



# Finance Act 2015

## 2015 CHAPTER 11

### PART 1

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 4

#### OTHER PROVISIONS

#### *Oil and gas*

#### **47 Extension of ring fence expenditure supplement**

Schedule 11 contains provision enabling the ring fence expenditure supplement to be claimed for an additional 4 accounting periods (and as a result repeals provision for the extended ring fence expenditure supplement for onshore activities).

#### **48 Reduction in rate of supplementary charge**

- (1) In section 330 of CTA 2010 (supplementary charge in respect of ring fence trades), in subsection (1), for “32%” substitute “ 20% ”.
- (2) The amendment made by subsection (1) has effect in relation to accounting periods beginning on or after 1 January 2015 (but see also subsection (3)).
- (3) Subsections (4) to (6) apply where a company has an accounting period beginning before 1 January 2015 and ending on or after that date (“the straddling period”).
- (4) For the purpose of calculating the amount of the supplementary charge on the company for the straddling period—
  - (a) so much of that period as falls before 1 January 2015, and so much of that period as falls on or after that date, are treated as separate accounting periods, and

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2015, Cross Heading: Oil and gas. (See end of Document for details)*

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- (b) the company's adjusted ring fence profits for the straddling period are apportioned to the two separate accounting periods in proportion to the number of days in those periods.
- (5) Sections 330A and 330B of CTA 2010 do not apply in relation to the straddling period (but do apply in relation to the separate accounting period ending on 31 December 2014).
- (6) The amount of the supplementary charge on the company for the straddling period is the sum of the amounts of supplementary charge that would, in accordance with subsections (4) and (5), be chargeable on the company for those separate accounting periods.
- (7) In this section—  
“adjusted ring fence profits” has the same meaning as in section 330 of CTA 2010;  
“supplementary charge” means any sum chargeable under section 330(1) of CTA 2010 as if it were an amount of corporation tax.

**49 Supplementary charge: investment allowance**

Schedule 12 contains provision about the reduction of adjusted ring fence profits by means of an investment allowance.

**50 Supplementary charge: cluster area allowance**

Schedule 13 contains provision about the reduction of adjusted ring fence profits by means of a cluster area allowance.

**51 Amendments relating to investment allowance and cluster area allowance**

Schedule 14 contains further amendments related to the amendments made by Schedules 12 and 13.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2015, Cross Heading: Oil and gas.