



Finance Act 1999

1999 CHAPTER 16

PART IV

OIL TAXATION

98 Qualifying assets.

- (1) Subsection (2) below applies where—
 - (a) an asset which is not a mobile asset is a qualifying asset for the purposes of the ^{M1}Oil Taxation Act 1983 in relation to a person (“the taxpayer”) who is a participator in an oil field (“the field”);
 - ^{F1}(ba) Chapter 16A of Part 2 of the Income Tax (Trading and Other Income) Act 2005 (oil activities).]
 - (d) not more than two chargeable periods intervene between the earlier period and the later period.
- (2) The Oil Taxation Acts shall have effect, in relation to the later period and any subsequent chargeable period, as if—
 - (a) receipts of the taxpayer which are referable to the asset for the period concerned were tariff receipts [^{F2}, tax-exempt tariffing receipts] or disposal receipts attributable to the field for that period; and
 - (b) in a case falling within subsection (1)(c)(i) above, the taxpayer continued to be a participator in the field.
- (3) Subsection (4) below applies where—
 - (a) an asset which is not a mobile asset is a qualifying asset for the purposes of the Oil Taxation Act 1983 in relation to a person (“the taxpayer”) who is a participator in an oil field (“the field”);
 - (b) tariff receipts [^{F2}, tax-exempt tariffing receipts] or disposal receipts of the taxpayer which are referable to the asset are attributable to the field for a chargeable period (“the earlier period”);
 - (c) in a subsequent chargeable period (“the later period”) the taxpayer disposes of—

Changes to legislation: Finance Act 1999, Section 98 is up to date with all changes known to be in force on or before 26 April 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

- (i) the asset; or
 - (ii) an interest in the asset,

to another person (“the transferee”) in circumstances such that section 7 of the Oil Taxation Act 1983 does not apply to the disposal; and
 - (d) not more than two chargeable periods intervene between the earlier period and the later period.
- (4) The Oil Taxation Acts shall have effect, in relation to the later period and any subsequent chargeable period, as if—
- (a) receipts of the transferee which are referable to the asset for the period concerned were tariff receipts [^{F2}, tax-exempt tariffing receipts] or disposal receipts attributable to the field for that period; and
 - (b) the transferee were a participator in the field.
- (5) Subject to subsection (6) below, any reference in this section to receipts of any person which are referable to the asset for a period is a reference to any sums which—
- (a) are received or receivable by that person in that period in respect of the use of the asset, or the provision of services or other business facilities of whatever kind in connection with its use; or
 - (b) are received or receivable by that person in respect of the disposal in that period of the asset, or an interest in the asset.
- (6) In a case falling within subsection (3)(c)(ii) above—
- (a) any sums which are received or receivable by the transferee otherwise than by virtue of his acquisition of the interest shall not be regarded for the purposes of subsection (4) above as receipts of his which are referable to the asset for any period; and
 - (b) for the purposes of paragraph (a) above, such apportionments shall be made as may be just and reasonable.
- [^{F3}(6A) In relation to tax-exempt tariffing receipts, any reference in this section—
- (a) to being attributable to a field for a period, or
 - (b) to being referable to an asset,
- shall be construed as if tax-exempt tariffing receipts were tariff receipts (and expenditure were or had been allowable accordingly).]
- (7) This section shall be construed as one with Part I of the ^{M2}Oil Taxation Act 1975; and in this section “the Oil Taxation Acts” means—
- (a) the enactments relating to petroleum revenue tax (including this section);
 - [^{F4}(aa) Part 8 of the Corporation Tax Act 2010 (oil activities); and]
 - [^{F1}(ba) Chapter 16A of Part 2 of the Income Tax (Trading and Other Income) Act 2005 (oil activities).]
- (8) Nothing in this section shall be taken to affect the meaning of “participator” in paragraph 4 of Schedule 2 to the principal Act.
- (9) Subject to subsection (11) below, subsection (1) above applies where—
- (a) the disposal by virtue of which the taxpayer ceased to be a participator in the field; or
 - (b) the acquisition by virtue of which he became a participator in the other oil field,
- was made on or after 1st July 1999.

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- (10) Subject to subsection (11) below, subsection (3) above applies where the asset, or the interest in the asset, was disposed of on or after that date.
- (11) Neither subsection (1) nor subsection (3) above applies where the disposal or acquisition concerned was made pursuant to an agreement which was made before 1st July 1999 and either—
- (a) the agreement was not conditional; or
 - (b) the agreement was conditional and the condition was satisfied before that date.

Textual Amendments

- F1** S. 98(7)(ba) substituted for s. 98(7)(b)(c) (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 8 para. 188** (with [Sch. 9 paras. 1-9, 22](#))
- F2** Words in s. 98 inserted (with effect in accordance with s. 285(8) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), **Sch. 37 para. 12(2)** (with [Sch. 37 Pt. 2](#))
- F3** S. 98(6A) inserted (with effect in accordance with s. 285(8) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), **Sch. 37 para. 12(3)** (with [Sch. 37 Pt. 2](#))
- F4** S. 98(7)(aa) inserted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 302** (with [Sch. 2](#))

Marginal Citations

- M1** 1983 c.56.
M2 1975 c.22.

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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):

- Sch. 17 para. 6 - 8 Sch. 19 Pt. 1-III repealed (prosp.) by 1999 c. 16 s. 123(3)s.
[123\(4\)139Sch. 20 Pt. 5\(6\) Note](#)