1999) by 1999 c. 16, s. 102(1)(a)(8)
- F3** Words repealed by Finance Act 1987 (c. 16), ss. 62(1)(d), 72(7) and Sch. 16 Part X for chargeable periods ending after 31 December 1986
- F4** Words in Sch. 2 para. 2(2)(a)(iii) substituted (with effect in accordance with s. 147(1)(2) of the amending Act) by Finance Act 2006 (c. 25), Sch. 18 para. 7(2)
- F5** Words in Sch. 2 para. 2(2)(a)(iii) inserted (3.5.1994) by 1994 c. 9, s. 236(1), Sch. 23 para. 2 (with saving in s. 236(2))
- F6** Words in Sch. 2 para. 2(2)(b)(ii) substituted (with effect in accordance with s. 147(1)(2) of the amending Act) by Finance Act 2006 (c. 25), Sch. 18 para. 7(3)
- F7** Words in Sch. 2 para. 2(2)(b)(ii) inserted (3.5.1994) by 1994 c. 9, s. 236(1), Sch. 23 para. 2 (with saving in s. 236(2))
- F8** Word in Sch. 2 para. 2(2)(c) substituted (1.10.2016) by The Petroleum (Transfer of Functions) Regulations 2016 (S.I. 2016/898), regs. 1(2), 4(8)
- F9** Words in Sch. 2 para. 2(2)(c) substituted (15.2.1999) by 1998 c. 17, s. 50, Sch. 4 para. 7(6) (with Sch. 3 para. 5(1)); S.I. 1999/161, art. 2(1)
- F10** Words in Sch. 2 para. 2(2)(d)(ii) substituted (with effect in accordance with s. 147(1)(2) of the amending Act) by Finance Act 2006 (c. 25), Sch. 18 para. 7(4)
- F11** Schedule 2 para. 2(2A) inserted by Finance Act 1983 (c. 49), s. 37(2) and Sch. 8 Part II para. 5
- F12** Words substituted by Finance Act 1987 (c. 16), s. 64(2) and Sch. 13 Part II para. 4
- F13** Word in Sch. 2 para. 2(3)(d) substituted (1.10.2016) by The Petroleum (Transfer of Functions) Regulations 2016 (S.I. 2016/898), regs. 1(2), 4(8)
- F14** Schedule 2 para. 2(3A) inserted by Finance Act 1987 (c. 16), s. 61(1) and Sch. 10 para. 13
- F15** Sch. 2 para. 2(5) inserted (27.7.1999 with application in relation to chargeable periods ending on or after 30.6.1999) by 1999 c. 16, s. 102(1)(b)(8)

#### Modifications etc. (not altering text)

- C1** See Petroleum Revenue Tax Act 1980 (c. 1, SIF 63:1), s. 1; Finance Act 1981 (c. 35), ss. 118, 128(1) and Sch. 16 para. 3; Finance Act 1982 (c. 39), s. 135(1)(b), (3)(a); Oil Taxation Act 1983 (c. 56), s. 10(1)(2); Finance Act 1984 (c. 43), s. 114(7)
- C2** See Oil Taxation Act 1983 (c. 56), s. 10(3)

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- 3 (1) If a participator fails to deliver a return within the time allowed for doing so under paragraph 2(1) above he shall be liable, subject to sub-paragraph (3) below—
- (a) to a penalty not exceeding, except in the case mentioned in sub-paragraph (2) below, £500; and
  - (b) if the failure continues after it has been declared by the court or the <sup>F16</sup>tribunal before which] proceedings for the penalty have been commenced, to a further penalty not exceeding £100 for each day on which the failure so continues.
- (2) If the failure continues after the end of six months from the time by which the return ought to have been delivered, the penalty under sub-paragraph (1)(a) above shall be an amount not exceeding the aggregate of £500 and the total amount of the tax with which the participator is charged for the chargeable period in question.
- (3) Except in the case mentioned in sub-paragraph (2) above, the participator shall not be liable to any penalty incurred under this paragraph for failure to deliver a return if the failure is remedied before proceedings for the recovery of the penalty are commenced.

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**Textual Amendments**

**F16** Words in Sch. 2 para. 3(1)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 71**

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**Modifications etc. (not altering text)**

**C3** See [Finance Act 1981 \(c. 35\)](#), **s. 128(1)** and Sch. 16 para. 3; [Finance Act 1982 \(c. 39\)](#), **s. 139(6)** and Sch. 19 para. 1(5); [Oil Taxation Act 1983 \(c. 56\)](#), **s. 10(3)**

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