HMRC - OT04120 - Deferral Of Returns

FA99\S102

To reflect the fact that a number of fields within the charge to PRT may not pay tax and to ease the compliance burdens FA99\S102 was enacted to enable the companies to defer the submission of returns for particular fields for limited or indefinite periods.

OT19200 sets out the conditions that LB Oil and Gas initially applied in order to determine whether a return could be deferred. Industry’s take up of the option to defer was limited due to the stipulation that in certain circumstances returns would be required for all previously deferred periods. In order to encourage deferral in those cases where it is envisaged that no PRT liability will ever arise LB Oil & Gas [in consultation with industry] has developed an alternative procedure.

Under this new regime there is an annual information requirement, but in return for this LB Oil and Gas is able to agree that no returns will ever be required for those periods where no PRT liability arises. Deferral under the new system has the advantage of determining Oil Allowance usage and therefore providing certainty for participators. See OT19225 for details.

Companies still have the option of deferring under the original rules if they so wish.

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