HMRC - OT05310 - Crude Oils And Products - Loading Slots

For tax purposes, a loading slot is usually the period of three days that was originally specified by the terminal (or offshore loading facility) operator as the period in which loading would take place. It is a normal feature of terminal operation that loading slots can and will change. So if a loading slot is changed by the terminal operator, or with their agreement, then the NDD will change accordingly. But note, this is subject to the limitation that only changes up to and including the last day of the month preceding delivery will change the NDD- changes of loading slot, whether agreed or not with the terminal operator, after that day will have no effect on the NDD (OTA75\Sch3\Para1A(8 & 9)).

Note again that the NDD can be a day that is outside the chargeable period into which the tax point falls.

Should commercial practice change, the power to regulate at OTA75\Sch3\para1A(10)\* will be invoked to amend the definition of loading slot to accommodate this change.

Loading slots that are not three days

These are catered for by OTA75\Sch3\Para2 (2G), (2H) and (2I). If there is no 3-day loading slot, the mechanisms described above will be inappropriate for determining the NDD. However, they will be modified slightly to determine the NDD under such circumstances.

These modifications are as follows:

For a commercial loading slot with an odd number of days: the Loading Slot for tax purposes will be the middle day of such a period.

(note the legislation defines a loading slot as being a three day period, so technically it will not work for a 5-day loading slot, even if , for all practical purposes, the same conceptual rule is being applied).

For a commercial loading slot with an even number of days: the Loading Slot for tax purposes will be the second of the two middle days of such a period. For example, for a 2-day loading slot, the NDD will be the second of these two days.

These modifications are not laid out specifically in the legislation. However, they will be the solution that LB Oil & Gas will apply in such circumstances, under the authority of OTA75\Sch3\Para2(2G).

This process will produce a single day that is used as the starting point for the calculation of the market value of a cargo. That cargo will also have a tax point, which may well differ from its valuation point.

Footnote:

inserted by FA06\S146(1).

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