HMRC - OT05540 - PRT: Royalty - Chargeable Or Allowable

PRT Royalty was abolished with effect from 1 January 2003.

FA81\S118 allows for the inclusion in the licence debit or credit computation of amounts paid to and by the Secretary of State that are not already allowed in the computation, that are not expressly disallowed (S41 repayments and royalties on excluded oil) and that are not interest.

This section was largely designed to allow deductions for payments made in respect of the conveying and treatment of oil delivered to the Secretary of State as royalty in kind (RIK). As RIK ceased to be taken after 31 December 1988 it will be unusual to see any entry under this heading in the licence debit and credit computation.

It must be noted however that the debit or credit in respect of this provision is based on the amount paid or repaid in the period and not the amount payable or repayable.

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