Finance Act 2009 (c. 10)
SCHEDULE 44 – Supplementary charge: reduction for certain new oil fields
Document Generated: 2024-05-03

1

Status: *This is the original version (as it was originally enacted).*

SCHEDULES

SCHEDULE 44

SUPPLEMENTARY CHARGE: REDUCTION FOR CERTAIN NEW OIL FIELDS

PART 3

FIELD ALLOWANCE: WHEN HELD AND UNACTIVATED AMOUNT

Initial licensee to hold a field allowance

5   (1) A company that is an initial licensee in a new oil field is to hold a field allowance for that field as from the beginning of the authorisation day.

(2) The amount of the field allowance which the licensee is to hold at that time is—

$$T \times S$$

where—

T is the amount of the total field allowance for the field (see paragraph 24), and
S is the share of the equity in the field which the initial licensee has at the beginning of the authorisation day.

Holding a field allowance on acquisition of equity share

6   For provision about holding a field allowance by virtue of the acquisition of a share of the equity in a new oil field, see paragraph 15(2).

Unactivated amount of a field allowance

7   (1) This paragraph applies if a company holds a field allowance for a new oil field by virtue of paragraph 5 or 15(2).

(2) The unactivated amount of that allowance at a particular time ("the relevant time") is—

$$(R + E) - (A + D)$$

where—

R is the amount of the field allowance which the company held before the relevant time by virtue of paragraph 5 or 15(2),
E is the total amount of the field allowance received before the relevant time by virtue of paragraph 15(1) (company already holding field allowance acquires equity share),
A is the total amount of the field allowance activated in respect of—
    (a) accounting periods ending before the relevant time, or
    (b) reference periods ending before the relevant time, and

2

Finance Act 2009 (c. 10)
SCHEDULE 44 – Supplementary charge: reduction for certain new oil fields
Document Generated: 2024-05-03

D is the total amount of reductions in the field allowance made before the relevant time by virtue of paragraph 14 (company disposes of equity share).

(3) A company ceases to hold a field allowance for a new oil field if the unactivated amount of that allowance falls to nil.