

Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1975, Paragraph 3A. (See end of Document for details)

SCHEDULES

SCHEDULE 3

PETROLEUM REVENUE TAX: MISCELLANEOUS PROVISIONS

[^{F1} Definition of market value of light gases]

Textual Amendments

- F1** Sch. 3: Crossheading and para. 3A inserted (3.5.1994) by 1994 c. 9, s. 236(1), Sch. 23 para. 4 (with saving in s. 236(2))

- ^{F1}3A (1) The market value of any light gases for the purposes of this Part of this Act is the price at which, having regard to all the circumstances relevant to the disposal or appropriation in question, light gases of that kind might reasonably have been expected to be sold under a contract of sale satisfying the conditions specified in sub-paragraph (2) below.
- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the contract is for the sale of the gases at arm's length to a willing buyer;
 - (b) the contract requires the gases to have been subjected to appropriate initial treatment before delivery; and
 - (c) the contract requires the gases to be delivered—
 - (i) in the case of gases extracted in the United Kingdom, at the place of extraction; or
 - (ii) in the case of gases extracted from strata in the sea bed and subsoil of the territorial sea of the United Kingdom or of a designated area, at the place in the United Kingdom or another country at which the seller could reasonably be expected to deliver the gases or, if there is more than one such place, the one nearest to the place of extraction.
- (3) If the circumstances referred to in sub-paragraph (1) above are such that the price referred to in that sub-paragraph might reasonably be expected to include—
- (a) any such payments as are referred to in subsection (2) of section 114 of the Finance Act 1984 (treatment of certain payments relating to gas sales), or
 - (b) any capacity payments, as defined in subsection (5) of that section,
- section 114 of the Finance Act 1984 shall apply accordingly in relation to the notional contract specified in sub-paragraph (1) above as it applies in relation to an actual contract.
- [The circumstances referred to in sub-paragraph (1) above include—
- ^{F2}(3A) (a) the timing of the making, and of any subsequent variations, of the actual contract or other arrangements under which the disposal or appropriation was made;

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- (b) the terms of that contract or, as the case may be, of those arrangements, and the terms of any such variations; and
 - (c) the extent to which the circumstances to which regard is to be had by virtue of paragraphs (a) and (b) above are circumstances that might reasonably have been expected to exist in the case of a contract satisfying the conditions specified in sub-paragraph (2) above.]
- (4) This paragraph has effect subject to sub-paragraphs (2) and (3) of paragraph 2A above.]

Textual Amendments

- F1 Sch. 3 para. 3A inserted (3.5.1994) by 1994 c. 9, s. 236(1), **Sch. 23 para. 4** (with saving in s. 236(2))
- F2 Sch. 3 para. 3A(3A) inserted (*retrospectively*) by 1998 c. 36, **s. 152(1)**

Modifications etc. (not altering text)

- C1 Sch. 3 para. 3A applied (with modifications) by **Income Tax (Trading and Other Income) Act 2005 (c. 5), ss. 225G(6)(7), 225J(6)(7)** (as inserted (for the tax year 2010-11 and subsequent tax years) by **Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 1 para. 2** (with **Sch. 9 paras. 1-9, 22**))
- C2 Sch. 3 para. 3A applied (with modifications) (with effect in accordance with s. 1184(1) of the amending Act) by **Corporation Tax Act 2010 (c. 4), s. 285(6)(7)** (with **Sch. 2**)
- C3 Sch. 3 para. 3A applied (with modifications) (with effect in accordance with s. 1184(1) of the amending Act) by **Corporation Tax Act 2010 (c. 4), s. 282(6)(7)** (with **Sch. 2**)

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