

Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1975, Paragraph 2A. (See end of Document for details)

SCHEDULES

SCHEDULE 5

ALLOWANCE OF EXPENDITURE (OTHER THAN ABORTIVE EXPLORATION EXPENDITURE)

Modifications etc. (not altering text)

C1 Sch. 5 excluded by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), **s. 108(6)**.

Claim periods and claims

- ^{F1}2A (1) This paragraph applies if—
- (a) a current participator (“the defaulter”) has defaulted on a liability under—
 - (i) a relevant agreement, or
 - (ii) an abandonment programme,to make a payment towards abandonment expenditure, and
 - (b) a current or former participator (“the contributing participator”) pays an amount in or towards meeting the whole or part of the default (“a default payment”).
- (2) If a claim is made under this Schedule for the allowance of the abandonment expenditure, the amount of the default payment is to be attributed to the contributing participator for the purposes of paragraphs 2(4)(b) and 3(1)(c).
- (3) But the amount attributed under sub-paragraph (2) may not exceed—
- (a) so much of the sum in default as the contributing participator is required to meet in accordance with—
 - (i) the relevant agreement, or
 - (ii) the abandonment programme, or
 - (b) such other amount as the participator may be required to meet in accordance with a direction given under Part 4 of the Petroleum Act 1998.
- (4) Sub-paragraph (2) is subject to paragraph 2B.
- (5) In determining the amount which is to be attributed to the contributing participator under sub-paragraph (2), account shall be taken of the whole of the defaulter's interest in the relevant oil field.
- (6) But in determining the share of the abandonment expenditure to be attributed to the defaulter under paragraph 2(4)(b), the amount which would be attributed by reference to the defaulter's interest in the relevant oil field is to be reduced or (as the case may be) extinguished by the deduction of the aggregate of—
- (a) the amount attributed to the contributing participator under sub-paragraph (2), and

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- (b) any other amounts attributed under sub-paragraph (2) to other current or former participators who make default payments in respect of the defaulter's default.]

Textual Amendments

- F1** Sch. 5 paras. 2A-2C substituted for Sch. 5 para. 2A (with effect in accordance with s. 103(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **s. 103(1)**

Modifications etc. (not altering text)

- C1** Sch. 5 para. 2A definitions applied by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), **s.108(1)**.

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