

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1987, SCHEDULE 10. (See end of Document for details)

SCHEDULES

SCHEDULE 10

NOMINATION SCHEME FOR DISPOSALS AND APPROPRIATION

Modifications etc. (not altering text)

- C1** For regulations supplementing and modifying Sch. 10 for certain cases see Part III (under “Petroleum Revenue Tax: nomination scheme for disposals and appropriations”)

Interpretation

1 (1) In this Schedule—

- “month” means calendar month;
“nominal volume” shall be construed in accordance with paragraph 7 below;
“nominated price” shall be construed in accordance with paragraph 6 below;
“nominated” means a nomination made in such manner as may be prescribed by regulations made by the Board;
“proposed sale”^{F1}... shall be construed in accordance with [F2paragraph (a)] of sub-paragraph (1) of paragraph 2 below;
“proposed delivery month” shall be construed in accordance with [F3paragraph 12A below];
“proposed transaction” means one falling within paragraph 2(1) below;
“regulations made by the Board” means regulations under section 61(8) of this Act; and
“Treasury regulations” means regulations under 61(7) of this Act.

^{F4}(2)

- [^{F5}(3) Where an amount of oil is required to be delivered to the [^{F6}OGA] pursuant to a notice served by [^{F7}it], any oil which is inadvertently delivered to him in excess of the amount required shall be treated for the purposes of sub-paragraph (2) above as delivered pursuant to the notice.]

Textual Amendments

- F1** Words in Sch. 10 para. 1(1) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(2\)\(a\)\(i\), Sch. 26 Pt. 5\(2\)](#)
- F2** Words in Sch. 10 para. 1(1) substituted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(2\)\(a\)\(iii\)](#)
- F3** Words in Sch. 10 para. 1(1) substituted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(2\)\(a\)\(ii\)](#)

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- F4** Sch. 10 para. 1(2) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(2\)\(b\), Sch. 26 Pt. 5\(2\)](#)
- F5** [Finance \(No. 2\) Act 1987 \(c. 51, SIF 63:1\), s. 101\(1\)\(5\)](#) and Sch. 8 para. 1 for calendar months in chargeable periods beginning with March 1987
- F6** Word in [Sch. 10 para. 1\(3\)](#) substituted (1.10.2016) by [The Petroleum \(Transfer of Functions\) Regulations 2016 \(S.I. 2016/898\), regs. 1\(2\), 9\(2\)\(a\)](#)
- F7** Word in [Sch. 10 para. 1\(3\)](#) substituted (1.10.2016) by [The Petroleum \(Transfer of Functions\) Regulations 2016 \(S.I. 2016/898\), regs. 1\(2\), 9\(2\)\(b\)](#)

Transactions which may be nominated

- 2 (1) The proposed transactions which may be nominated by a participator in an oil field for the purposes of this Schedule are—
- (a) proposed sales at arms’s length by the participator of specified quantities of oil for delivery from that oil field; and
 - ^{F8}(b)
 - ^{F9}(c)
 - ^{F10}(d)
 - ^{F11}
- (2) Where a proposed sale is nominated before a contract of sale comes into being, any reference in this Schedule to the contract of sale is a reference to the subsequent contract for the sale of oil in accordance with the terms of the nomination; and, accordingly, if no such contract of sale comes into being, the nomination of the proposed sale shall be of no effect.
- (3) A participator may not nominate a proposed sale if—
- (a) under the terms of the contract of sale as originally entered into, the party undertaking to sell the oil is someone other than the participator; or
 - (b) it is of a description prescribed for the purposes of this sub-paragraph by regulations made by the board.

- Textual Amendments**
- F8** [Sch. 10 para. 2\(1\)\(b\)](#) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(3\)\(a\), Sch. 26 Pt. 5\(2\)](#)
 - F9** [Sch. 10 para. 2\(1\)\(c\)](#) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(3\)\(a\), Sch. 26 Pt. 5\(2\)](#)
 - F10** [Sch. 10 para. 2\(1\)\(d\)](#) omitted (with effect in accordance with s. 150(14) of the amending Act) by virtue of [Finance Act 2006 \(c. 25\), s. 150\(3\)\(a\)](#)
 - F11** Words in [Sch. 10 para. 2\(1\)](#) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(3\)\(b\), Sch. 26 Pt. 5\(2\)](#)
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- Modifications etc. (not altering text)**
- C2** See [S.I. 1987 No. 1338](#) (in Part III) regns. 4–6—composite nominations

Period for which nomination has effect

^{F123}

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Textual Amendments

- F12** Sch. 10 para. 3 repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), s. 150(4), [Sch. 26 Pt. 5\(2\)](#)

Timing of nominations

- 4 ^{F13}(1) If a nomination is made during business hours it shall be effective only if—
- (a) it is made within the period of two hours beginning with the transaction base time, and
 - (b) it satisfies the requirements of paragraph 5.
- (1A) If a nomination is made outside business hours it shall be effective only if—
- (a) it is made within the period of two hours beginning with the transaction base time, and
 - (b) it satisfies the requirements of paragraph 5 or 5A.
- (1B) For the purposes of this paragraph—
- (a) the transaction base time of a proposed transaction is such time on such date as the Board shall prescribe by regulations, and
 - (b) “business hours” means the period beginning with 09.00 and ending with 17.00 (UK time) on a business day (within the meaning of the Bills of Exchange Act 1882 (c. 61)).]

^{F14}(2)

^{F15}^{F16}(2A)

(3) The [^{F17}transaction base time] prescribed for a proposed sale may be a [^{F18}time] earlier than the [^{F18}time] on which a legally binding agreement for the sale of the oil in question comes into being but may not be later than the [^{F18}time] on which there is an agreed price at which any oil which is to be delivered pursuant to the contract of sale will be sold.

^{F19}(4)

Textual Amendments

- F13** Sch. 10 para. 4(1)-(1B) substituted for Sch. 10 para. 4(1) (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), s. 150(5)(a)(15)
- F14** Sch. 10 para. 4(2) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), s. 150(5)(b), [Sch. 26 Pt. 5\(2\)](#)
- F15** Sch. 10 para. 4(2A) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), s. 150(5)(b), [Sch. 26 Pt. 5\(2\)](#)
- F16** Sch. 10 para. 4(2A) inserted (3.5.1994) by [1994 c. 9 s. 235\(3\)\(b\)](#)
- F17** Words in Sch. 10 para. 4(3) substituted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), s. 150(5)(c)(i)
- F18** Word in Sch. 10 para. 4(3) substituted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), s. 150(5)(c)(ii)
- F19** Sch. 10 para. 4(4) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), s. 150(5)(d), [Sch. 26 Pt. 5\(2\)](#)

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Content of nomination

- 5 (1) [^{F20}The requirements of this paragraph for a nomination in respect of a proposed transaction are],—
- (a) the name of the participator;
 - (b) ^{F21}..., the name of the person to whom the oil is to be [^{F22}sold];
 - (c) the field from which the oil is to be delivered ^{F23}...;
 - (d) the nominated price of the oil to be [^{F24}delivered]^{F25}...;
 - (e) the nominal volume of that oil;
 - (f) the proposed delivery month;
 - [^{F26}(g) the transaction base time; and]
 - (h) such other information as may be prescribed by the Board.
- (2) A nomination [^{F27}made under this paragraph] shall include a declaration that it is correct and complete and, in the case of a nomination of a proposed sale which is made before the contract of sale comes into being, shall also include a declaration that, to the best of the knowledge and belief of the participator making the nomination, a contract of sale will come into being in accordance with the terms of the nomination.
- (3) Where a participator fraudulently or negligently furnishes any incorrect information or makes any incorrect declaration in or in connection with a nomination [^{F28}made under this paragraph] he shall be liable to a penalty not exceeding £50,000 or, in the case of fraud, £100,000 [^{F29}and the nomination shall not be effective].

Textual Amendments

- F20** Words in Sch. 10 para. 5(1) substituted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(6\)\(a\)](#)
- F21** Words in Sch. 10 para. 5(1)(b) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(6\)\(b\), Sch. 26 Pt. 5\(2\)](#)
- F22** [Finance \(No. 2\) Act 1987 \(c. 51, SIF 63:1\), s. 101\(1\)\(5\)](#) and Sch. 8 para. 2(1) for calendar months in chargeable periods beginning with March 1987
- F23** Words in Sch. 10 para. 5(1)(c) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(6\)\(c\), Sch. 26 Pt. 5\(2\)](#)
- F24** Word in Sch. 10 para. 5(1)(d) substituted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(6\)\(d\)](#)
- F25** Words in Sch. 10 para. 5(1)(d) repealed (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(6\)\(c\), Sch. 26 Pt. 5\(2\)](#)
- F26** Sch. 10 para. 5(1)(g) substituted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(6\)\(e\)](#)
- F27** Words in Sch. 10 para. 5(2) inserted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(6\)\(f\)](#)
- F28** Words in Sch. 10 para. 5(3) inserted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(6\)\(g\)](#)
- F29** [Finance \(No. 2\) Act 1987 \(c. 51, SIF 63:1\), s. 101\(1\)\(5\)](#) and Sch. 8 para. 2(2) for calendar months in chargeable periods beginning with March 1987

Modifications etc. (not altering text)

- C3** See [S.I. 1987 No. 1338](#) (in Part III) regn. 3 for the manner of making nominations and regns. 6 and 20 for the modification of para. 5(1) in the case of composite nominations and blended oil respectively

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[^{F30}5A(1) The requirements of this paragraph for a nomination in respect of a proposed transaction are—

- (a) the name of the participator or of the group of which the participator is a member;
- (b) the name of the person to whom the oil is to be sold, or the name of the group of which that person is a member;
- (c) the blend or grade of oil to be delivered;
- (d) the nominated price of the oil to be delivered;
- (e) the nominal volume of the oil;
- (f) the proposed delivery month;
- (g) the transaction base time; and
- (h) such other information as may be prescribed by the Board.

(2) In sub-paragraph (1) “group” has the meaning given by section 53 of the Companies Act 1989.

Textual Amendments

F30 Sch. 10 paras. 5A, 5B inserted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(7\)](#)

5B (1) A nomination of a transaction shall not be effective unless oil is delivered pursuant to a contract at arm's length the terms of which incorporate the information specified in the nomination in accordance with paragraph 5(1) or 5A(1).

(2) But—

- (a) a contract need not refer to the transaction base time, and
- (b) the nomination shall be effective whether or not delivery takes place in the proposed delivery month specified in the nomination and the contract.]

Textual Amendments

F30 Sch. 10 paras. 5A, 5B inserted (with effect in accordance with s. 150(14) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 150\(7\)](#)

Nominated price

6 (1) ^{F31}... in the case of a proposed sale, the “nominated price”, in relation to the oil which is to be delivered pursuant to the sale, is the price specified in the contract of sale (expressed as a unit price) or, as the case may be, the formula under which, in accordance with the contract, the price for that oil (as so expressed) is to be determined.

^{F32}(2)

^{F33}(3)

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Textual Amendments

- F31** Words in Sch. 10 para. 6(1) repealed (with effect in accordance with s. 150(14) of the amending Act) by Finance Act 2006 (c. 25), s. 150(8)(a), Sch. 26 Pt. 5(2)
- F32** Sch. 10 para. 6(2) repealed (with effect in accordance with s. 150(14) of the amending Act) by Finance Act 2006 (c. 25), s. 150(8)(b), Sch. 26 Pt. 5(2)
- F33** Sch. 10 para. 6(3) repealed (with effect in accordance with s. 150(14) of the amending Act) by Finance Act 2006 (c. 25), s. 150(8)(b), Sch. 26 Pt. 5(2)

Modifications etc. (not altering text)

- C4** See S.I. 1987 No. 1338 (in Part III) regn. 18 for conversion of nominated price into sterling

Nominal volume

- 7 (1) Subject to sub-paragraph (3) below, in the case of a proposed sale, the nominal volume means the quantity of oil which it is proposed should be delivered under the contract of sale in the proposed delivery month.
- ^{F34}(2)
- (3) In the case of any proposed transaction, the nominal volume means the quantity of oil expressed in such manner as may be prescribed by regulations made by the Board.
- (4) In any case where—
- (a) apart from this sub-paragraph, the nominal volume in any proposed transaction would be expressed as a specific volume of oil, plus or minus a particular tolerance, and
 - (b) that tolerance exceeds the limits prescribed for the purposes of this Schedule by regulations made by the Board,
- the nominal volume shall for those purposes be taken to be the specific volume referred to in paragraph (a) above, plus or minus the maximum tolerance permitted by the regulations.
- ^{F35}(5)
- [^{F36}(6) The Board may by regulations prescribe that in specified circumstances the nominal volume in relation to a delivery shall be treated as greater or less than the nominal volume ascertained in accordance with the preceding provisions of this paragraph.
- (7) Regulations under sub-paragraph (6)—
- (a) shall be made by statutory instrument, and
 - (b) may not be made unless a draft has been laid before and approved by resolution of the House of Commons.]

Textual Amendments

- F34** Sch. 10 para. 7(2) omitted (with effect in accordance with s. 150(14) of the amending Act) by virtue of Finance Act 2006 (c. 25), s. 150(9)
- F35** Sch. 10 para. 7(5) omitted (with effect in accordance with s. 150(14) of the amending Act) by virtue of Finance Act 2006 (c. 25), s. 150(9)
- F36** Sch. 10 para. 7(6)(7) inserted (with effect in accordance with s. 150(14) of the amending Act) by Finance Act 2006 (c. 25), s. 150(10)

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Modifications etc. (not altering text)

C5 See S.I. 1987 No. 1338 (in Part III) regn. 9

Revision of nominations

F37⁸

Textual Amendments

F37 Sch. 10 paras. 8-11 repealed (with effect in accordance with s. 150(14) of the amending Act) by Finance Act 2006 (c. 25), s. 150(11), Sch. 26 Pt. 5(2)

Effective volume for nominated transactions

F37⁹

Textual Amendments

F37 Sch. 10 paras. 8-11 repealed (with effect in accordance with s. 150(14) of the amending Act) by Finance Act 2006 (c. 25), s. 150(11), Sch. 26 Pt. 5(2)

Aggregate effective volume for a month

F37¹⁰

Textual Amendments

F37 Sch. 10 paras. 8-11 repealed (with effect in accordance with s. 150(14) of the amending Act) by Finance Act 2006 (c. 25), s. 150(11), Sch. 26 Pt. 5(2)

Aggregate nominated proceeds for a month

F37¹¹

Textual Amendments

F37 Sch. 10 paras. 8-11 repealed (with effect in accordance with s. 150(14) of the amending Act) by Finance Act 2006 (c. 25), s. 150(11), Sch. 26 Pt. 5(2)

Blended oil

12 [F38(1) If a person is a participator in two or more oil fields which, in relation to any blended oil, are or are included among the originating fields, then, in accordance with regulations made by the Board, he may make a nomination, having effect with respect to all the originating fields in which he is a participator, of a proposed sale^{F39} ... of the blended oil]; and the preceding provisions of this Schedule shall have effect in relation to such a nomination subject to such modifications as may be prescribed by regulations made by the Board.

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[^{F38}(2) In sub-paragraph (1) above “ blended oil ” and “ the originating fields ” have the same meaning as in section 63 of this Act.]

Textual Amendments

- F38** *Finance (No. 2) Act 1987 (c. 51, SIF 63:1), s. 101(1)(5)* and Sch. 8 para. 6 for calendar months in chargeable periods beginning with March 1987
- F39** Words in *Sch. 10 para. 12(1)* repealed (with effect in accordance with s. 150(14) of the amending Act) by *Finance Act 2006 (c. 25), s. 150(12), Sch. 26 Pt. 5(2)*

Modifications etc. (not altering text)

- C6** See S.I. *1987 No. 1338* (in Part III) regn. 19
- C7** See S.I. *1987 No. 1338* (in Part III) regn. 20

[^{F40} Interpretation

Textual Amendments

- F40** Sch. 10 para. 12A and cross-heading inserted (with effect in accordance with s. 150(14) of the amending Act) by *Finance Act 2006 (c. 25), s. 150(13)*

- 12A For the purposes of section 61 and this Schedule—
- (a) a reference to the proposed delivery month in relation to a proposed transaction is a reference to the month in which delivery is to take place,
 - (b) “ relevant delivery ” means a delivery of oil under a contract made at arm’s length in respect of which there has been no effective nomination, and
 - (c) “ delivery proceeds ” means the price received for a relevant delivery.]

Returns

- 13 In paragraph 2 of Schedule 2 to the principal Act (returns by participators) at the end of sub-paragraph (3) there shall be inserted the following sub-paragraph—
- “(3A) A return under this paragraph for a chargeable period shall—
- (a) state the amount (if any) which, in the case of the participator, is to be brought into account for that period in accordance with section 2(5)(e) of this Act;
 - (b) contain such particulars as the Board may prescribe (whether before or after the passing of the Finance Act 1987) with respect to any nominated transaction under Schedule 10 to that Act—
 - (i) the effective volume of which forms part of the participator’s aggregate effective volume (construing those terms in accordance with that Schedule) for any calendar month comprised in that chargeable period; and
 - (ii) which has not led to deliveries of oil or relevant appropriations of which particulars are included in the return by virtue of sub-paragraph (2) above; and

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- (c) contain such other particulars as the Board may prescribe (as mentioned above) in connection with the application of section 61 of and Schedule 10 to the Finance Act 1987.”

Modifications etc. (not altering text)

- C8** Part of the text of Sch. 10 para. 13 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

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