
Changes to legislation: Finance Act 1994, SCHEDULE 23 is up to date with all changes known to be in force on or before 02 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 23

Section 236.

AMENDMENTS OF THE PRINCIPAL ACT RELATING TO VALUATION OF LIGHT GASES

- 1 (1) In section 2 (assessable profits and allowable losses), in subsection (5) (amounts to be included in calculation of gross profit or loss) in each of paragraphs (b) and (c), after the word “oil”, in the first place where it occurs, there shall be inserted “ (not being light gases) ” and after paragraph (c) there shall be inserted—
 - “(ca) the market value, ascertained in accordance with paragraph 3A of Schedule 3 to this Act, of so much of any light gases so won and disposed of by him otherwise than in sales at arm’s length as was delivered by him in the period; and
 - (cb) the market value, ascertained in accordance with paragraph 3A of Schedule 3 to this Act, of so much of any light gases so won as was relevantly appropriated by him in the period without being disposed of; and”.
- (2) In subsection (9) of that section (amounts to be taken into account in determining amount of debit or credit in respect of expenditure), in paragraph (a)—
 - (a) in sub-paragraph (i) the words “or, as the case may be” shall be omitted;
 - (b) in that sub-paragraph after the words “delivery was made” there shall be inserted the words “ or (in the case of light gases) its market value as determined in accordance with paragraph 3A of Schedule 3 to this Act, as the case may require ”; and
 - (c) at the end of sub-paragraph (ii) there shall be inserted the words “ or (in the case of light gases) the market value as determined in accordance with paragraph 3A of Schedule 3 to this Act ”.
- 2 In Schedule 2 (management and collection of PRT), in paragraph 2(2) (returns by participators), in paragraph (a)(iii) after the words “delivery was made” and in paragraph (b)(ii) after the word “made” there shall be inserted the words “ or (in the case of light gases) the market value as determined in accordance with paragraph 3A of Schedule 3 to this Act ”.
- 3 (1) In Schedule 3 (miscellaneous provisions relating to PRT), in paragraph 2 (definition of market value of oil)—
 - (a) at the beginning of sub-paragraph (1) there shall be inserted the words “ Except in the case of light gases ”; and
 - (b) at the end of that sub-paragraph there shall be added the words “ and, accordingly, references in the following provisions of this paragraph to oil do not apply to light gases ”.
- (2) In paragraph 2A of that Schedule (definition of market value of oil consisting of or including gas), after sub-paragraph (1) there shall be inserted the following sub-paragraph—

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“(1A) Sub-paragraphs (2) and (3) below also apply where the market value of any light gases falls to be ascertained under paragraph 3A below.”

- (3) In sub-paragraph (2) of paragraph 2A, after the words “paragraph 2 above”, in each place where they occur, there shall be inserted “ or, as the case may require, sub-paragraph (2)(b) of paragraph 3A below ”.
 - (4) In sub-paragraph (3) of paragraph 2A, after the words “paragraph 2”, in the first place where they occur, there shall be inserted “ or, as the case may require, in accordance with paragraph 3A below ”.
 - (5) Sub-paragraph (4) of paragraph 2A shall be omitted.
- 4 After paragraph 3 of Schedule 3 (aggregate market value of oil) there shall be inserted—

“ Definition of market value of light gases

- 3A (1) The market value of any light gases for the purposes of this Part of this Act is the price at which, having regard to all the circumstances relevant to the disposal or appropriation in question, light gases of that kind might reasonably have been expected to be sold under a contract of sale satisfying the conditions specified in sub-paragraph (2) below.
- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the contract is for the sale of the gases at arm’s length to a willing buyer;
 - (b) the contract requires the gases to have been subjected to appropriate initial treatment before delivery; and
 - (c) the contract requires the gases to be delivered—
 - (i) in the case of gases extracted in the United Kingdom, at the place of extraction; or
 - (ii) in the case of gases extracted from strata in the sea bed and subsoil of the territorial sea of the United Kingdom or of a designated area, at the place in the United Kingdom or another country at which the seller could reasonably be expected to deliver the gases or, if there is more than one such place, the one nearest to the place of extraction.
- (3) If the circumstances referred to in sub-paragraph (1) above are such that the price referred to in that sub-paragraph might reasonably be expected to include—
- (a) any such payments as are referred to in subsection (2) of section 114 of the Finance Act 1984 (treatment of certain payments relating to gas sales), or
 - (b) any capacity payments, as defined in subsection (5) of that section,
- section 114 of the Finance Act 1984 shall apply accordingly in relation to the notional contract specified in sub-paragraph (1) above as it applies in relation to an actual contract.

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- (4) This paragraph has effect subject to sub-paragraphs (2) and (3) of paragraph 2A above.”

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 16A(2)(g) inserted by [2023 c. 30 Sch. 13 para. 28](#)
- s. 160(2)-(7) modified by 2010 c. 8 s. 464(6) (as inserted) by [2017 c. 32 Sch. 5 para. 1](#)
- Sch. 5 para. 2(1)(pa) inserted by [S.I. 2022/109 reg. 4](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)