
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1982, Cross Heading: Conditions for acceptance of an election. (See end of Document for details)

SCHEDULES

SCHEDULE 18

ALTERNATIVE VALUATION OF ETHANE USED FOR PETROCHEMICAL PURPOSES

Modifications etc. (not altering text)

C1 See Finance Act 1986 (c. 41), s. 109(5) and Sch. 21

Conditions for acceptance of an election

- 2 (1) Subject to sub-paragraphs (2) and (3) below, the Board shall accept an election if they are satisfied that, under a relevant contract (as defined in paragraph 3 below) for the sale at arm's length of the ethane to which the election applies, the contract prices would not differ materially from the market values determined in accordance with the price formula specified in the election ; and if the Board are not so satisfied they shall reject the election.
- (2) The Board shall reject an election if they are not satisfied that the price formula specified in the election is such that the market value of ethane disposed of or relevantly appropriated at any time during the period covered by the election will be readily ascertainable either by reference to the price formula alone or by reference to that formula and to information—
- (a) which is, or is expected to be at that time, publicly available; and
 - (b) which is not related or dependent, in whole or to any substantial degree, to or on the activities of the person or persons making the election or any person connected or associated with him or them.
- (3) The Board shall reject an election if, after receiving notice in writing from the Board, the person or, as the case may be, either of the persons by whom the election was made—
- (a) fails to furnish to the Board, before the appropriate date, any information which the Board may reasonably require for the purpose of determining whether the election should be accepted; or
 - (b) fails to make available for inspection, before the appropriate date, by an officer authorised by the Board any books, accounts or documents in his possession or power which contain any information relevant for that purpose.
- (4) In sub-paragraph (3) above “the appropriate date” means such date as may be specified in the notice concerned, being a date not earlier than one month after the date on which the notice was given.
- (5) Any notice under sub-paragraph (3) above shall be given within the period of three months beginning on the date of the election in question.
- 3 (1) In paragraph 2 above “relevant contract” means a contract which is entered into,—

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- (a) if the price formula specified in the election is derived from an actual contract which is identified in the election and was entered into not more than two years before the date of the election, at the time at which that contract was entered into, and
 - (b) in any other case, at the time of the election in question,
- and which incorporates the terms specified in sub-paragraph (2) below, but it is not necessarily a contract for the sale of ethane for petrochemical purposes.
- (2) The terms referred to in sub-paragraph (1) above are—
- (a) that the ethane is required to be delivered at the place in the United Kingdom [^{F1}or another country] at which the seller could reasonably be expected to deliver it or, if there is more than one such place, the one nearest to the place of extraction; and
 - (b) that the price formula may be varied only in the event of a substantial and lasting change in the economic circumstances surrounding or underlying the contract and that any such variation may not take place before the expiry of the period of five years beginning on the date of the first delivery of ethane during the period covered by the election.

Textual Amendments

F1 Words in [Sch. 18 para. 3\(2\)\(a\)](#) inserted (16.7.1992) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 74, [Sch. 15 para.5](#)

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