



Finance Act 1987

1987 CHAPTER 16

PART V

OIL TAXATION

66 Oil allowance: adjustment for final periods.

- (1) For the purposes of this section—
 - (a) “the final allocation period”, in relation to an oil field, means the chargeable period of that field in which section 8(6)(b) of the principal Act applies (the earliest chargeable period in which oil allowance is subject to “the necessary restriction” in order to confine it within the overall maximum); and
 - (b) “the penultimate period”, in relation to an oil field, means the chargeable period of that field which immediately precedes the final allocation period;and any reference in this section to the two final periods is a reference to the final allocation period and the penultimate period.
- (2) The following provisions of this section apply if the responsible person gives notice to the Board (in this section referred to as an “apportionment notice”) specifying the manner in which the oil allowance for the field is to be apportioned between the participators in each of the two final periods, being a manner designed—
 - (a) to produce, so far as practicable, the result specified in subsection (4) below, being a result which, in the circumstances of the case, could not be achieved under section 8(6)(b) of the principal Act; and
 - (b) to secure that adjustments in a participator’s share of the oil allowance are made in the final allocation period in preference to the penultimate period.
- (3) An apportionment notice shall be of no effect unless—
 - (a) it is given not later than six months after the expiry of the final allocation period; and
 - (b) not later than the date of the notice the responsible person notifies the Board in accordance with paragraph (b) of subsection (6) of section 8 of the principal

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- Act of the manner in which the necessary restriction, as defined in that subsection, is to be apportioned between the participators; and
- (c) it specifies a period for each of paragraphs (a) and (b) of subsection (4) below; and
 - (d) it contains such information as the Board may prescribe for the purpose of showing how, or to what extent, the apportionment of the oil allowance achieves the result specified in subsection (4) below.
- (4) The result referred to in subsection (2) above is that the respective shares of the oil allowance utilised by each of two or more participators specified in the apportionment notice bear to each other the same proportion as their respective shares in oil won and saved from the field and, for this purpose—
- (a) a participator's share of the oil allowance means the total amount of the allowance utilised by him over the period specified for the purpose of this paragraph in the apportionment notice; and
 - (b) a participator's share in oil won and saved from the field means the total of the oil included in his share of oil won and saved from the field (as specified in returns under Schedule 2 to the principal Act) over the period specified for the purposes of this paragraph in the apportionment notice, being a period which includes that specified for the purposes of paragraph (a) above.
- (5) If the Board are satisfied that an apportionment notice complies with subsections (2) to (4) above, they shall give notice to the responsible person accepting the apportionment notice and, on the giving of that notice—
- (a) the apportionment specified in the apportionment notice shall, as respects the two final periods, have effect as if it were the apportionment resulting from section 8(2) of the principal Act; and
 - (b) all such amendments of assessments to tax and determinations shall be made as may be necessary in consequence of paragraph (a) above.
- (6) If the Board are not satisfied that an apportionment notice complies with subsections (2) to (4) above, they shall give notice to the responsible person rejecting the apportionment notice and, where the Board give such a notice, the responsible person may, by notice in writing given to the Board within thirty days after the date of the notice of rejection, appeal^{F1}... against the notice.
- (7) Where notice of appeal is given under subsection (6) above—
- (a) if, at any time after the giving of the notice and before the determination of the appeal by the [^{F2}tribunal], the Board and the appellant agree that the apportionment notice should be accepted or withdrawn or varied, the same consequences shall ensue as if the [^{F2}tribunal] had determined the appeal to that effect;
 - (b) if [^{F3}the appeal is notified to the tribunal and] it appears to the [^{F4}tribunal] that the apportionment notice should be accepted, with or without modifications, [^{F5}the tribunal shall] allow the appeal and, where appropriate, make such modifications of the apportionment specified in the notice as [^{F6}the tribunal thinks] fit; and
 - (c) where the appeal is allowed, subsection (5) above shall apply as if the apportionment notice (subject to any modifications made by the [^{F7}tribunal]) had been accepted by the Board.
- [^{F8}(8) Paragraphs 14(2), (8) and (11) and 14A to 14I of Schedule 2 to the principal Act shall apply in relation to an appeal under subsection (6) as they apply in relation to an appeal

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against an assessment or determination made under that Act subject to the following modifications—

- (a) any reference in those paragraphs to a participator is to be construed as a reference to the responsible person by whom notice of appeal is given;
- (b) any reference to an agreement under paragraph 14(9) shall be construed as a reference to an agreement under subsection (7)(a) above;
- (c) any other modifications that are necessary.]

(9) This section applies where the final allocation period ends on or after 30th June 1987.

Textual Amendments

- F1** Words in s. 66(6) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 129(2)**
- F2** Word in s. 66(7)(a) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 129(3)(a)**
- F3** Words in s. 66(7)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 129(3)(b)(i)**
- F4** Word in s. 66(7)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 129(3)(b)(ii)**
- F5** Words in s. 66(7)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 129(3)(b)(iii)**
- F6** Words in s. 66(7)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 129(3)(b)(iv)**
- F7** Word in s. 66(7)(c) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 129(3)(c)**
- F8** S. 66(8) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 129(4)**

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1987, Section 66.