HMRC - OT14400 - Allowance - Examples

Examples

Example A

Oil delivered and appropriated as returned:

CP1 - £2m

CP2 - £3m

CP3 - £4m

CP1: No expenditure claims are made or allowed.

CP2: No expenditure claims are made or allowed.

CP3: No expenditure claims are made or allowed.

Example B

Oil delivered and appropriated as returned:

CP1 - £2m

CP2 - £3m

CP3 - £4m

CP1: Claim of £200,000 under Schedule 6, but no expenditure allowed.

CP2: £50,000 of the above Schedule 6 claim is allowed.

There is no clawback of any provisional allowance for the last but one preceding period - this is only CP2 - but the OTA75\S2(10)(a) increase for the period has to be calculated. This is the lesser of

CP3: Again a revision is needed

There is no OTA75\S2(10)(a) increase as no expenditure incurred in the previous chargeable period (CP2) has been allowed in CP3. But as there was an increase for CP2, OTA75\S(10)(b) is triggered in CP3 to reduce the clawback by the amount of that increase.

Example A

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CP3 - £4m

CP1: No expenditure claims are made or allowed.

CP2: No expenditure claims are made or allowed.

CP3: No expenditure claims are made or allowed.

Example B

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CP1 - £2m

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