

SCHEDULES

SCHEDULE 4

RECEIPTS ATTRIBUTABLE TO UNITED KINGDOM USE OF FOREIGN FIELD ASSETS

Expenditure relief

- 10 (1) For the purpose of the determination referred to in sub-paragraph (1) of paragraph 8 above, no expenditure shall be allowable, by virtue of paragraph (b) of that sub-paragraph, under section 3 of the principal Act or section 3 of this Act unless—
- (a) the expenditure relates to a field asset which is a chargeable asset which gives rise, or is expected to give rise, to chargeable receipts; and
 - (b) the expenditure is incurred either for the purpose of enabling the asset to be used in a way which gives rise, or is expected to give rise, to chargeable receipts falling within paragraph (a) or paragraph (b) of subsection (1) of the principal section, or for the purpose of enhancing the value of the asset with a view to the subsequent disposal of it or of an interest in it.
- (2) Where expenditure falling within paragraph (a) of sub-paragraph (1) above is incurred partly for one or both of the purposes referred to in paragraph (b) of that sub-paragraph and partly for other purposes, only so much of that expenditure as it is just and reasonable to apportion to a purpose referred to in that paragraph shall be regarded as falling within those paragraphs.
- (3) References in the preceding provisions of this paragraph to the use of an asset in a way which gives rise, or is expected to give rise, to chargeable receipts include references to the provision, in connection with the use of that asset, of services or other business facilities of any kind which give rise, or are expected to give rise, to chargeable receipts.
- (4) To the extent only that expenditure falls within paragraphs (a) and (b) of sub-paragraph (1) above, the field asset to which the expenditure relates shall be regarded for the purposes of section 3 of the principal Act and section 3 of this Act as used in connection with the foreign field.
- 11 (1) In the following provisions of this Schedule expenditure which falls within paragraphs (a) and (b) of sub-paragraph (1) of paragraph 10 above is referred to as “qualifying expenditure”.
- (2) In relation to qualifying expenditure, references in section 3 of the principal Act to tariff receipts shall be construed as references to chargeable receipts falling within paragraph (a) or paragraph (b) of subsection (1) of the principal section.
- (3) If, on the relevant assumptions ^{F1} . . . , expenditure which was incurred in relation to a field asset but which is not qualifying expenditure would have qualified for supplement as mentioned in subsection (5) of section 3 of the principal Act, then, in relation to qualifying expenditure which relates to that field asset, subsection (5A) of that section shall have effect with the omission of paragraph (a).

Changes to legislation: There are currently no known outstanding effects for the Oil Taxation Act 1983, Cross Heading: Expenditure relief. (See end of Document for details)

^{F2}(4)

- (5) In relation to qualifying expenditure which is allowable expenditure within the meaning of Part II of Schedule 1 to this Act, in paragraph 8 of that Schedule—
- (a) any reference to disposal receipts shall be construed as a reference to chargeable receipts falling within subsection (1)(c) of the principal section; and
 - (b) any reference to tariff receipts shall be construed as a reference to other descriptions of chargeable receipts.

Textual Amendments

- F1** Words in Sch. 4 para. 11(3) repealed (16.7.1992 with effect in accordance with s. 74(5) of the repealing Act) by Finance (No. 2) Act 1992 (c. 48), ss. 74(5), 82, Sch. 15 para. 8(a), **Sch. 18 Pt.VIII**.
- F2** Sch. 4 para. 11(4) repealed (16.7.1992 with effect in accordance with s. 74(5) of the repealing Act) by Finance (No. 2) Act 1992 (c. 48), ss. 74(5), 82, Sch. 15 para. 8(b), **Sch. 18 Pt.VIII**.

Changes to legislation:

There are currently no known outstanding effects for the Oil Taxation Act 1983, Cross Heading:
Expenditure relief.