HMRC - OT17525 - PRT: Safeguard - Outline

Safeguard, like oil allowance (see OT17025), is part of a package of measures designed to ensure that PRT does not bear unduly on smaller, more marginally economic fields. Its intention is to guarantee companies a specific return on their capital before they have to pay PRT, but availability of relief is limited to in each case a prescribed number of chargeable periods, see OT17600. Safeguard is an overriding relief. In other words, the safeguard reduction is only applicable once all expenditure and other reliefs have been taken account of in the PRT computation.

Calculation of the relief is dealt with at OT17550.

Legislation counteracting the deferral of expenditure claims is covered at OT17750.

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