
Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1975, Paragraph 2C. (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}2C (1) An amount attributed under paragraph 2A(2) is—
- (a) in the case of a current participator, to be an addition to the share of the abandonment expenditure referable to the current participator's interest in the oil field, or
 - (b) in the case of a former participator, to be the share of the abandonment expenditure referable to the former participator's interest in the oil field.
- (2) In paragraphs 2A and 2B and this paragraph—
- “abandonment expenditure” means expenditure which is allowable for an oil field by virtue of section 3(1)(i) or (j);
 - “abandonment programme” means an abandonment programme approved under Part 4 of the Petroleum Act 1998 (including any such programme as revised);
 - “current participator” means a person who is, by virtue of paragraph (a), [^{F2}(aa),] (b) or (c) of the definition in section 12, a participator in the relevant oil field in the chargeable period in which the abandonment expenditure is incurred;
 - “former participator” means a person who—
 - (a) is not a current participator, but
 - (b) was, by virtue of paragraph (a), [^{F3}(aa),] (b) or (c) of the definition in section 12, a participator in the relevant oil field in any chargeable period before the chargeable period in which the abandonment expenditure is incurred;
 - “relevant agreement” has the meaning given by section 104(5)(a) of the Finance Act 1991;
 - “relevant oil field” means the oil field to which the abandonment expenditure relates;
 - “sum in default” means the amount of the payment which the defaulter is liable to make as mentioned in paragraph 2A(1)(a), [^{F4}less so much of that payment as has been made by the defaulter]

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- (3) For the purposes of paragraph 2A, a current participator is to be regarded as defaulting on a liability to make a payment towards abandonment expenditure if the following conditions are met.
- (4) The first condition is that the current participator has failed to make the payment in full on the due day.
- (5) The second condition is that—
- (a) any of the payment remains unpaid on the sixtieth day after the due day, or
 - (b) before that sixtieth day, the current participator's interest in a relevant licence becomes liable under the relevant agreement to be sold or forfeited, in whole or in part, by reason of the failure to meet the liability.
- (6) In sub-paragraphs (4) and (5) “due day” means the day on which the payment towards abandonment expenditure becomes due under the relevant agreement or the abandonment programme.]

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\(1\)](#)
- F2** Word in Sch. 5 para. 2C(2) inserted (with effect in accordance with Sch. 42 para. 4 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 42 para. 3\(a\)](#)
- F3** Word in Sch. 5 para. 2C(2) inserted (with effect in accordance with Sch. 42 para. 4 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 42 para. 3\(b\)](#)
- F4** Words in [Sch. 5 para. 2C\(2\)](#) substituted (with effect in accordance with Sch. 31 para. 23 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 31 para. 4](#)

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