HMRC - OT15770 - Qualifying Tariff Receipts Referable To Different Periods - Example 2

Example 2: Calculation of TRA: Straddling and ‘Normal’ Tariff Receipts

The treatment of the straddling receipt is as in example 1. In CP3 there are also ‘normal’ tariff receipts of £6m relating to 250,000 metric tonnes of different oil.

Calculate TRA by reference to notional straddling receipt of CP3 and normal tariff receipts:

A = £15m + £6m = £21m

B = 250,000 metric tonnes

C = 1,500,000 + 250,000 = 1,750,000 metric tonnes

TRA cash equivalent (AxB/C) is therefore:

£21m (A) x (250,000 (B)/1,750,000 (C)) = £3m

Then deduct TRA on notional straddling receipt in CP3, i.e. £2.5m

TRA due for ‘normal’ tariff receipts is therefore £0.5m (£3m - £2.5m).

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